

Promoting Work in Public Housing The Effectiveness of Jobs-Plus Final Report

Howard S. Bloom, James A. Riccio, Nandita Verma, with Johanna Walter

Can a multicomponent employment initiative that is located in public housing developments help residents work, earn more money, and improve their quality of life? The Jobs-Plus Community Revitalization Initiative for Public Housing Families (Jobs-Plus, for short) sought to achieve these ambitious goals in difficult environments. Operated as a special demonstration project in selected housing developments in six U.S. cities, Jobs-Plus was sponsored by a consortium of public and private funders led by the U.S. Department of Housing and Urban Development and the Rockefeller Foundation. MDRC, a nonprofit social policy research firm, managed the demonstration and evaluated the program.

This final MDRC report on the initiative assesses the program’s success in achieving key outcomes for residents and their housing developments. It analyzes the program’s effects — or “impacts” — on residents’ employment rates, average earnings, and welfare receipt by comparing the outcomes for residents of the Jobs-Plus developments with the outcomes for their counterparts in similar “comparison” developments that did not implement the program. (Because housing developments were allocated randomly to the Jobs-Plus or comparison group, their outcomes provide an especially rigorous basis for estimating program impacts.) The report also examines changes in social and material conditions at the developments.

In summary, the findings show that:

- For all sites combined, Jobs-Plus produced positive impacts on residents’ earnings, whether or not the residents continued living in their developments.
- These overall effects were driven primarily by large and sustained impacts in three sites (in Dayton, Los Angeles, and St. Paul) where the implementation of Jobs-Plus was stronger and more complete. A fourth site (Seattle) had strong early earnings effects that ended when residents were displaced by a federal Hope VI renovation project. The program had no earnings effects in two sites (Baltimore and Chattanooga) that did not fully implement Jobs-Plus.

- These impacts were more likely to translate into higher earnings in the housing development as a whole in sites where fewer residents moved out. However, the program’s effects did not spark changes in broader social conditions.
- In the stronger implementation sites, Jobs-Plus had positive earnings impacts for many different types of residents, striking earnings effects for immigrant men, positive but smaller impacts on residents’ employment rates, and no impact on residents’ welfare receipt (because rates were dropping precipitously among all welfare recipients).

These findings offer lessons to policymakers and program administrators about a number of important issues, including the considerable willingness and ability of public housing residents to enter the labor market, the importance of rent-based financial incentives as a program “hook” and a driver of the positive earnings impacts, and the critical role of housing authority leadership in the implementation of a “place-based” self-sufficiency initiative in public housing. They also show the promise of one approach to achieving the employment and self-sufficiency objectives of the 1998 federal housing law (the Quality Housing and Work Responsibility Act, or QHWRA).

What Is Jobs-Plus?

Jobs-Plus attempted to deliver an employment and training program within public housing developments to all working-age, nondisabled residents. The initiative had three core components:

- **Employment-related services and activities** to help residents secure and retain employment, including job search assistance, education programs, vocational training, and such support services as child care and transportation assistance.
- **Financial incentives to work**, consisting of changes in public housing rent rules that helped make work “pay” by reducing the extent to which increases in earnings were offset by increased rents.
- **Community support for work**, which sought to strengthen social ties among residents in ways that would help support their job preparation and work efforts — for instance, by fostering neighbor-to-neighbor exchanges of information about job opportunities or employment services.

The program was delivered by local collaboratives comprising — at a minimum — the public housing authority, resident representatives, the welfare department, and the workforce development system. MDRC provided extensive technical assistance to facilitate program implementation in the six cities that were chosen through a national competition to be Job-Plus

study sites: Baltimore, Maryland; Chattanooga, Tennessee; Dayton, Ohio; Los Angeles, California; St. Paul, Minnesota; and Seattle, Washington.

How Was Jobs-Plus Evaluated?

