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The Work Advancement and Support Center Demonstration
From Getting By to Getting Ahead
Navigating Career Advancement for Low-Wage Workers

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The Work Advancement and Support Center (WASC) demonstration presents a new approach to helping low-wage and dislocated workers take strategic steps to advance — by increasing their wages or work hours, by upgrading their skills, or by finding better jobs. At the same time, these workers are encouraged to increase and stabilize their income in the short term by making the most of available work supports, such as food stamps, public health insurance, subsidized child care, and tax credits for eligible low-income families. The WASC program — located mostly in the One-Stop Career Centers created by the Workforce Investment Act — is being delivered in four sites: Dayton, Ohio; San Diego, California; Bridgeport, Connecticut; and Fort Worth, Texas.

From just getting by at the end of each month to getting ahead is a hard climb for low-wage workers, often requiring several steps, and the key to making sustained progress is to reach high enough to make sure that each step actually leads to financial gain. But because of the complex ways in which earnings interact with taxes and the phase-out of work supports (what economists refer to as “high marginal tax rates”), it is difficult for workers to anticipate whether a given advancement step pays. This report analyzes the interaction between earnings and the full package of work supports for different types of families and explores how career coaches in two of the sites — Dayton and San Diego — help low-wage workers understand and negotiate these complex interactions and guide them to make the best advancement decisions possible.

Key Findings

- For nearly all families, the way in which work supports phase in and out as earnings increase creates an incentive to advance when earnings are low. However, between the federal poverty line and the eligibility limits for most supports — as the Earned Income Tax Credit and food stamps simultaneously phase down — workers “take home” a relatively small proportion of their additional earnings, creating a possible disincentive to advance.
- Career coaches in WASC and similar programs can help workers make strategic advancement decisions by preparing them to transition from public health insurance and subsidized child care to alternate arrangements before reaching the “eligibility cliffs” for

these programs and by comparing the take-home rates afforded by different advancement and training opportunities.

- The WASC Work Advancement Calculator — a custom-designed Web-based tool — estimates workers' eligibility for work supports, identifies eligibility cliffs, and quantifies how changes in earnings will affect changes in total income. In practice, the calculator has not been used in Dayton and San Diego as consistently as envisioned.
- Career coaches in Dayton and San Diego report that their customers are taking up work supports and taking advantage of the often limited advancement opportunities available to them.

A report describing early impacts from the four WASC sites will be completed in late 2008.