

The Enhanced Transitional Jobs Demonstration

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

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Chapter 6

**Next STEP
(Fort Worth, TX)**

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Executive Summary

Next STEP (for Subsidized Transitional Employment Program) operated a wage-subsidy transitional jobs model in Fort Worth, Texas between November 2011 and June 2014, serving individuals recently released from the Texas state and federal prison systems. The program paid 100 percent of participants' wages in the first eight weeks of employment and 50 percent in the second eight weeks. In addition to the wage subsidy, Next STEP provided a range of services to help people prepare for and find employment. The services included comprehensive assessments and job-readiness workshops for all participants and, for those who could benefit from them, General Educational Development (GED) test preparation, short-term training, counseling, and cognitive behavioral therapy workshops. Once program participants completed the initial job-readiness classes, a job developer began trying to place them in subsidized and unsubsidized jobs.

Main Findings

- **The study sample consisted of recently released state and federal prisoners who were highly disadvantaged, with 41 percent homeless or living in transitional housing.** The sample was racially diverse relative to the other two programs that targeted the formerly incarcerated population. About half of study participants were black and another third were white, 90 percent were male, and 91 percent were not married when they enrolled. Most (86 percent) had at least a high school diploma or equivalent, which is higher than the average across the three Enhanced Transitional Jobs Demonstration (ETJD) programs targeting formerly incarcerated people (75 percent). Very few had worked at all in the previous year, reflecting their recent incarceration, but 93 percent had some previous work experience. Interestingly, while 45 percent had minor-age children and 35 percent were noncustodial parents, fewer than 10 percent had current child support orders.
- **Next STEP experienced few challenges with recruiting participants and, after it acquired additional referral sources, met its target sample goals for the study.** Next STEP initially focused on recruiting individuals newly released from the Texas state prison system and on parole. Over time, it expanded its recruitment efforts to ensure it met the sample target. It began sending letters to individuals whom the Texas Department of Criminal Justice (which oversees state parole) listed as having been recently released, and

eventually Next STEP also began recruiting from federal prisons, relying on federal probation officers to refer interested participants.

- **While participants had access to ample services, just 39 percent of program group members worked in subsidized jobs.** The intended model was premised on helping participants to become “job-ready” and then helping them find subsidized jobs that would turn into permanent employment with the same employer. The Next STEP wage subsidy model did not place participants in transitional jobs; rather participants had to search and interview for jobs. This approach resulted in long delays from the times participants enrolled to the times they began working, which caused considerable attrition from the program. Most program group members never worked in subsidized jobs.
- **Next STEP significantly increased participation in nearly all activities and services.** Program group members reported significantly higher levels of participation in activities and services than control group members in every activity or service measured, with the exception of postsecondary education, which was not a focus of the model. As expected, estimated impacts on employment-related assistance are especially large, with nearly all program group members reporting getting help with job searching, career planning, and paying for job-related expenses.
- **Over the first year of follow-up, Next STEP did not significantly increase unemployment insurance-covered employment. However, the client survey suggests that the program did increase employment overall, possibly in areas not covered by the administrative wage records.**¹ The analysis of administrative data found that just under three-quarters of both program group and control group members were employed at some point during the first year. According to the survey, however, program group members were more likely to report being employed in the first year than control group members (88 percent versus 82 percent) and earned higher hourly wages than control group members. While client surveys often report more stints of employment than are found in administrative wage records, the difference in employment between the two data sources is substantially greater in Fort Worth than in any other ETJD city.

¹The administrative data include unemployment insurance wage records from the National Directory of New Hires and program records detailing subsidies paid to participants, which were not included in the unemployment insurance wage records.

- **Next STEP reduced arrests and incarceration. This reduction was concentrated among individuals who had a high risk of recidivism.** The program significantly reduced arrests by 6 percentage points and incarceration in jail by 5 percentage points. Among those who were at high risk of recidivism the program reduced recidivism by 19 percentage points in the first year of follow-up. The program model — which provided individual counseling, cognitive behavioral therapy workshops, and other services — may have been more effective for participants at higher risk and with greater needs.

This chapter is divided into three parts. The first part provides background information that places the intervention and impacts in context. The next section describes staffing and recruitment and the intervention as operated. The final section presents impacts on participation in program services, employment, recidivism, and child support payments.

