

EXECUTIVE SUMMARY

The Enhanced Transitional Jobs Demonstration

Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs

Authors:

Cindy Redcross
Bret Barden
Dan Bloom

Atlanta: Joseph Broadus, Jennifer Thompson, Sonya Williams

Milwaukee: Sam Elkin, Randall Juras, Janaé Bonsu

San Francisco: Ada Tso, Bret Barden, Barbara Fink

Syracuse: Whitney Engstrom, Johanna Walter, Gary Reynolds

Fort Worth: Mary Farrell, Cindy Redcross

Indiana: Karen Gardiner, Randall Juras, Arielle Sherman

New York City: Melanie Skemer, Yana Kusayeva, Sara Muller-Ravett

November 2016



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). Work in Chapters 2 and 4 was performed under Contract No. HHSP23320100029YC awarded by the U.S. Department of Health and Human Services (HHS).

The content of this publication does not necessarily reflect the views or policies of DOL or HHS, nor does mention of trade names, commercial practices, or organizations imply endorsement by the U.S. government.

Overview

Policymakers and practitioners have long searched for program models that can improve employment outcomes for adults who are considered “hard to employ.” Transitional jobs programs offer temporary subsidized jobs that aim to teach participants basic work skills or help them get a foot in the door with an employer; they also help participants address personal issues and find unsubsidized jobs. 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, is testing seven transitional jobs programs that targeted people recently released from prison or unemployed 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, is leading 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 is also supporting the evaluation.

The evaluation uses 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. To date, the evaluation has studied the implementation of the programs and followed the two groups for one year after enrollment. Early results include:

- **The ETJD programs were relatively well implemented.** All of the programs met their recruitment goals, enrolling 1,000 people into the study. The project succeeded in testing some models that were quite different from earlier programs, but some of the enhanced approaches did not operate as planned.
- **All but one of the programs generated large increases in employment in the early months of follow-up; however, these increases were mostly or entirely the result of the transitional jobs and faded as participants left those jobs.** At most sites, the program group was substantially more likely to work than the control group, indicating that the programs employed many people who would not otherwise have worked. There were still modest impacts on employment at the end of the one-year period at most sites. However, these differences were partly attributable to some participants still working in transitional jobs.
- **Two of the three programs targeting people recently released from prison appear to have reduced recidivism (the rate at which they committed new crimes or were reincarcerated).** These decreases were concentrated among the participants at the highest risk of recidivism.
- **Most programs increased payment of child support.** These impacts were largely consistent with the programs’ impacts on employment, though coordination with child support agencies and some special child support enhancements contributed to the pattern of effects.

It is too early to draw conclusions about the impacts of the ETJD programs. The evaluation will ultimately follow study participants for 30 months, and will include a benefit-cost analysis. A final report is scheduled for 2018.

THIS PAGE INTENTIONALLY LEFT BLANK

Acknowledgments

The success of the Enhanced Transitional Jobs Demonstration (ETJD) and this report reflect 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, whose commitment and professionalism helped make the project successful. We also thank Heidi Casta, Dan Ryan, and Wayne Gordon for their commitment to the evaluation. We are grateful to Jenn Smith and Michelle Ennis for their teamwork throughout, and Demetra Nightingale for her contributions to the study. From HHS we thank Erica Zielewski, Girley Wright, and Mark Fucello for their insights during the design of the project and for their ongoing partnership and thoughtful collaboration.

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, and Cheryl Cornett-Earley.

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

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, Angela Gerena, and Nathan Gunsch.

From San Francisco, California: at Goodwill, Megan Kenny, David Walker, and Elsie Wong; at the 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 and Monique Forester.

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 who provided contract- and program-related technical assistance to the ETJD grantees: in *Atlanta*, Sherrie Wilson; in *Fort Worth*, Amanda Denogean; in *Indianapolis* and *Milwaukee*, Darren Kroenke; in

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

We thank the many staff members from state and local criminal justice and child support agencies that facilitated our access to the critical administrative data used in this study: the California Department of Justice, the City and County of San Francisco Department of Child Support Services, the California Department of Child Support Services, the Town of Mount Airy Police Department, the Georgia Department of Corrections, 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 Texas Office of the Attorney General's Child Support Division, the Indiana State Police, the Indiana Department of Corrections, the Marion County Sheriff's Office, the Indiana Department of Child Services, 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 Wisconsin Department of Justice Criminal Information Bureau, the Wisconsin Department of Corrections, 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 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, we thank Richard Hendra, who served as the impact adviser for the project and offered thoughtful guidance on the analysis. David Navarro ably led the study's operations in San Francisco. Michelle Manno capably managed the report's production. In addition to several of the authors, Sally Dai, Danielle Cummings, Chloe Anderson, Brian Bayes, Katherine Wen, Adrienne Yao, Paul Veldman, Josh Vermette, and Brit Henderson were part of the stellar quantitative analysis team that skillfully processed the surveys and dozens of federal, state, and local administrative data sets for the analysis in this report. Gordon Berlin and Charles Michalopoulos reviewed several drafts of the report and offered insightful recommendations. The report benefited greatly from the hard work of Danielle Craig, Emily Brennan, Marsha Davison, and Karla Mendez, all of whom helped create the many exhibits and coordinated the report's production. Sherry Reid provided administrative support to the project. Joshua Malbin carefully and efficiently edited hundreds of pages of text and tables for this report, and Carolyn Thomas prepared it for publication.

From Abt Associates, Steve Bell provided advice on the early design of the project and Glen Schneider led early study operations in Syracuse, New York. Donna DeMarco managed the follow-up survey operations. From Abt SRBI, Jodi Walton, Ray Hildonen, and Ricki

Jarmon tackled the administration of the follow-up surveys. From MEF Associates, Mike Fishman capably set up and led early operations in Milwaukee, Wisconsin.

