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Service Delivery and Institutional Linkages Early Implementation Experiences of Employment Retention and Advancement Programs

Jacquelyn Anderson, Karin Martinson

Considerable interest exists among state and local welfare departments, workforce investment agencies, community colleges, and other nonprofit community-based service providers in finding ways to promote job retention and advancement among employed welfare recipients and other low-wage working families. Little is known, however, about what services are effective. The Employment Retention and Advancement (ERA) evaluation, designed to provide more information about what works in this area, is the largest and most comprehensive study of its kind. The project has been in existence since 1999 and was conceived and sponsored by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS). MDRC, a nonprofit, nonpartisan social policy research organization, is under contract with ACF to conduct the evaluation and is working with The Lewin Group to provide technical assistance to the participating sites. The U.S. Department of Labor (DOL) is also providing funding to the project, in part to learn more about the linkages between welfare and workforce investment agencies in the ERA programs.

With 15 program tests in 8 states, the ERA project will, over the next several years, provide a wealth of information about the effectiveness of a wide array of program models, including preemployment and postemployment strategies for job retention and career advancement, employer initiatives, and services to increase job retention among the hard-to-employ. Although each program is unique and has multiple goals, the programs fall roughly into one of three groups based on their primary focus:

- **Advancement.** Two of the ERA programs focus primarily on helping employed participants advance, either by encouraging them to enroll in further education and training or by helping them find a “better” job with higher wages, more benefits, or advancement opportunities. Both of these programs target employed welfare recipients whose earnings are low enough to main-

tain their eligibility for cash assistance. Although advancement is the main focus, these programs also provide work supports and other retention-related services as needed.

- **Placement and retention.** Four of the ERA programs target people with a greater number of barriers to employment. These programs are more focused on helping participants find and keep jobs. The target populations for these programs include people with disabilities, people with identified substance abuse issues, long-term welfare recipients, welfare recidivists, and individuals who have cycled in and out of employment.
- **Mixed.** The remaining programs focus on both retention and advancement and serve a broader target population. Three of the sites provide job search services to unemployed Temporary Assistance for Needy Families (TANF) applicants and recipients. Seven of the nine sites provide postemployment retention and advancement services to employed TANF recipients and welfare leavers.

This document is the second cross-site report for the ERA project. It describes early implementation experiences and the institutional connections that the ERA programs comprise.

Early Implementation Experiences

As of June 2003, all program tests have started research and program operations. Although program administrators and staff have accomplished a great deal since the project began, the implementation process has been challenging, particularly given that there are few existing program models to replicate. A number of lessons have emerged from the early experiences of the ERA sites:

- **Generating creative strategies to increase participation in postemployment services is necessary, particularly when services are voluntary and targeted to working families.**

Based on early program assessments, the sites have been fairly successful in contacting and initially engaging participants. Most sites have had at least one postemployment contact with 70 percent to 80 percent of individuals assigned to the ERA program. Getting people to participate in ongoing program activities, however, has been more difficult — in many of the sites, less than half of the employed program group members participated in ongoing program activities.

Many sites designed creative marketing strategies, and some use financial and in-kind incentives to encourage program participation. In some sites, staff make services more conven-

ient for working families by meeting them at their homes or worksites to save them time. Many staff work a flexible schedule in order to meet people after normal working hours. A few sites have designed more elaborate financial and in-kind incentive strategies. Texas, for example, provides a generous stipend — \$200 per month — if participants maintain employment and participate in one employment-related activity per month. South Carolina and Illinois use smaller financial and in-kind incentives to encourage participation in specific program activities and to reward participant accomplishments (such as completing a personal development plan, finishing a certificate program, or maintaining employment for three months).

- **ERA programs have had to restructure their assessment and case management strategies to focus on retention and advancement and to better serve working people.**

Because the path toward retention and advancement is different for each person, ERA staff work individually with participants to identify two concerns: (1) barriers to employment retention (for example, child care concerns, work attendance problems, and substance abuse issues) and (2) long-term career goals. Some sites have created interview guides to obtain such information, while others rely on informal checklists and participant interviews.