The Next Step Program

Background

The Next STEP program, operated by Workforce Solutions for Tarrant County (the workforce development board of the county that includes Fort Worth, Texas) is one of three ETJD programs that targeted formerly incarcerated people. Next STEP tested a wage-subsidy transitional jobs model, in which participants sought subsidized employment usually with private, for-profit firms. The program paid 100 percent of participants' wages in the first eight weeks of employment and 50 percent in the second eight weeks. A number of contextual and other background factors are important for understanding the implementation and impact of the program.

Context

The Next STEP program delivered its services in Fort Worth, a city in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area, which is the largest metropolitan area in the South. Its economy was doing well during the period of the study, with an unemployment rate in Tarrant County of 5.3 percent in June 2014, down from over 8 percent in 2010.² Some of the major private companies located in Fort Worth are in the aviation industry, including American Airlines, Lockheed Martin, and Bell Helicopters.³ Other major industries include life sciences, logistics, manufacturing, and natural gas.⁴ Staff members noted that among the types of jobs that interested Next STEP participants, the county experienced an increase in manufacturing, warehousing, and service jobs and a decrease in oil and gas jobs during the time the program operated. They also noted that while a number of large corporations are headquartered in the Fort Worth area, the employers interested in Next STEP were small and medium-sized.

Although the economy was improving, individuals on parole faced several obstacles to gaining employment and obtaining benefits. They were required to search for employment as a condition of parole, though having a felony conviction may have limited their job opportunities. They also had to juggle other requirements imposed by the Tarrant County parole division that could compete with their job searches, including completing a four-hour substance-abuse class, and possibly attending Narcotics Anonymous, GED classes, and anger-management classes.

Although they often needed financial assistance, members of the study population were eligible for very few public benefits. In Texas, individuals who are convicted of drug offenses and on parole are banned from receiving Supplemental Nutrition Assistance Program (SNAP)

²Workforce Solutions for Tarrant County (2015).

³Fort Worth Chamber of Commerce (2016b).

⁴Fort Worth Chamber of Commerce (2016a).

and Temporary Assistance for Needy Families (TANF) benefits.⁵ Finally, parolees have financial obligations, including a monthly \$10 supervision fee, a monthly \$8 crime fee (applied to the Crime Victim Compensation Fund), restitution based on their monthly incomes, and postsecondary education reimbursement for college courses they received in prison.

The Next STEP program was designed to help these individuals soon after their release from prison. Other services were available in Tarrant County to help individuals recently released from prison search for employment, but Next STEP was the only subsidized employment program operating in the county during the grant period. Before Next STEP, Tarrant County operated two prisoner reentry programs. Project Re-Integration of Offenders, a reentry program funded by the state, lost that funding in 2011. Tarrant County STEP, a transitional jobs program that focused on probationers and that was funded by the American Recovery and Reinvestment Act of 2009, also ended in 2011. During the grant period, Texas ReEntry Services, a nonprofit organization in Fort Worth, provided prisoner reentry services that focused primarily on employment services, case management, supportive housing, and GED assistance; it did not provide subsidized jobs.⁶

Intended Model

Next STEP was designed to help participants become job-ready first, and then help them find subsidized employment in private-sector jobs that would become permanent. Figure 6.1 illustrates the components of the program model and their sequence.

All participants received a comprehensive job-readiness assessment at the start of the program, conducted by Guinn Healthcare Technologies, an outside organization engaged for this purpose. After the assessment, participants attended an unpaid, two-week job-readiness workshop, referred to as “boot camp.” The assessments and boot camp took place in the first few weeks after enrollment. Case managers met with participants weekly and sometimes daily during this stage of the program. Some participants received one-on-one mental health counseling from Guinn Healthcare. In addition, participants also had access to legal assistance and short-term training to help them become job-ready.