We thank David Butler (MDRC), John Wallace (MDRC), and Jennifer Philips who helped early on with site selection. From the National Transitional Jobs Network we're grateful to Chris Warland, Amy Rynell, and Melissa Young for their advice.

Finally, we extend our deep appreciation to the thousands of men and women who participated in the study and gave generously of their time to respond to surveys and participate in interviews and focus groups.

The Authors

THIS PAGE INTENTIONALLY LEFT BLANK

Executive Summary

For decades, policymakers and practitioners have searched for program models that can increase employment rates and earnings for adults who are considered “hard to employ”: those with limited work experience, low levels of formal education, and other obstacles. One approach that has been implemented and tested fairly extensively is called “transitional jobs.” Transitional jobs programs offer temporary subsidized jobs that aim to teach participants basic work skills or get a foot in the door with an employer. The programs also help participants address personal issues that impede their ability to work and assist them in finding unsubsidized jobs when the transitional jobs end. A number of transitional jobs programs have been evaluated in the past, with mixed results. Several of them targeted individuals recently released from prison.

This report presents early results from the Enhanced Transitional Jobs Demonstration (ETJD), which is using a rigorous random assignment research design to evaluate seven transitional jobs programs that targeted either individuals who had recently been released from prison, or parents who did not have custody of their children (“noncustodial” parents), who owed child support, and who were unable to meet their obligations because they were unemployed. The organizations operating the ETJD programs designed their models to address what they thought were the shortcomings of previous transitional jobs programs, as revealed by previous evaluation efforts. The ETJD project was conceived and funded by the Employment and Training Administration of the U.S. Department of Labor (DOL). The Office of Planning, Research and Evaluation in the U.S. Department of Health and Human Services’ Administration for Children and Families is also supporting the evaluation. MDRC, a nonprofit, nonpartisan research organization, is leading the project under contract to DOL along with two partners: Abt Associates and MEF Associates. This report describes the implementation of the ETJD programs and presents information on how they affected participants’ outcomes in the first year after enrollment.

Background and Context

The roots of the ETJD project can be traced to two broad policy trends. The first is the ongoing struggle to find effective models to assist people who have great difficulty finding or keeping jobs regardless of overall labor market conditions. Policymakers tend to focus on these individuals especially when they incur public costs — for example, by receiving public assistance, by failing to pay child support (which may, in turn, lead to higher public assistance costs for their children), or by committing crimes and ending up in jail or prison.

The transitional jobs model has long been considered a promising approach for the hard-to-employ. However, rigorous evaluations of transitional jobs programs have yielded mixed results.¹ On the one hand, most programs dramatically increased participants' employment rates initially, suggesting that they provided jobs and income to many people who would have been unemployed otherwise. On the other hand, in most cases the gains in employment were the result of the subsidized jobs, and those gains faded when the jobs ended. Five of the programs that were evaluated targeted individuals who had recently been released from prison, but only one of them led to sustained reductions in recidivism rates (the rates at which former prisoners commit new crimes or are reincarcerated).² While many policymakers and practitioners continued to see transitional jobs as promising, these results highlighted the need to identify new versions of the model that produce longer-lasting impacts.

The second policy trend is the evolution of the corrections and child support-enforcement systems in recent years. Both of these systems have long viewed their missions in narrow terms: The corrections system sought to punish and segregate people who had been convicted of crimes, and the child support system sought to establish and enforce child support orders. However, in recent years, both systems have begun to focus more on improving the outcomes of their "clients," to some extent to reduce public costs. Transitional jobs programs are seen as a potentially effective approach for these populations, in part because they provide immediate income while participants are learning work skills. Policymakers hope that additional income and the acquisition of employment-related skills will reduce their propensity to engage in criminal activity and increase their likelihood of making child support payments.

The ETJD Project and the Evaluation

In 2010, DOL held a national competition to select programs to participate in the ETJD project. Applicants were required to describe specific "enhancements" to the basic transitional jobs model that had been tested earlier and to explain why they believed their approaches would achieve better results than previous programs. In addition, applicants were required to identify a

¹For a recent summary of evaluations of transitional jobs programs and other subsidized employment models, see Indivar Dutta-Gupta, Kali Grant, Matthew Eckel, and Peter Edelman, *Lessons Learned from 40 Years of Subsidized Employment Programs* (Washington DC: Georgetown Center on Poverty and Inequality, 2016).

²See, for example, Erin Jacobs Valentine, *Returning to Work After Prison: Final Results from the Transitional Jobs Reentry Demonstration* (New York: MDRC, 2012); Cindy Redcross, Megan Millenky, Timothy Rudd, and Valerie Levshin, *More Than a Job: Final Results of the Center for Employment Opportunities* (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).

primary target group — either individuals released from prison in the past 120 days or noncustodial parents who owed child support but were unable to pay because they were unemployed. Ultimately, DOL selected seven programs — four targeting noncustodial parents and three targeting people released from prison — and provided each one with approximately \$6 million over a period of four years.³

The ETJD evaluation set out to answer three broad questions:

- How were the ETJD programs designed and operated, and whom did they serve?
- 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)?
- How do the programs' costs compare with any benefits they produce?