Random Assignment of Housing Developments

At each study site, one housing development was randomly selected (through a type of lottery) to operate Jobs-Plus from a matched pair or triplet of eligible public housing developments nominated by the local public housing authority. The other one or two developments were assigned to a comparison group. Each development nominated had at least 250 units occupied by families with a working-age adult. No more than 30 percent of these families could have an employed member, and at least 40 percent had to be receiving welfare. The random assignment to the program and comparison groups greatly reduced the risk of bias in the selection of housing developments to participate in Jobs-Plus. Surprisingly good matches between the program developments and their comparison developments were obtained for all sites combined as well as within each site.

Long-Term Trend Data on Residents

Data on residents' work and welfare receipt in both the Jobs-Plus and the comparison developments were used to examine the program's impacts on residents and on their housing developments. These data were obtained from administrative records of government agencies for up to six years before and six years after Jobs-Plus was launched in 1998. In addition, two resident surveys were conducted (in 1998 and 2003) in three sites to assess whether the general quality of life within the housing developments had changed in terms of economic and material well-being, social conditions, personal safety, residential satisfaction, and child well-being.

How Well Was Jobs-Plus Implemented — and in What Context?

- **Before the Jobs-Plus initiative was launched, living conditions were difficult in both the Jobs-Plus and the comparison developments.**

Many public housing residents in the study sites faced challenges to employment, including limited education, lack of adequate child care, health or medical problems, and worry about crime and safety. Nevertheless, while residents expressed concern about problems in their housing development, three-quarters of them rated their development as at least a “good” place to live. Across the sites, there was considerable demographic diversity — for example, while three sites were predominantly African-American, the others had a more varied ethnic and racial mix (including Southeast Asian and East African immigrants); in one site, as many as 22 different languages were spoken.

- **The Jobs-Plus model was ambitious and took over two years to implement. Four of the six sites overcame numerous obstacles and operated programs of reasonable quality.**

Jobs-Plus’s multicomponent approach — which was aimed at all working-age, nondisabled residents and which included new rent rules to help make low-wage work “pay” — made the program one of the most comprehensive efforts ever attempted to improve work and welfare outcomes for public housing residents. The challenges of implementation were magnified by focusing the intervention on a diverse set of high-poverty housing developments within high-poverty communities and involving multiple public agencies and residents. To meet these challenges, the sites had to enlist the active support of senior officials in the public housing authorities and other agencies; overcome cumbersome personnel and procurement policies of local housing authorities; create a new culture of collaboration among housing authorities, residents, and welfare, workforce, and social service agencies; deal with enduring issues of safety, substance abuse, and other family crises; and, in some sites, adapt the services to suit a mix of immigrant and native-born residents or to respond to high move-out rates. In addition, the programs encountered some skepticism among residents, a situation that was not helped when, due to federal funding problems, the centerpiece of the program — the rent-based financial work incentives — was delayed for nearly two years. Furthermore, in one site (Seattle), Jobs-Plus also had to contend with a federal HOPE VI “tear down and rebuild” renovation initiative that displaced many of the residents soon after Jobs-Plus was fully in place.

Despite many false starts and wrong turns — which took several years and considerable effort to overcome — four of the six sites (Dayton, Los Angeles, St. Paul, and Seattle) were able to build coherent programs of reasonable quality, making the demonstration a “fair test” of the Jobs-Plus model. Although the program was voluntary, many residents chose to make use of its services and rent-based work incentives, and, by a number of measures, Jobs-Plus informally reached many others in the developments as well.

- **The implementation of Jobs-Plus came at a time of momentous changes in welfare, workforce, and housing policy — and in the national economy. These changes expanded work opportunities for public housing residents even in the absence of Jobs-Plus.**

As a consequence of the booming national economy and, perhaps, of the broad range of federal policy reforms, employment and earnings rose dramatically for residents both of the Jobs-Plus developments and of the comparison developments during the baseline period before the start of Jobs-Plus. By the time the program was launched in 1998, employment rates were higher than had been anticipated, and welfare receipt rates were lower, so that the margin for Jobs-Plus to “make a difference” was smaller than originally envisioned. Nonetheless, Jobs-Plus still had considerable room to improve these outcomes further. In addition, rent-based work incentives for all public housing residents were increasing due to reforms in federal housing law,

and some work-related services were expanding. Nevertheless, the concerted effort by Jobs-Plus to provide additional services and incentives to residents of the program's developments beyond those available to residents of the comparison developments was successful.