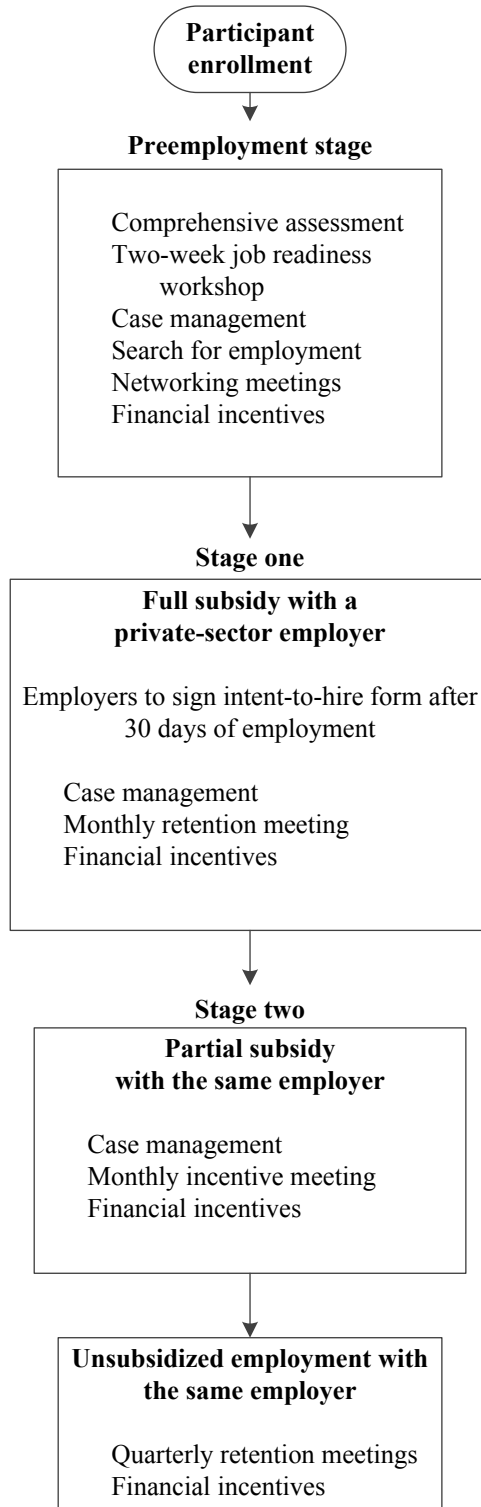
After case managers determined that participants were ready, job developers would begin working with them to help them find subsidized jobs. According to Next STEP’s ETJD grant proposal, job developers were to work with the participants “hand-in-hand to find

⁵The state legislature lifted the lifetime ban on SNAP benefits in September 2015, though individuals are only eligible for SNAP after completing their sentences. Crampton (2015).

⁶Texas ReEntry Services provided employment services to 270 individuals in 2013.

Figure 6.1

Next STEP Program Model



appropriate employer placements, based on the participants' work experience, strengths, passion, skill sets, and career aspirations." They held networking meetings weekly that provided participants with ongoing assistance and opportunities to meet employers.

Because participants were expected to keep their jobs after the subsidy ended, the program only entered into subsidy contracts with employers that agreed to retain participants if they performed well. After a participant had spent 30 days in a job, the employer had to sign a form certifying its intent to hire the participant after the end of the subsidy (about three months later). After they started subsidized employment, participants were expected to meet with their case managers weekly to receive transportation assistance, and to attend monthly retention meetings. Once they secured unsubsidized jobs, participants were invited to attend quarterly retention meetings.

The Next STEP program model rests on the following assumptions:

- **Participants must be ready and able to perform the duties required.** The job-readiness boot camp aimed to prepare participants for employment, and for the same reason case managers referred participants to GED preparation, legal services, short-term training, and mental health counseling during the initial period.
- **The job developer and the participant must work together to search for subsidized employment.** The job developer did not place people in jobs. Rather, the participant was required to help identify job leads and had to interview for positions. While the job developer was also expected to identify job leads, the program was designed to teach participants how to conduct a job search, so that when the program ended they could find employment on their own.
- **After they moved into subsidized employment, retention services would help participants stay employed and make the transition into unsubsidized employment.** Workforce Solutions for Tarrant County had participated in an earlier evaluation involving TANF recipients that provided financial incentives and intensive postemployment services to employed participants. The program produced modest impacts on employment retention. Workforce Solutions wanted to use some of the components from this earlier program to increase job retention among the Next STEP participants.

Recruitment and Study Enrollment

Next STEP initially focused on recruiting individuals newly released from the Texas state prison system and on parole. Parolees in Tarrant County are required to attend a new arrival orientation in Fort Worth, held twice a week, within 72 hours of their release. The parole division invites community partners to the meeting to discuss the services they offer. Next STEP staff members attended the orientations, delivered a presentation on the program, and invited attendees to sign up for an intake meeting.