The MDRC team is addressing the second question using a random assignment research design, the most reliable method for assessing the effectiveness of this type of program; the first and third questions are addressed by the other two study components, the implementation study and the cost-benefit study. To facilitate the evaluation, each ETJD program was required to recruit 1,000 people who wanted to participate in the program, who met the eligibility requirements, and who agreed to participate in the study. These individuals were randomly assigned either to the **program group**, whose members were invited to participate in the ETJD program, or to the **control group**, whose members were usually given a list of other services in the community.⁴ (In some places, the control group was referred to a specific program that provided job-search assistance but not transitional jobs.) The MDRC team is following the program and control groups for two and a half years using surveys and federal, state, and local administrative records to measure outcomes in the three primary areas — employment, criminal justice, and child support — as well as in other, secondary areas such as material and personal well-being, parenting, and relationships with family members.⁵ If differences emerge between the groups over time and these differences are large enough to reach conventional levels of statistical significance, then one can be fairly confident that the differences are attributable to

³For more information about the grant requirements, see Employment and Training Administration, U.S. Department of Labor, “Notice of Availability of Funds and Solicitation for Grant Applications Under the Enhanced Transitional Jobs Demonstration (ETJD),” available online at: www.doleta.gov/grants/pdf/SGA-DFA-PY-10-11.pdf.

⁴As shown in Appendix I of the full report, there were no systematic differences in baseline characteristics between program and control group members.

⁵Administrative records are data used for the management of programs and public services.

the ETJD program.⁶ Such differences are referred to as “impact estimates.” The evaluation examines the results for each program separately.

This report focuses mostly on the implementation study, but it also describes programs’ early impacts in the first year after people were randomly assigned to the two groups. Owing to the nature of the models, one year of follow-up is not long enough to fully assess the programs’ impacts on primary outcomes. Most important, program group members spent a substantial part of the first year in transitional jobs, so the programs’ long-term impacts on *unsubsidized* employment are not yet clear. Longer-term impact results based on participants’ outcomes after 30 months will be presented in a later report, as will the findings from the benefit-cost analysis.

The ETJD Programs

Table ES.1 briefly describes the seven ETJD programs. As the table shows, most of the grantees were private, nonprofit organizations, though, as described later, these organizations worked very closely with state or local government partners.

Each of the seven programs was designed somewhat differently but, as required by DOL, all of them were enhanced in some ways relative to the transitional jobs models that were studied earlier. Those earlier programs all provided temporary subsidized jobs either within the program itself or with other nonprofit organizations. They also assigned participants to job coaches or case managers (who helped them address barriers to employment) and to job developers (who helped them search for unsubsidized jobs). The ETJD enhancements fell into three general categories:

- **Structural changes.** The programs that were tested in earlier studies placed participants into relatively sheltered positions with a program operator or a partner organization, and then helped them find regular jobs. Two of the ETJD programs used “staged” models in which participants started in program jobs, but then progressed to subsidized jobs in the community that more closely resembled “real” jobs. A third program focused entirely on

⁶The analyses presented in this report are considered “exploratory.” That is, the evaluation as a whole will be providing suggestive evidence on which program innovations are effective, so that these enhancements can be more widely replicated and studied. As a result, the analysis does not use formal statistical methods to account for the fact that several program-control differences are examined at each of the seven experimental “sites” (a term that encompasses the program, the program group, the control group, and their environment). When many such comparisons are made, there is a greater probability that some of the differences will be found to be statistically significant even though they did occur by chance. The report’s analysis addresses this issue by minimizing the number of comparisons and highlighting those that are most important.

Table ES.1**ETJD Individual Program Characteristics**

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

placing participants directly into subsidized jobs in the private sector that were intended to evolve into permanent positions. A fourth used a “tiered” model that placed participants into different types of transitional jobs based on their educational and work histories. For the most part, these new structural approaches were designed to promote smoother transitions from subsidized to unsubsidized jobs.

- **Enhanced support.** Four of the ETJD programs aimed to provide special support or assistance that was not available in the earlier programs studied — for example, opportunities for short-term training in occupational skills, services to help participants address problematic behavior patterns, or help correcting errors in their official criminal records.⁷
- **Child support incentives.** In two of the four programs targeting noncustodial parents, the child support agency offered special “carrots,” “sticks,” or both to encourage participants to remain active in the ETJD program. For example, in one program, participants’ child support orders were modified downward as long as they participated steadily (a “carrot”). Once they stopped participating, the orders were returned to their original levels (a “stick”).

The programs used these enhancements in various combinations. Three were structured much like traditional transitional jobs programs but included enhanced support or child support incentives. Four programs used one of the innovative structural approaches described above and included one or both of the other types of enhancements.

It is important to note that the programs’ “theories of change” varied somewhat from one to another. For example, the models that placed participants into temporary jobs within the program reflected an assumption that participants were initially not ready to succeed in regular jobs. Rather, they would “learn to work by working” in the temporary jobs and, thus, would be better able to get and keep regular jobs. In contrast, the programs that placed participants into subsidized private-sector jobs assumed that participants were ready to work in regular jobs, but needed help getting a foot in the door. These programs sought to change employers’ hiring decisions and promote a more effective transition from subsidized to unsubsidized employment.

⁷Three of the programs that added enhanced support also included structural changes or child support system enhancements.

Early Results

- **All of the programs achieved their enrollment goals, but some of them struggled with recruitment and may have begun to accept different kinds of participants than they originally targeted.**

The ETJD programs developed relationships with child support and corrections agencies and other community partners in order to identify potential participants. Each of the programs used some type of screening process to try to identify people who were able and willing to work, but not so employable that they did not need subsidized jobs. This was a difficult balance to achieve and some of the programs that struggled to meet their goals began to loosen their screening criteria over time. Ultimately, all seven programs were able to recruit 1,000 people into the study.

- **In all of the programs, the typical participant was an unmarried black or Hispanic man in his 30s or 40s, with little or no recent work experience.**

Data collected from study participants when they entered the study show that there is considerable overlap across the two main target groups: 42 percent of participants in the programs targeting people coming home from prison were noncustodial parents, and 37 percent of those in the programs targeting noncustodial parents had been incarcerated (though often not recently).