Did Jobs-Plus Make a Difference?

MDRC looked at the impacts of Jobs-Plus from two perspectives: (1) the levels of work and welfare receipt among individuals (whether or not they continued living in their developments) and (2) the levels of work and welfare receipt in the developments overall. It also examined, in a more exploratory way, changes in a variety of community outcomes within the developments. The findings described below represent effects for residents and developments that had access to Jobs-Plus relative to outcomes for residents and developments that did not have access to the program.

Work and Welfare Impacts on Individuals

- **Across all six sites combined, once Jobs-Plus was in place, the program increased residents' average annual earnings by 6.2 percent beyond what they would have been without the program.**

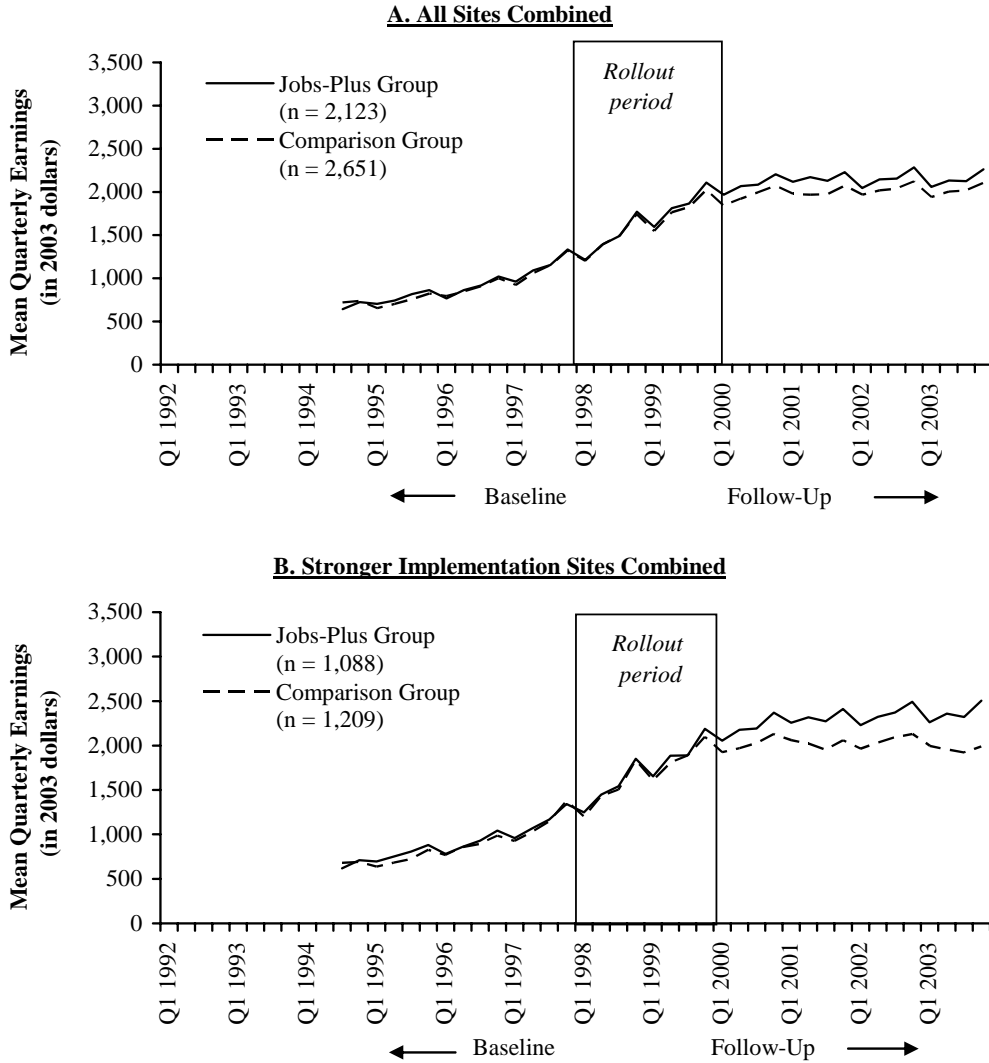
Panel A of Figure ES.1 illustrates, for all six sites combined, the earnings of residents living in the Jobs-Plus or comparison developments in 1998 (a group of residents that is referred to as the "1998 cohort"). During the baseline period before the program began (from 1994 to 1997), earnings for both groups were extremely similar and rose rapidly in response to the booming economy and changes in federal policies.¹ Their earnings remained similar during most of the program rollout period (1998 and 1999). Subsequently, from 2000 through 2003, when the program was most fully implemented, earnings for the Jobs-Plus group pulled well ahead of those for the comparison group. This difference illustrates the effect of Jobs-Plus on earnings for the 1998 cohort, which includes all targeted residents, whether they stayed in their original development or moved away. Based on these data, the estimated impact of Job-Plus on residents' earnings averaged \$498 per person per year over the four years after the rollout period. This means that, across all sites, the residents of the Jobs-Plus developments earned an average of \$498 more per year than they would have earned in the absence of the program.

