

October 2007

Four Strategies to Overcome Barriers to Employment

An Introduction to the Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project

Dan Bloom, Cindy Redcross, JoAnn Hsueh, Sarah Rich, and Vanessa Martin

In the post-welfare reform world, an important policy question has taken new prominence: how to improve employment prospects for the millions of Americans who face serious obstacles to steady work. These individuals, including long-term welfare recipients, people with disabilities, those with health or behavioral health problems, and former prisoners, often become trapped in costly public assistance and enforcement systems and find themselves living in poverty, outside the mainstream in a society that prizes work and self-sufficiency.

The Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project is sponsored by the Administration for Children and Families and the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services (HHS), with additional funding from the U.S. Department of Labor.¹ The project is evaluating four diverse strategies designed to improve employment and other outcomes for low-income parents and others who face serious barriers to employment:

- A comprehensive employment program for former prisoners in New York City;
- A two-generation Early Head Start program in Kansas and Missouri that provides enhanced self-sufficiency services and skills training to parents, in addition to high-quality child care;
- Two alternative employment strategies for long-term welfare recipients in Philadelphia: one that emphasizes services to assess and treat recipients' barriers to employment, and another that places them in paid transitional employment; and
- An intensive telephonic care management program for Medicaid recipients in Rhode Island who are experiencing serious depression.

¹The Annie E. Casey Foundation and the W. T. Grant Foundation are providing funding for the 18-month follow-up survey to study how the model being tested in Rhode Island affects children.

MDRC, a nonprofit, nonpartisan social and education policy research organization, is leading the evaluation of these four programs, using a rigorous random assignment research design. The research team also includes the Urban Institute, the Lewin Group, Group Health Cooperative, and United Behavioral Health. Over the next several years, the Hard-to-Employ project will generate a wealth of data on the implementation, effects, and costs of these promising approaches.

This first report in the Hard-to-Employ evaluation describes the origin of the project and the rationale for the demonstration, the research design, and the four programs and the characteristics of their participants. Because the programs are so diverse, the Hard-to-Employ project can be seen as four distinct but related studies.

The Center for Employment Opportunities Evaluation

Every year, more than 600,000 people are released from prisons. Former prisoners have a difficult time becoming reintegrated into society. Rates of recidivism are persistently high, and many experts agree that one of the key factors affecting ex-prisoners' ability to stay out of jail or prison is their ability to find stable employment.

The Center for Employment Opportunities (CEO) is one of the nation's largest and best-known employment programs for former prisoners, serving about 1,800 people each year. Participants start the program with a four-day job readiness class and are then placed in paid jobs at one of several dozen work sites around the city. The work sites typically are public agencies that have contracted with CEO for maintenance or other functions. Participants remain on CEO's payroll and are paid the minimum wage for four days of work per week (they are paid daily, at their work site). These transitional placements are the heart of CEO's program. Ex-prisoners often have a pressing need for cash, and the placements provide them with "daily pay for daily work." In addition, CEO uses the transitional period to identify and address issues that are likely to hinder the participants' performance in an unsubsidized job. Most participants stay at the work sites for two or three months.

Participants spend the fifth day of each week at CEO's office, meeting with job coaches to discuss work performance and with job developers who help them identify permanent jobs. CEO also offers other activities, including an extensive fatherhood program that helps participants to resolve child support issues and improve their family relationships (at least half of the study's participants are parents, and their children may be receiving welfare benefits).

For purposes of the evaluation, nearly 1,000 people who were referred by their parole officer and reported to CEO were assigned, at random, to one of two groups:²

- **Neighborhood Work Project (NWP) group.** Individuals in this group had access to the core CEO model described above.
- **Resource Room group (control group).** The Resource Room program was designed to provide a benchmark against which to compare CEO's core program. Individuals assigned to this group participated in a revised version of the job readiness class that lasted one and a half days. Participants were then given access to a resource room equipped with computers with job search software, phones, voice mail, a printer, a fax machine, and other job search tools. When clients came into the resource room, a staff person was available, if needed, to assist them with many aspects of job search, including use of the equipment, help writing a résumé, and assistance setting up a voice mail account so that potential employers could leave messages for them.

MDRC is tracking both groups for up to three years, using administrative data and surveys to measure the impact of CEO's core services on employment, recidivism, and an array of other outcomes. Early data show that CEO is implementing the study's design as intended: About two-thirds of those in the NWP group worked in a transitional job (most of the others left the program before placement). Surprisingly, baseline data collected at the point of study enrollment show that many study participants came to CEO long after their release from prison. Because the CEO model was designed to serve people immediately after their release, it will be important to separately examine the results for those who came to CEO just after they were released and those who came later.