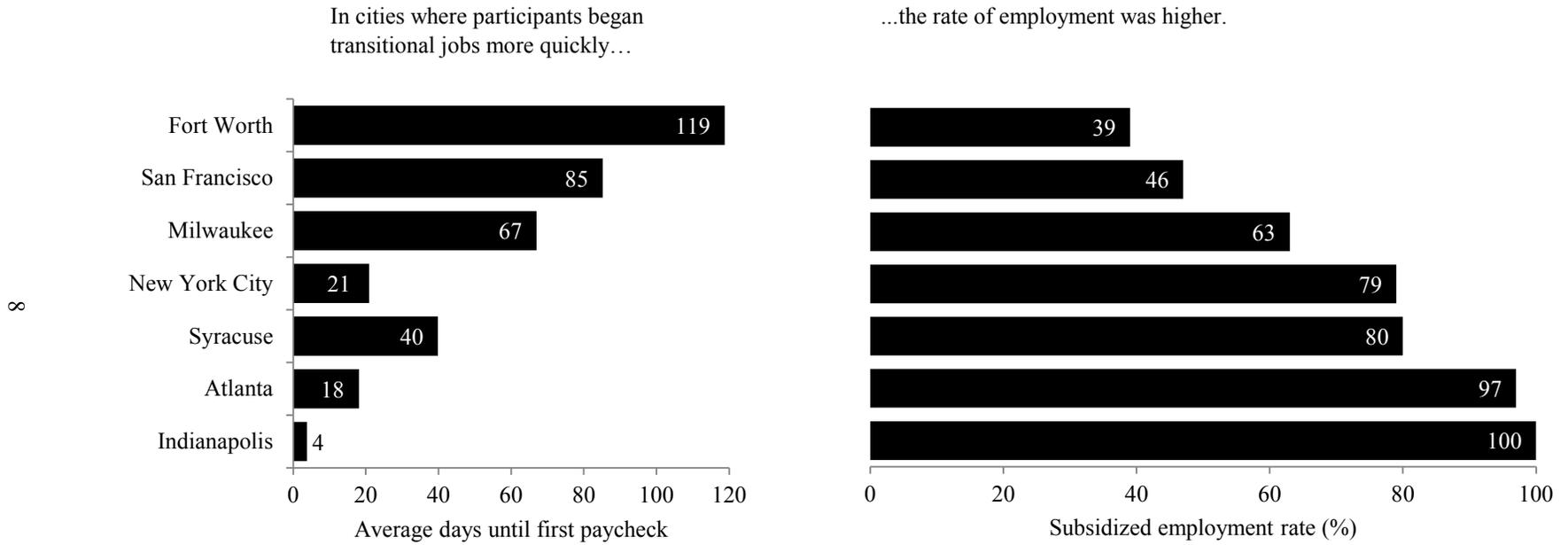
Almost all participants in the noncustodial parent programs and more than 80 percent of those in the programs targeting former prisoners had worked for pay at some point in the past. However, as expected, very few of the participants in the latter group of programs had any *recent* work experience. Even in the programs targeting noncustodial parents, fewer than one-third of participants had worked for more than a year in the previous three years.

- **Reflecting the differing program models, the proportion of program group members who worked in transitional jobs ranged from just under 40 percent to 100 percent.**

Figure ES.1 shows the percentage of program group members who worked in a transitional job at some point during the one-year follow-up period and the average number of days that elapsed between random assignment and participants' first transitional job paychecks (for those who worked in such jobs). As the figure illustrates, some programs (notably Indianapolis and Atlanta) put participants into in-house jobs almost immediately and, as a result, everyone or nearly everyone worked in transitional jobs. At the other extreme, the Fort Worth program provided a range of preemployment activities and then attempted to place participants directly into subsidized private-sector jobs. In this model, the program had

Figure ES.1

Subsidized Employment in the ETJD Programs



SOURCES: Quarterly wage data from the National Directory of New Hires and responses to the ETJD 12-month survey.

to persuade private employers to hire people recently released from prison (and agree to retain them after the subsidy period if all went well). As a result, fewer than half of program group members ever worked in subsidized jobs (though the program was able to place others directly into unsubsidized jobs, because some employers refused the subsidy). The programs in the middle required participants to complete some type of preemployment activity or class before starting work, or had to match participants with jobs in nonprofit agencies in the community. In either case, some participants left the programs before they were placed.

The average number of days worked in a transitional job (among those who worked) ranged from less than 30 in New York City to more than 70 in Indianapolis. To some extent, this variation reflects the program designs — for example, some programs offered fewer days of work per week than others — but it also reflects the greater willingness of some programs to offer extensions to participants who had good attendance but were having difficulty finding unsubsidized jobs.

- **In general, the ETJD programs were relatively well implemented; however, some of the enhancements were not put in place as designed.**

All of the ETJD grantees had some experience operating transitional jobs programs, but ETJD required them to expand to a larger scale and add new components or services. Thus, it is not surprising that all of them experienced some operational challenges. As noted earlier, some programs had difficulty with recruitment. Many others struggled to place participants into unsubsidized jobs. Nevertheless, the overall conclusion is that all of the grantees implemented functioning transitional jobs programs.

One central question is whether the ETJD programs were truly “enhanced” relative to earlier models. The answer is mixed. Several of the programs successfully implemented the structural changes described above. Others were able to provide enhanced services or child support incentives. At the same time, some of the enhancements did not operate as planned. For example, the Milwaukee program had intended to place many participants into skills training, but the organizational partnerships needed to make this happen never fully materialized. Similarly, the San Francisco program was not able to fully implement its three-tiered transitional jobs model.

- **Most control group members at all sites received help finding jobs; nevertheless, there were large differences in service receipt between the program and control groups.**

Responses to the 12-month survey indicate that, across the sites, 60 percent to 80 percent of the control group received at least some help related to finding or keeping a job. This result is not surprising, because all of the study participants were involved with systems that

expected and in some cases required them to seek employment. Nevertheless, the program groups at all sites were still substantially more likely to receive employment and education services, and in addition it seems that the ETJD services were much more intensive and comprehensive than most other services available in the communities. Most important, with two exceptions (Milwaukee and New York City), it does not appear that substantial numbers of control group members received subsidized or transitional jobs.