¹The baseline period began in 1992 for four sites and in 1994 for two sites, St. Paul and Chattanooga, because earlier data were not available.

The Jobs-Plus Demonstration

Figure ES.1

**Pooled Average Quarterly Earnings for the
Jobs-Plus Group and Its Comparison Group (1998 Cohort)**



SOURCES: MDRC calculations using data from housing authority tenant (50058) records and state Unemployment Insurance (UI) wage records.

NOTE: The 1998 cohort includes all residents of a Jobs-Plus development or a comparison development in October 1998 who were between 21 and 61 years old and were not listed as disabled by their public housing authority.

- **In three sites that built programs of reasonable quality, Jobs-Plus had an earnings effect that averaged 14 percent per year — and nearly 20 percent in the fourth year.**

The all-site averages hide important findings at the site level. Panel B of Figure ES.1 further illustrates the impacts of Jobs-Plus on residents' earnings in the three stronger implementation sites (Dayton, Los Angeles, and St. Paul) combined. There the annual impacts averaged \$1,141 once the full program was in place. Note that the impacts in these sites grew larger over time. By the last year of follow-up, they had reached \$1,540, which is nearly 20 percent higher they otherwise would have been. These impacts, which totaled \$4,563 over four years, are especially noteworthy both because they persisted even after the onset of a national economic recession and because they represent “value added” by the program over and above any effects produced by concurrent reforms in the welfare, workforce, and public housing systems.

The earnings impacts for the fourth strong site, Seattle, were also growing larger over time, but they then disappeared when its residents were relocated by a federal HOPE VI renovation initiative. In Baltimore and Chattanooga — sites that did not fully implement the program — Jobs-Plus had no earnings impacts.

- **Where it was implemented well, Jobs-Plus's effects on employment rates were also positive, but they were smaller, less consistent, and less frequently statistically significant.**

For the three stronger implementation sites combined, Jobs-Plus increased the average percentage of residents employed per quarter from 2000 through 2003 by an estimated 4.6 percentage points (or by over 9 percent relative to what this rate would have been without the program). Because this finding is not statistically significant, there is considerable uncertainty about it. Nevertheless, because large and statistically significant effects on employment rates were observed for key subgroups at these sites, it seems reasonable to infer that the overall employment impacts are real. This suggests that roughly two-thirds of the program's effects on earnings at the sites were due to an increase in the number of persons employed. The remaining one-third was due to an increase in the amount earned per person employed, which represents a mix of increased employment stability, hours worked per week, and hourly wage rates. However, there was no single simple relationship between the program's estimated effects on employment rates and earnings. For some subgroups, the findings suggest that almost all of the earnings gains produced by Jobs-Plus were due to an increase in the number of persons employed. For other subgroups, the findings suggest that almost all of the program-induced earnings gains were due to an increase in the amount earned per person employed.