Two-Generational Early Head Start Evaluation

Many studies indicate that poverty is associated with worse health, behavioral, and cognitive outcomes for children. Earlier research demonstrates the value of two-generational services in meeting the developmental needs of low-income children. Yet, such programs have generally shown small impacts on parental employment (for example, the Early Head Start Research and Evaluation Project). A two-generational approach that has a more explicit focus on parents' employment and economic self-sufficiency could have wider-ranging effects than a program that focuses exclusively on children's developmental needs. Directly addressing young children's developmental needs could help parents overcome obstacles to sustained employment and economic self-sufficiency. Likewise, directly addressing the employment and eco-

²The study does not include several key groups served by CEO, such as graduates of New York State's Shock Incarceration (boot camp) program, who are required to participate in CEO's program if they are returning to New York City.

conomic needs of parents could improve their ability to better their own financial circumstances, indirectly benefiting children. Because many of the barriers to parental employment also impede young children's development, HHS required that the Hard-to-Employ project study the impact of a program that aims both to improve the economic circumstances of parents and the well-being of their children living in poverty.

Reconnaissance and site selection efforts identified two strong Early Head Start (EHS) programs in Kansas and Missouri that were interested in enhancing their existing services directed at improving parental employment and self-sufficiency: Southeast Kansas Community Action Program (SEK-CAP) in Girard, Kansas, and Youth-In-Need in St. Charles, Missouri.

With special funding from the Head Start Bureau at HHS, MDRC worked closely with the two EHS programs to enhance their existing services to: (1) help parents who are unemployed move into employment; (2) assist parents with low levels of education to pursue educational goals; and (3) help parents who are employed find more stable employment, advance in their jobs, and earn higher wages. The programs developed formalized employment and self-sufficiency curricula and services: They hired on-site self-sufficiency specialists to work with EHS staff and families and to create community partnerships; increased EHS's programmatic focus on employment and self-sufficiency by assisting and regularly monitoring parents' progress toward employment- and training-related goals; and tapped external employment and educational agencies and organizations to fill the gaps in existing EHS employment and self-sufficiency services.

For purposes of the evaluation, approximately 600 families were randomly assigned to either:

- **The EHS program group.** These families were enrolled in EHS services, including the parental self-sufficiency enhancements described above.
- **The non-EHS control group.** These families were not enrolled in EHS but were able to receive other community services. EHS programs provided a list of available services to families in the control group.

MDRC is tracking both groups, using surveys, administrative records, and direct child assessment to determine the impact of the two-generational model on both economic and child development outcomes. Early data indicate that the programs have made important strides in enhancing their employment and self-sufficiency services. At the same time, the data reveal that the programs have had to contend with some obstacles to the implementation of these enhancements. Despite these difficulties, the programs' experiences indicate that services aimed at addressing parents' employment and educational needs can be enhanced within the scope of a child-focused intervention.

Test of Alternative Employment Strategies for TANF Recipients in Philadelphia

As welfare caseloads nationwide have declined, policymakers, program administrators, and researchers have increasingly turned their attention to recipients who have not made a stable transition from welfare to work. Over the past 30 years, many studies have provided insight into which program models are most effective in assisting welfare recipients to find jobs, but few have targeted the most disadvantaged recipients. The emphasis on helping hard-to-employ recipients may be even more critical in light of recent changes in the Temporary Assistance for Needy Families (TANF) program, which require states to engage a larger share of recipients in work activities.

The Philadelphia Hard-to-Employ site tests two alternative employment strategies for TANF recipients: a transitional work model that is similar in some ways to the CEO program described above and a second model that emphasizes up-front assessment of recipients' barriers to employment and preemployment services to help recipients overcome them. The two models represent typical approaches used in many places.