- **Almost all of the programs generated large increases in employment in the early months of follow-up; however, these increases were mostly or entirely the result of the transitional jobs and faded quickly as participants left those jobs.**

Figure ES.2 shows the employment rates for the program and control groups during the one-year follow-up period at three sites: Atlanta, Milwaukee, and Fort Worth. The other sites follow a pattern similar to one of these three.⁸ The figures show both the overall employment rates (including both subsidized and unsubsidized jobs) and the proportion of the program group working in ETJD transitional jobs (the dashed lines). These data are drawn from unemployment insurance records obtained through the National Directory of New Hires, which show participants' quarterly earnings in most jobs in the formal labor market. In programs where the transitional jobs were not covered by unemployment insurance, earnings data are drawn from program records.

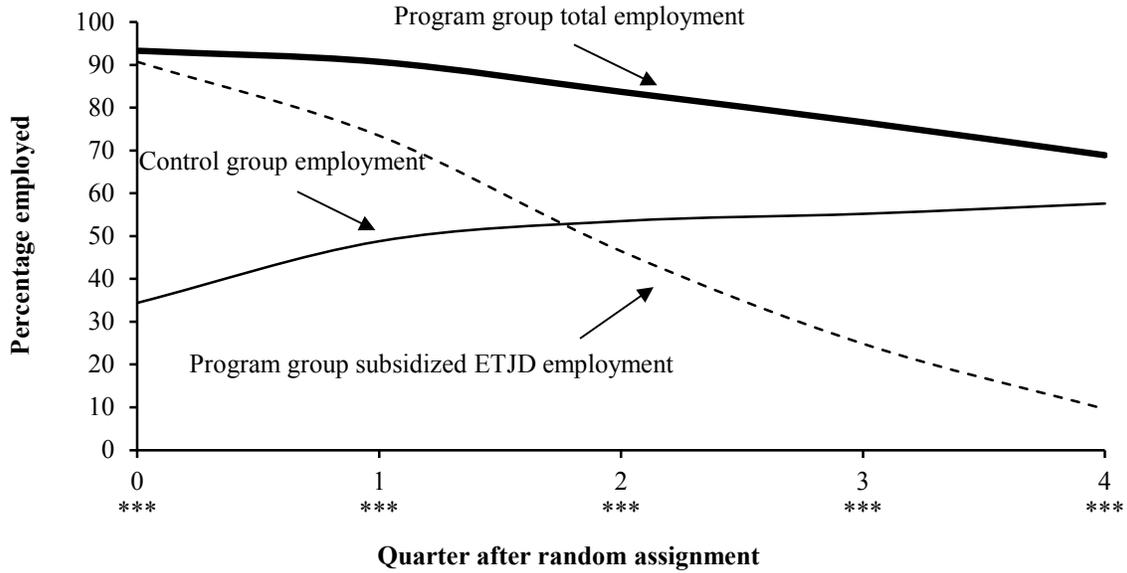
The figure shows that, at all sites except Fort Worth, the ETJD programs were able to employ many people who would not otherwise have worked. The peak difference between the groups (usually in the first or second quarter) ranged from 27 percentage points to 59 percentage points, with larger differences at the sites where the programs placed people into transitional jobs immediately (see Figure ES.1). Moreover, while not shown in the figure, all six of those programs significantly increased earnings over the first year, by amounts ranging from a little under \$1,000 to more than \$3,000.

Finally, in Atlanta and San Francisco, a survey was administered very early in the follow-up period, when many program group members were still working in transitional jobs. In Atlanta, where the transitional job placement rate was nearly 100 percent (see Figure ES.1), the

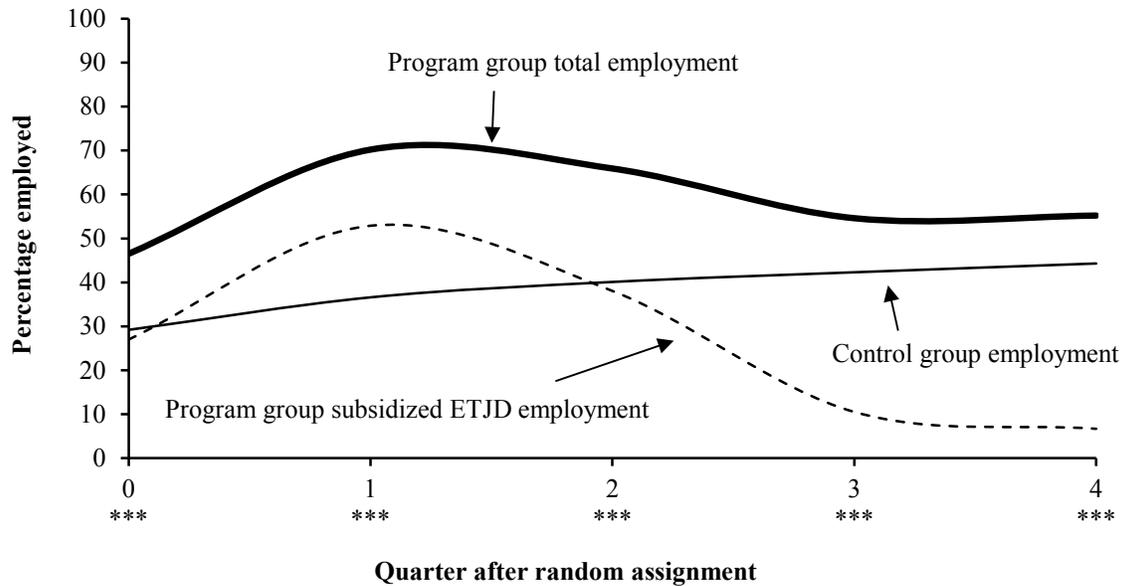
⁸The pattern of results in Indianapolis closely resembles the pattern in Atlanta shown in Figure ES.2; at both sites nearly all program group members worked in transitional jobs. New York City's results are also similar to Atlanta's, though in New York City the difference between groups was no longer statistically significant by the end of the follow-up period. The San Francisco and Syracuse results resemble the Milwaukee results shown in Figure ES.2.