- **Where it was implemented well, Jobs-Plus was effective for many different types of public housing residents.**

In the stronger implementation sites, Jobs-Plus had large positive earnings effects for many subgroups of residents. For example, it caused earnings to increase for men as well as for women, for residents who were receiving welfare when the program began and for those who were not, and for residents from different racial and ethnic groups. It also worked for subgroups of residents defined in terms of age, past employment, past duration of residence, and future residential mobility.

- **In the two sites with sizable populations of men, Jobs-Plus’s earnings impacts were exceptionally large for immigrant men.**

Jobs-Plus increased the average annual earnings of Hispanic men in Los Angeles by \$3,248 (or 28 percent) and of Southeast Asian men in St. Paul by \$2,129 (or 21 percent). Almost all these men were immigrants and members of two-parent families. The impacts are illustrated by the graphs in Figure ES.2. Those show that, during the baseline period, the earnings of the Jobs-Plus group and comparison group within each of these two subgroups were quite similar and that, after Jobs-Plus was fully implemented, the earnings of the Jobs-Plus group greatly surpassed those of the comparison group. Moreover, the effects continued to grow, and, by the final year of follow-up (2003), they reached \$3,828 (a 35 percent gain) in Los Angeles and \$3,366 (a 32 percent gain) in St. Paul. Over four years, these impacts totaled \$12,994 and \$8,517, respectively.

- **Although Jobs-Plus was effective in boosting earnings both for welfare recipients and nonrecipients, it was much more effective for nonrecipients.**

In the three stronger implementation sites, Jobs-Plus increased the average annual earnings of welfare recipients during each of the last four years of the study period by \$761 (or almost 11 percent) and those of nonrecipients by \$1,654 (or 18 percent). This difference may reflect the fact that welfare recipients in comparison developments experienced a “push” toward work and had access to services and financial incentives through existing mandatory welfare-to-work programs, time limits on benefits, and other features of welfare reform in their localities. In contrast, nonrecipients would not have been affected by these policies (although they were free to seek any other services they wanted). Thus, for the nonrecipients, Jobs-Plus may have represented a bigger additional (or net) intervention in their lives than it did for recipients.