For purposes of the study, nearly 2,000 long-term or potentially long-term TANF recipients were assigned, at random, to one of three groups:

- **Transitional Work Corporation (TWC) group.** Individuals in this group were referred to TWC, a nonprofit organization that has operated a large-scale transitional work program since 1998. After completing a two-week orientation, TWC places participants in a transitional job, usually with a government or nonprofit agency, for up to six months. Recipients work 25 hours per week at the minimum wage and participate in 10 hours of professional development activities at TWC. These activities may include job search and job readiness instruction, preparation for a General Educational Development (GED) certificate, and other classes. TWC staff work with participants to find permanent, unsubsidized jobs and then provide job retention services for six to nine months after placement, including financial bonuses for retaining employment.
- **Success Through Employment Preparation (STEP) group.** Individuals in this group were referred to the STEP program, run by Jewish Employment and Vocational Service. STEP was developed specifically for this study and serves only study participants. The program begins with a home visit and an extensive assessment to identify the participant's barriers to work. Specialized staff analyze the results of the assessment and meet with the participant to design a plan to address her or his particular barriers to employment. Treatment can include classes (for example, GED preparation, English as a Second Language, support groups, and professional development sessions) and counseling with behavioral health specialists, as well as ongoing case management meetings. After completing the

classes, participants work with job coaches and job developers to find permanent employment.

- **Voluntary Services group.** This group will serve as the benchmark against which the others will be compared. As part of the study design, individuals in the Voluntary Services group were not referred to either TWC or STEP and were excused from the requirement to participate in employment-related services — although they could volunteer to attend such services.

MDRC is tracking all three groups using surveys and administrative records to assess both programs' impacts on employment, welfare receipt, family income, and other outcomes. The analysis is designed to learn which approach is more effective for specific subgroups of recipients.

Early data show that the study has succeeded in identifying a hard-to-employ group of TANF recipients. A very high percentage of those assigned to the STEP group had contact with the program, owing to its aggressive outreach and home visits, but many did not participate for a large number of hours (although the number of hours appeared to increase somewhat after the program took steps to address this issue). In contrast, a significant proportion of those assigned to TWC did not show up at the program — TWC does not do extensive outreach — but most of those who did attend participated in transitional work as planned.

Rhode Island Working toward Wellness Project

Despite considerable progress in the field of depression treatment, many depressed individuals fail to receive adequate treatment. This is particularly likely to be the case in poor communities, where knowledge of depression treatment and quality of care may be low. Even among those individuals who seek treatment, relapse rates are quite high, suggesting the importance of strategies that maintain continuity of care.

Research on public assistance recipients indicates that as many as one-quarter of them suffer from depression, and their depression may be one of the barriers that limit their employability. Although a considerable body of random assignment research has identified various types of efficacious treatment for depression and indicates that treatment can reduce job loss, studies specifically applicable to low-income groups are not yet available.

Working toward Wellness (WtW) is a telephone care management intervention designed to help Medicaid recipients who are experiencing major depression to enter and remain in evidence-based treatment. The program is operated by United Behavioral Health, a managed care provider that offers behavioral health services to Rhode Island's Medicaid population. The care manager-outreach model was developed by Group Health Cooperative. Many of the participants are receiving TANF cash assistance or are at risk of receiving it.

For purposes of the evaluation, about 500 working-age parents who were covered by Rhode Island's Medicaid program and were assessed as having major depression were randomly assigned to one of two groups:

- **Working toward Wellness (WtW) group:** Individuals in the WtW group receive intensive outreach from care managers, first to help them to enter treatment and then, if treatment begins, to remain in it for an appropriate time. The intervention is also designed to help WtW group members take advantage of services to help them go to work. Treatment is based on the American Psychiatric Association's Evidence-Based Practice Guidelines for Major Depression, which includes psychotherapy and antidepressant medications. Outreach and care management takes place by telephone in order to reduce expense.
- **Usual Care (UC) group:** UC group members are informed that they met the criteria for clinical depression and are encouraged to seek treatment. They are given referrals to three mental health treatment providers in the community that provide Medicaid-covered services, but they are not provided outreach or care management. If sought, the treatment would be the same as that provided to others served by United Behavioral Health.

MDRC is tracking both groups for at least three years, using surveys and administrative data. By following the two groups over time and comparing their mental health, employment, and other outcomes, the study will determine the impacts of enhanced telephone-based care management for treating depression. Some of those impacts may be indirect; for example, it may be that engaging people in effective treatment for depression can lead to better work-related outcomes. Finally, a range of child outcomes will also be measured to see whether an intervention focused on parents' mental health can have indirect effects on their children.

Although it was difficult to recruit participants into the study, early data suggest that those who are participating in the WtW intervention are experiencing an improvement in their depression and are more likely than those in the UC group to receive some form of psychotherapeutic treatment.

Next Steps

Random assignment of study participants was completed in all four sites by December 2006. Preliminary results from the impact analysis are expected to be available for CEO in late 2007; results from other sites are expected in 2008 and 2009.