The Los Angeles Reach for Success (RFS) program and the Eugene, Oregon, program created interview guides to help staff uncover information about job retention issues, including child care problems, basic needs (like food, housing, and health insurance), personal finances, work habits and attendance, and job performance. Eugene’s interview guide also includes questions to obtain advancement-related information, such as details about transferable job skills and training opportunities. Staff from the programs in Medford and Salem, Oregon, use informal checklists to uncover similar information, mostly about retention-related issues. Because its target population is so broad, the South Carolina program relies on informal interviews with participants. Sites working with the hard-to-employ have more in-depth formal assessment tools to help identify barriers to work and job retention. Examples of the interview guides and checklists are included in Appendix B.

In addition to restructuring the upfront assessment, many staff have had to develop new strategies for working on retention and advancement issues on an ongoing basis with employed participants. Many ERA staff have found that it is important to maintain a focus on participants’ long-term career goals, but, at the same time, to formulate small, manageable steps to help participants reach those goals. For example, the first step in pursuing a career in computer technology is to better understand the skills required for an entry-level job in the field. If a participant interested in computer technology needs further training, the second step would be to find a suitable training program in the area.

- **Job loss is more common and pervasive than many sites expected.**

Although staff know that job loss is a common problem for the ERA target populations, many were still surprised by the pervasiveness of the problem in spite of intensified program efforts. As a result, many programs had to strengthen their focus on rapid reemployment and retention-related services. In the Texas sites, ERA program managers established a goal of employing individuals within 2 weeks of job loss. In addition, staff in Corpus Christi decided to conduct employer site visits at 2 weeks and 1, 6, 12, and 18 months after a participant finds a job. ERA staff in Los Angeles also work intensively with participants for at least 30 days to help them find another job. As a result, however, the job developers in Los Angeles spend much of their time helping unemployed participants find jobs rather than helping employed participants get better jobs, thus compromising the program's advancement strategy.

- **ERA program staff were often uncomfortable with their role as career counselors, and they were unfamiliar with the tools and services available to help participants with career advancement. Many sites provided training to build staff expertise in this area.**

Providing career advancement services is an entirely new role for most ERA staff. Many of the sites provided counselors with training to help them (1) become more comfortable with their new role, (2) articulate career advancement plans and design activities to support this goal, and (3) better understand the local resources available to help participants pursue advancement. In some sites, outside consultants were brought in to help staff better understand the roles and responsibilities of a career counselor, work with employers, and help participants negotiate life changes. Some sites also provided in-house training for staff to help them become more familiar with local career resources available to participants.

- **Program benchmarks and staff performance measures have helped many sites focus on program goals and define successful participant outcomes.**

In most welfare-to-work programs, success is achieved when a participant finds a job. The ERA programs, however, are more focused on longer-term employment outcomes, which are harder to measure and take longer to achieve. Sites have found that clearly defining program goals is important for keeping staff focused on retention and advancement outcomes. As such, most of the sites have created benchmarks — such as sustained employment and wage increases — for outcome measures. Some sites have created ERA-specific databases to track this information.

Other sites have gone further to create performance measures for staff. In the Riverside Phase 2 and Corpus Christi programs, managers use performance standards to determine whether staff are achieving program goals. Performance measures in Riverside include goals for employment retention and engagement in and completion of education and training. Perform-

ance measures in Corpus Christi are different depending on staff roles, but they focus primarily on job placement, sustained employment, and wage increases.

Institutional Structure and Linkages in ERA Programs

Most of the ERA programs use relatively complex organizational arrangements to deliver their services. These programs typically represent partnerships among several agencies and organizations, including welfare agencies, workforce investment agencies, nonprofit community-based organizations, community colleges, and others. Key findings include:

- **In most ERA sites, the welfare office plays the lead role. The workforce investment system is an important partner in some — but not all — of the programs.**

The lead role of the welfare department in ERA programs is not surprising, given that most of the programs focus on TANF recipients or leavers. In Minneapolis, Texas, and Oregon, the workforce system plays a lead or joint leadership role in ERA and brings expertise and resources on employment-related issues to the programs. Some programs (Illinois, Riverside, most Oregon sites, and Texas) colocate the ERA program at One-Stop Centers, and some (the Texas and Oregon sites) also colocate a few “team” welfare and workforce investment staff to work together to provide ERA services. However, other programs only use workforce investment services on an “as-needed” basis, and there is little coordination with the welfare system. Sites with more coordinated services between the two systems find that this arrangement leads to access to high-quality job search resources, job leads, employer connections, and training funded by the workforce investment system and that it creates a positive environment for participants.