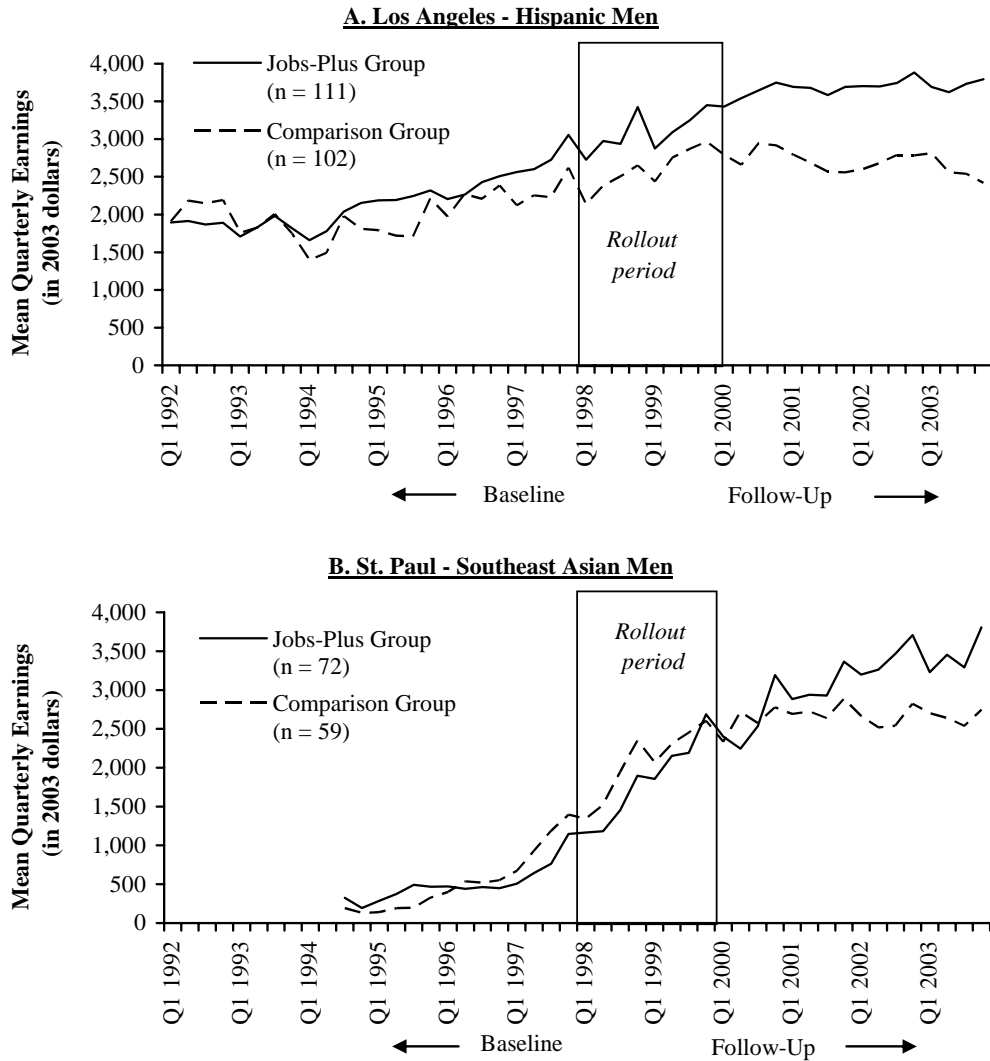
- **Welfare receipt by residents dropped precipitously after Jobs-Plus was launched, but this decline was not related to Jobs-Plus.**

Instead, the drop in residents’ reliance on welfare was more likely due to forces such as a booming economy, welfare reform, and increases in the generosity of the Earned Income Tax Credit. These factors are viewed by many as causing the dramatic declines in welfare rolls that occurred throughout the United States at the time.

The Jobs-Plus Demonstration

Figure ES.2

Average Quarterly Earnings for the Jobs-Plus Group and Its Comparison Group, for Men in the Largest Demographic Subgroups in the Stronger Implementation Sites (1998 Cohort)



SOURCES: MDRC calculations using data from housing authority tenant (50058) records and state Unemployment Insurance (UI) wage records.

NOTE: The 1998 cohort includes all residents of a Jobs-Plus development or a comparison development in October 1998 who were between 21 and 61 years old and were not listed as disabled by their public housing authority.

Work and Welfare Impacts on Public Housing Developments

This study also sought to determine whether, because of Jobs-Plus, housing authorities would see an increase in the overall levels of employment and earnings and a reduction in welfare receipt among residents living in the Jobs-Plus housing developments at any given time — recognizing that people move in and out of public housing developments. For example, would the people who were helped by Jobs-Plus quickly move away, leaving no overall improvement in earnings or employment rates within the developments themselves? The findings suggest that:

- **Not surprisingly, when no impacts were produced on the sample of residents who were followed over time (that is, the 1998 cohort, some of whom moved away), no year-by-year changes in outcome levels were observed within the developments.**
- **When positive impacts were produced for the sample of residents followed over time, they yielded improvements in outcomes within the developments — but by an amount that was inversely related to residents' mobility. In other words, the more stable the resident population was, the greater the degree to which individual-level impacts were reflected by development-level impacts.**

Therefore, earnings gains for developments were largest in the two stronger implementation sites (Los Angeles and St. Paul) where move-out rates were lowest.