Over time, Next STEP expanded its recruitment efforts to ensure it enrolled enough people. In February 2012, it began sending invitation letters to individuals listed in the Texas Department of Criminal Justice system as having been recently released. It did so in part to reach recently released individuals who had completed their sentences in prison and who were not subject to parole. Additionally, in the summer of 2012 it began recruiting from federal prisons, relying on federal probation officers to refer interested participants to Next STEP. As state parole officers became more familiar with Next STEP, they too began to make referrals to the program.

- **Next STEP experienced few problems recruiting participants.**

Next STEP met its sample recruitment goal of 1,000 in the study, with 503 program group participants, with few challenges. It probably went so smoothly because there were few other programs serving this population in the Fort Worth area at the time, and because the program had a strong reputation with parole officers. In addition, the staff was able to present the benefits of the Next STEP program directly to potential participants rather than waiting for them to come in from referral sources.

Eligibility was limited to individuals who had been released from prison within the last 120 days, were residents of Tarrant County, had registered with Selective Service, and met two of the following criteria:

- Had not worked in a skilled profession in the last one to three years
- Were chronically unemployed, having had three extended unemployment experiences (of 26 weeks or longer) in the previous three years
- Were unable to return to fields where they had gained skills from previous work experience due to a conviction
- Had no high school diploma or equivalent
- Had a high school diploma or equivalent, but read below the ninth-grade level
- Were homeless

- Lacked right-to-work documents (for example, birth certificates)
- Had physical or mental limitations or disabilities
- Did not have a degree, certificate, or license less than five years old in a demand occupation field

This expansive list of criteria meant the program screened out few individuals. However, those few who were screened out were the most job-ready, and they may not have needed or benefited as much from Next STEP’s services. Almost everyone who entered the program lacked right-to-work documents (because it took a few months to obtain these after their release from prison) and had no recent work experience.

Baseline Characteristics

This section presents the characteristics of program and control group members when they enrolled. The data collected — presented in Tables 6.1 and 6.2 and Appendix Table E.1 — include participant demographic characteristics, family and child support characteristics, employment histories, criminal histories, histories of public assistance and benefits, and mental health and substance abuse histories.⁷

As Table 6.1 shows, most sample members were single men who possessed a high school diploma or equivalent at program entry. Specifically, 86 percent had at least a high school degree or equivalent, which is higher than the average across the three ETJD programs targeting formerly incarcerated people (75 percent). Almost all (93 percent) had previous work experience, though not recent work experience (only 13 percent had worked in the year before they entered the program), reflecting their recent incarceration. This rate of previous work experience is also higher than the average across the three programs (81 percent). The sample was racially mixed: About half were black/non-Hispanic, one-third were white, and 14 percent were Hispanic. Only 7 percent were living in properties that they rented or owned.⁸ Over 40 percent were either homeless or living in some form of transitional housing. This percentage

⁷As expected (given the random assignment design), there were very few statistically significant differences between the program and control groups with respect to these characteristics. Therefore, for simplicity, Tables 6.1 and 6.2 and Appendix Table E.1 present numbers for the full Fort Worth sample. For a detailed comparison of the baseline characteristics of program group members and control group members across the ETJD programs, see Appendix I.

⁸Participants who did not have viable housing plans were assigned to live in a halfway house as a condition of parole. Parolees living in halfway houses face more restrictions than parolees released directly into the community: They can only leave the facility at certain times and for approved activities such as working, interviewing for jobs, or attending required classes.

Table 6.1**Characteristics and Employment Histories of Sample Members: *Fort Worth***

Characteristic	Fort Worth Program	ETJD Programs Targeting Formerly Incarcerated People
Male (%)	89.9	94.1
Age (%)		
18-24	10.7	17.0
25-34	27.9	34.9
35-44	31.2	25.2
45 or older	30.1	22.9
Average age	38.3	35.5
Race/ethnicity (%)		
Black, non-Hispanic	51.8	67.4
White, non-Hispanic	32.6	16.2
Hispanic	14.1	14.5
Asian, non-Hispanic	0.1	0.2
Other/multiracial	1.4	1.6
Educational attainment (%)		
No high school diploma or equivalent	14.5	24.7
High school diploma or equivalent	82.6	71.9
Associate's degree or equivalent	1.5	2.2
Bachelor's degree or higher	1.4	1.3
Marital status (%)		
Never married	57.6	70.2
Currently married	9.2	9.0
Separated, widowed, or divorced	33.2	20.8
Veteran (%)	4.9	3.7
Has a disability (%)	5.4	3.1
Housing (%)		
Rents or owns	6.7	11.8
Halfway house, transitional house, or residential treatment facility	24.5	25.6
Homeless	16.2	5.8
Staying in someone else's apartment, room, or house	52.6	56.9