- **In most sites, the institutional linkages between the welfare and workforce investment systems that were established for the ERA program are based on those forged for the TANF program.**

While a focus on retention and advancement issues might be expected to provide common ground for the development of new linkages, such linkages generally did not occur in the ERA programs. However, in a few sites, the ERA program did enhance coordination between the systems. As discussed above, the Texas and Oregon sites created “teams” of welfare and workforce staff under ERA, while in Riverside the workforce investment agency (which previously had only minimal involvement in TANF-related programs) took complete responsibility for one of the programs being tested.

- **Coordination between the workforce investment and welfare systems in these sites is largely driven by the flow of TANF or Welfare-to-Work**

grant funds to the One-Stop system to provide services to welfare recipients and working individuals.

This flow of funding enables One-Stop Centers to serve ERA participants without having them count as part of the workforce investment performance standards, which are often viewed as a barrier to serving welfare recipients or working individuals through workforce investment agency funding. Other factors, such as state guidance and past partnerships, also enhance institutional linkages between the two systems. In addition to performance standards, factors that hinder coordination in these sites include the different goals and target populations of the two systems, different regional jurisdictions and organizational cultures, and a lack of coordinated decision-making processes between the two systems.

- **Nonprofit community-based organizations provide key program services in several ERA projects; for-profit agencies provide services in one site.**

Whether or not the welfare or workforce investment agency played a lead role in the ERA programs, nonprofit community organizations are an important service provider in five of the sites. These organizations are generally under contract to either the welfare or workforce investment agency to provide employment and other services to ERA participants. For example, each of the Texas sites contracts with one nonprofit agency to provide services, while others (such as Minneapolis and Illinois) use multiple providers. Only one site in the ERA evaluation, Illinois, contracts with for-profit organizations to provide program services. In addition, a few sites, primarily in Oregon, involve community colleges in their ERA programs.

- **Programs serving a hard-to-employ population generally established new linkages with other organizations.**

These new linkages bring to programs special expertise on the difficult barriers facing the hard-to-employ population. In the New York PRIDE program, for example, the agency which also operates the Vocational Rehabilitation (VR) program is a major partner. Because of the VR group's experience in serving a population whose employability is limited by physical or mental health problems, the welfare agency viewed the involvement of the organization as critical to the success of the program. Several of the providers in Minneapolis contract with licensed psychologists from organizations with mental health expertise to conduct the in-depth family assessment that is an important first step in the program there. In Portland, the community college that runs the ERA program employs in each office a mental health specialist who conducts screenings and makes referrals to a local community mental health provider.

Upcoming Research in the ERA Project

Each of the ERA programs is being evaluated using a random assignment design, in which clients are assigned by chance to a program group that is eligible for ERA services or to a counterfactual group that receives the services that were available before the ERA project was developed. MDRC will use surveys and administrative records to follow both groups for three to five years. Because individuals are assigned to the two groups at random, there are no systematic differences between the groups' members when people enter the study. Thus, any differences that emerge during the follow-up period are attributable to the ERA program being tested.

This design will allow ACF and MDRC to obtain reliable data about whether or not programs increase employment rates, employment stability, wage progression, earned income, and other important outcomes. The study will also assess whether results differ for important subgroups of the target population — for example, people without a high school diploma — and will compare the financial costs and benefits of the programs.

MDRC will produce a separate interim report describing the implementation and early effects of each ERA program. Crosscutting reports will draw lessons from the many program tests.

Policy Implications

Although still at an early stage, the ERA project has already demonstrated that states and localities can mount innovative, large-scale programs to promote employment retention and advancement for welfare recipients and other low-wage workers. The states' strong commitment to the ERA programs — even in the face of mounting budget pressures — suggests that their vision for welfare reform includes a focus on long-term self-sufficiency for families. These investments are particularly critical as time limits on the receipt of cash benefits expire and the economy weakens. In this environment, the importance of employment stability and wage progression is magnified.

The tremendous flexibility inherent in the block grant structure that was created in the 1996 federal welfare law (the Personal Responsibility and Work Opportunity Reconciliation Act, or PRWORA) has facilitated this evolution in welfare reform. As welfare caseloads have declined, many states have been able to shift resources from providing basic assistance to building a new set of supports for low-income working families. The states' ability to sustain and expand these efforts will likely depend on whether the funding level and the flexible approach are maintained — and even enhanced — when the TANF block grant is reauthorized.