Figure ES.2
Employment Rate Over Time

Atlanta
Employment Rate



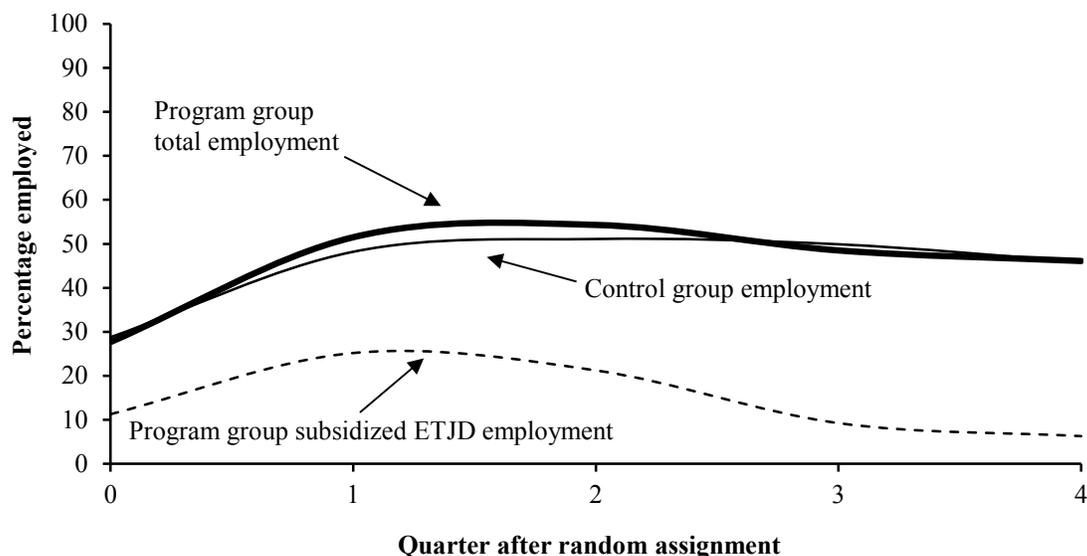
Milwaukee
Employment Rate



(continued)

Figure ES.2 (continued)

**Fort Worth
Employment Rate**



SOURCES: MDRC calculations based on quarterly wage data from the National Directory of New Hires and responses to the ETJD 12-month survey.

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

program group reported higher levels of happiness and scored higher on a scale measuring the perception that one can control one's life. At both sites, program group members were much more likely to report that their financial situations were better than a year ago.

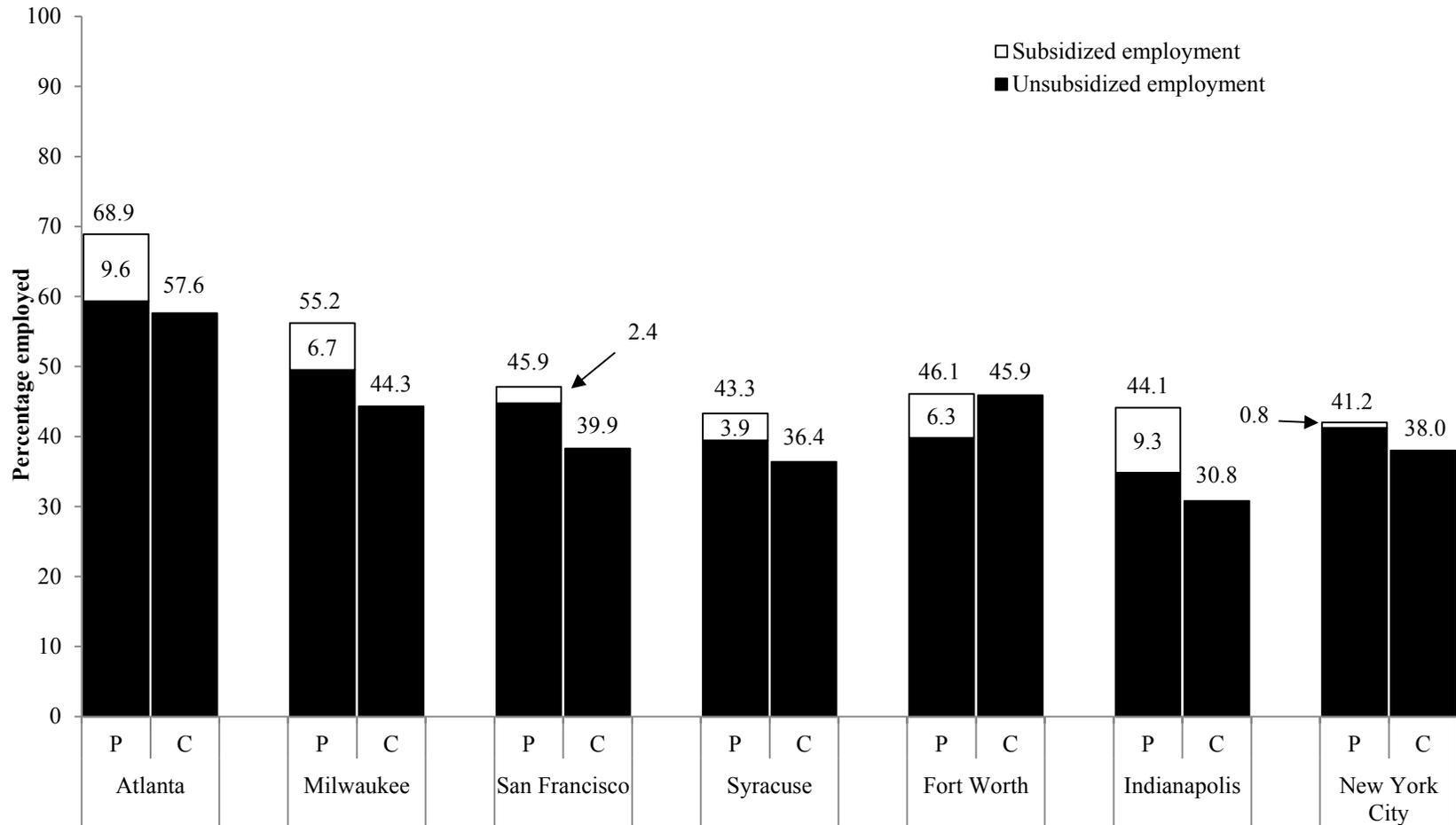
At the same time, Figure ES.2 clearly shows that the employment rates of the program and control groups quickly converged over the course of the year, as program group members left their transitional jobs, the same pattern that was seen in the earlier transitional jobs studies.