Changes in Other Community Indicators

- **There is no evidence that the impact of Jobs-Plus on earnings for public housing developments (which were sometimes large but not transformative) produced spillover effects on other community outcomes.**

Drawing on resident surveys in three of the six sites, the study found, in a largely descriptive analysis of community change, no indication that Jobs-Plus improved prevailing social conditions and the quality of life within the housing developments themselves, including economic and material well-being, personal safety, residential satisfaction, and child well-being. (The study did not measure quality-of-life changes among residents who moved away.)

What Are the Implications for Public Policy?

The Jobs-Plus demonstration shows that an employment-focused intervention that is based in public housing developments can work. Although Jobs-Plus proved challenging to implement, it eventually succeeded at four of the six study sites in increasing public housing residents' earnings relative to what they would otherwise have been. Hence, this initiative offers one

promising approach for helping to achieve the self-sufficiency objectives espoused by QHWRA, the 1998 federal housing reform law.

Among the most striking findings from this study are that, even in some of the nation's poorest housing developments in tough urban environments, residents were more attached to the formal labor force than had been expected and that many more of them than were anticipated responded to the expanding employment opportunities driven by the booming national economy of the 1990s.

This study suggests important implications for policymakers to consider, including:

- **Jobs-Plus's effects compare favorably with those of other successful employment interventions.** When properly implemented, Jobs-Plus created earnings impacts at the high end of those found among many employment interventions that have been tested rigorously. This is particularly encouraging, given the limited evidence of effectiveness of self-sufficiency interventions in the housing and community development fields.
- **The success of Jobs-Plus in increasing the earnings of public housing residents was not limited to a narrow segment of the resident population; it was widespread across many subgroups of this population.** When implemented properly, programs like Jobs-Plus can be effective for men as well as women and for native-born residents as well as for immigrants from very different parts of the world.
- **Improving Jobs-Plus's impacts on employment rates might require additional efforts.** The substantial pre-program rise in residents' employment levels left Jobs-Plus with less room than anticipated to produce dramatic further improvement. Notwithstanding the positive employment impacts the program did have, a minority of residents remained largely out of the formal labor market. Thus, any effort to replicate the program should consider ways of reaching such harder-to-employ residents.
- **The rent breaks offered by Jobs-Plus encouraged residents to participate in the program and helped them increase their work efforts and earnings.** (Normally, public housing residents' rent is raised as their earnings increase; in Jobs-Plus, rent was held stable or rose less quickly than usual.) This suggests that, at a minimum, the more modest rent incentives that currently exist under the 1998 federal housing law should be fully implemented and aggressively marketed to residents, and perhaps expanded. The idea of combining rent-based financial work incentives with services focused on work might also be worth rigorously testing in other housing assistance programs.

- **Jobs-Plus can aid the cause of welfare reform by improving the earnings of residents who are welfare recipients** — even though the program had much larger effects on the earnings of nonrecipients.
- **Jobs-Plus has the potential to work in a variety of settings**, given the demographic and geographic diversity of the sites in which it was successfully implemented. Implementing the program was a difficult task that required sustained attention and concentrated resources over an extended period of time. However, as further experience is gained with such initiatives and more is learned about implementing them, this process should become less difficult and time-consuming.
- **Strong housing authority leadership is vital.** Successful replication of Jobs-Plus would require the sustained commitment of local public housing authorities to lead local collaboratives, to ensure that housing managers cooperate with the day-to-day operation of the program, to hold the program managers accountable for high performance, and to involve resident representatives in planning and operations.
- **Resident mobility matters.** The Jobs-Plus findings caution that resident move-out rates greatly influence how earnings effects for individuals can translate into development-level effects. Thus, high rates of resident mobility would make the goal of substantially improving the income mix within public housing developments difficult to achieve through programs like Jobs-Plus alone.

Finally, Jobs-Plus offers many practical lessons for constructing and operating labor market interventions, even outside public housing. In particular, the experiences of the six study sites speak directly to the challenges and opportunities of using “places” as the platform for a work-promoting intervention. They also point to many productive strategies for building partnerships among multiple local agencies to address the employment needs of low-income populations and for involving local residents in that process.