- **At most sites, the program group was still more likely than the control group to be employed at the end of the follow-up period; however, at least part of the difference could be attributed to program group members who were still working in transitional jobs.**

Figure ES.3 shows the employment rates drawn from unemployment insurance data for the program and control groups in the first quarter of Year 2, the last quarter of this report's follow-up period. As the figure shows, despite the diminishing impacts, there were

Figure ES.3

Employment Rate in the First Quarter Of Year 2



SOURCE: MDRC calculations based on quarterly wage data from the National Directory of New Hires.

NOTES: P = ETJD program group, C = control group.

Subsidized employment data were only available and are only shown for program group members. Control group members may have sought out and participated in other, non-ETJD subsidized employment opportunities available in their communities.

still statistically significant differences between the program and control groups at all of the sites except Fort Worth and New York. Even at those sites, survey data showed that program group members were more likely to report being employed at the time of the interview, suggesting that those programs may have increased employment in jobs that are not covered by unemployment insurance.

At the same time, the figure shows that at almost all sites some participants were still working in transitional jobs in that last quarter. These are likely to be individuals who started transitional jobs earlier in the follow-up period, left the program, and then returned later and were allowed to continue. Alternatively, there may have been a long delay in initially placing them into transitional jobs. In any event, it seems clear that the impacts on employment in the final quarter are at least partly explained by the participants who were still working in transitional jobs. It is not clear whether the differences will persist over time, when all program group members eventually leave their transitional jobs. The evaluation will ultimately follow study participants for 30 months, with a final report that will include 30-month impacts on employment and earnings to be published in 2018.

- **There were some decreases in recidivism in two of the three programs targeting people recently released from prison.**

As shown in Table ES.2, the ETJD programs in Fort Worth and Indianapolis generated some statistically significant reductions in recidivism. Interestingly, the Fort Worth program generally did not improve employment outcomes, but it was the only ETJD program that offered workshops using cognitive behavioral approaches (a type of intervention that has been shown to reduce recidivism in other studies).⁹ The Indianapolis program used a highly supportive peer-mentoring model, and the recidivism effects occurred mostly in the first six months of the follow-up period, when most program group members were still heavily engaged with the program.

The third program targeting people recently released from prison, the one in New York City, did not produce statistically significant reductions in recidivism. However, it is worth noting that New York City has an unusually rich set of services for this population. On the 12-month follow-up survey, more than 80 percent of the control group reported receiving employment services, and the evaluation team was able to determine that more than a third of the control group was served by the Center for Employment Opportunities, a very large transitional jobs program that has also been evaluated and shown to reduce recidivism.¹⁰

⁹The program provided workshops based on the Thinking for a Change curriculum developed by the National Institute of Corrections.

¹⁰Jacobs Valentine (2012); Redcross, Millenky, Rudd, and Levshin (2012); Butler et al. (2012).

Table ES.2
One-Year Impacts on Recidivism, by Program

Outcome (%)	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>Indianapolis</u>				
Arrested ^a	20.1	23.9	-3.8	[-8.8, 1.2]
Months 1-6	9.2	15.1	-5.8**	[-9.7, -1.9]
Months 7-12	12.3	11.2	1.1	[-2.9, 5]
Convicted of a crime ^b	13.9	16.1	-2.2	[-6.5, 2.1]
Months 1-6	6.0	10.8	-4.8**	[-8.1, -1.4]
Months 7-12	8.2	6.4	1.7	[-1.5, 4.9]
Incarcerated	49.8	52.6	-2.7	[-7.9, 2.4]
Months 1-6	32.2	36.2	-4.0	[-9, 0.9]
Months 7-12	34.1	33.5	0.6	[-4.3, 5.6]
Arrested, convicted, or admitted to jail or prison	50.8	54.6	-3.8	[-8.9, 1.4]
Months 1-6	33.2	37.2	-4.0	[-9, 0.9]
Months 7-12	35.5	36.4	-0.9	[-5.9, 4.1]
Sample size	501	497		
<u>Fort Worth</u>				
Arrested	19.0	24.9	-5.9**	[-10.1, -1.7]
Months 1-6	8.3	9.5	-1.2	[-4.2, 1.8]
Months 7-12	13.3	17.6	-4.3*	[-8, -0.6]
Convicted of a crime	11.6	11.4	0.2	[-3.1, 3.5]
Months 1-6	4.1	4.3	-0.2	[-2.3, 1.9]
Months 7-12	8.5	8.3	0.2	[-2.7, 3.1]
Incarcerated	22.6	26.7	-4.1	[-8.5, 0.3]
Months 1-6	11.5	12.9	-1.4	[-4.8, 2]
Months 7-12	16.2	19.5	-3.3	[-7.2, 0.6]
Arrested, convicted, or admitted to jail or prison	27.0	32.2	-5.2*	[-9.8, -0.6]
Months 1-6	13.5	15.4	-1.9	[-5.6, 1.7]
Months 7-12	20.5	24.2	-3.8	[-8, 0.5]
Sample Size	503	496		

(continued)

Table ES.2 (continued)

Outcome (%)	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>New York City</u>				
Arrested	18.8	21.6	-2.7	[-6.7, 1.2]
Months 1-6	9.5	10.2	-0.8	[-3.8, 2.3]
Months 7-12	11.5	13.0	-1.5	[-4.8, 1.7]
Convicted of a crime	12.6	13.2	-0.6	[-3.9, 2.7]
Months 1-6	5.0	5.2	-0.2	[-2.5, 2]
Months 7-12	9.6	8.9	0.7	[-2.1, 3.6]
Incarcerated	11.3	9.2	2.1	[-1.6, 5.9]
Months 1-6	16.0	16.5	-0.5	[-4.3, 3.3]
Months 7-12	20.3	17.3	3.0	[-0.9, 6.9]
Arrested, convicted, or admitted to jail or prison	34.0	32.6	1.4	[-3.3, 6]
Months 1-6	18.9	18.1	0.9	[-3.1, 4.9]
Months 7-12	24.1	22.7	1.5	[-2.8, 5.7]
Sample size	504	501		

SOURCE: MDRC calculations based on criminal justice data.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics. Estimates of arrest and conviction in Indianapolis are weighted by age, lifetime months in prison prior to random assignment, and program-versus-control ratios.

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

^aArrest and conviction measures in Indianapolis exclude sample members for whom no records could be retrieved due to limitations of the criminal justice data. Data are weighted as noted above to account for these missing records.

^bThe dates for conviction measures shown in this table are set equal to the arrest dates; actual conviction dates were unavailable. This measure therefore undercounts the number of convictions resulting from arrests that occurred in the year after random assignment, as prosecutions of some of these arrests had not yet resulted in a disposition by the date on which the data were obtained.

- **Most of the programs increased payment of child support.**

Six of the programs increased the percentage of noncustodial parents who paid child support during the 12-month follow-up period discussed in this report, and three of them led to statistically significant increases in the total amount paid. The child support impacts were largely consistent with the programs' impacts on employment, but other factors also help to explain the pattern of impacts on the amount of child support paid. For example, the San Francisco program

modified participants' child support orders downward while they participated, which led to a large increase in the proportion paying child support, but no impact on the average amount paid. Some programs routinely notified the child support agency when participants began working in transitional jobs and took an active role in setting up the deduction of child support from their wages, while others did not. These close collaborations with local child support agencies may have contributed to the programs' impacts on child support payments.

Conclusions and Policy Implications

It is too early to draw final conclusions about the impacts of the ETJD programs. It is clear that the employment rates of the program and control groups grew closer together over the course of the first year following random assignment, but it is not clear whether any impacts on employment will persist beyond the follow-up period for this report. It is possible, for example, that program group members are better prepared to retain jobs, in which case impacts may persist or appear later. It is also too early to predict what the benefit-cost analysis will show.

Even at this early point, however, a few conclusions seem warranted. First, the ETJD study has confirmed an important finding from earlier studies: Transitional jobs programs can employ many people who would not otherwise be working.¹¹ The employment rate for the control group ranged from about 35 percent to 45 percent in most cities in a typical quarter, indicating that the ETJD programs targeted people who have serious labor-market difficulties and allowed many of them to hold legitimate jobs, at least temporarily.

Second, the early ETJD results provide further confirmation that some transitional jobs programs can reduce recidivism among people recently released from prison. It is not entirely clear why some programs have this effect and others do not, but it seems clear that simply providing people with temporary low-wage jobs is not sufficient to change recidivism patterns. If that were true, then most of the transitional jobs programs that have been tested would have reduced recidivism (and they have not),¹² and the Fort Worth ETJD program would not have done so, because it did not place most of its participants in transitional jobs. Since the cost-savings and public-safety implications of reducing recidivism are so great, it may be worth testing new transitional jobs models that are specifically designed to reduce recidivism — for example, programs that combine transitional jobs with cognitive behavioral interventions and allow people to leave and return to the subsidized jobs as often as needed during the first two to three years after their release from prison (reflecting the fact that the path to steady employment

¹¹Dan Bloom, *Transitional Jobs: Background, Program Models, and Evaluation Evidence* (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2010).

¹²Jacobs Valentine (2012); Redcross, Millenky, Rudd, and Levshin (2012); Butler et al. (2012).

and desistence from crime often involves stops and starts). Paid employment can be a useful strategy for engaging people in other services that are designed specifically to improve decision making and reduce risky behavior.

Finally, regardless of the longer-term results from the ETJD study, it is important to note that transitional jobs programs are only one particular type of subsidized employment, and that subsidized employment programs may have very different goals. While transitional jobs programs aim to use subsidized employment as a training tool to improve participants' success in unsubsidized jobs over time, other subsidized employment models are mainly designed to provide opportunities for work and income for people who cannot find jobs in the regular labor market. This latter type of program is particularly critical during recessionary periods — such programs are sometimes called “countercyclical programs” — but the rationale may also apply to populations or geographic areas where joblessness remains high even when the national economy is doing relatively well. Such programs might be evaluated on their ability to place large numbers of people into meaningful jobs quickly, as well as on the value of the work they complete, rather than on their ability to improve participants' longer-term employment outcomes. The ETJD project does not address the question of whether other kinds of job-creation programs constitute a good use of public resources.