(continued)

Table 6.1 (continued)

Characteristic	Fort Worth Program	ETJD Programs Targeting Formerly Incarcerated People
<u>Employment history</u>		
Ever worked (%)	92.8	81.1
Among those who ever worked:		
Worked in the past year (%)	13.2	19.9
Average hourly wage in most recent job (\$)	10.64	10.11
Ever worked for the same employer for 6 months or more (%)	77.9	72.9
Months worked in the previous 3 years (%)		
Did not work	56.7	46.6
Fewer than 6 months	19.7	30.5
6 to 12 months	12.6	12.9
13 to 24 months	7.0	6.7
More than 24 months	4.0	3.2
Sample size	999	3,002

SOURCES: MDRC calculations based on baseline survey data and ETJD management information system data.

reflects the fact that sample members had recently been released from prison — about one month earlier, on average — and had not yet been able to secure more permanent housing. A higher percentage of sample members in Fort Worth were homeless (16 percent) than the average across the three ETJD programs targeting formerly incarcerated people (6 percent).

Next STEP recruited primarily from state prisons, which is reflected in the statistics — over 90 percent had been released from state prisons (as shown in Table 6.2) and 87 percent were under parole supervision (see Appendix Table E.1); just 7 percent came from federal prisons.

Interestingly, while 45 percent of participants had minor-age children and 35 percent were noncustodial parents, fewer than 10 percent had current child support orders. In Texas, custodial parents are not required to cooperate with the state child support agency unless they are receiving TANF or Medicaid assistance. The state has relatively stringent eligibility criteria for access to these benefits, so a smaller percentage of low-income families receive TANF and Medicaid than is the case in most states.⁹ This low rate of public benefit receipt is one possible explanation for the low percentage of sample members with child support orders.

⁹For example, in 2013, Texas was just 1 of 10 states in which fewer than 10 families received TANF cash assistance for every 100 families living in poverty. Floyd, Pavetti, and Schott (2015).

Table 6.2**Child Support and Criminal Justice Characteristics of Sample Members: *Fort Worth***

Characteristic	Fort Worth Program	ETJD Programs Targeting Formerly Incarcerated People
<u>Parental and child support status</u>		
Noncustodial parent (%)	35.1	42.1
Has any minor-age children (%)	44.7	51.5
Among those with minor-age children:		
Average number of minor-age children	2.1	2.1
Living with minor-age children (%)	12.9	14.0
Has a current child support order (%)	9.4	15.2
Has an order only for child support debt (%)	0.6	0.7
<u>Criminal history</u>		
Ever convicted of a crime ^a (%)	96.2	96.3
Ever convicted of a felony	88.7	91.0
Ever convicted of a misdemeanor	69.8	65.2
Ever incarcerated in prison(%)	100.0	100.0
Average years in jail and prison ^b	2.9	4.8
Average months since most recent release ^c	1.1	1.5
Status at program enrollment (%)		
Parole	87.4	75.5
Probation	4.1	11.9
Other criminal justice/court supervision	0.5	9.6
None of the above	8.0	2.9
Sample size	999	3,002

SOURCES: MDRC calculations based on baseline survey data, ETJD management information system data, and criminal justice administrative records.

NOTES: Measures are self-reported unless otherwise noted.

^aIncludes convictions in the state of Texas as recorded in administrative records. Does not include federal convictions or convictions from other states.

^bIncludes time spent in Texas state prisons and Tarrant County jails according to administrative records. Does not include time spent in federal prisons or prisons in other states.

^cMost recent release can be from prison or jail.

Appendix Table E.1 provides additional information about the sample. As this table shows, few sample members received any public assistance, reflecting the state ban on providing SNAP benefits to individuals on parole who had been convicted of a drug-related felony. Almost all lacked health care insurance (96 percent). While 58 percent reported that their families provided them a place to live, over a third said they received no support from family members.

As mentioned above, relative to sample members for the other ETJD programs that served formerly incarcerated individuals, Next STEP sample members had higher levels of education and more work experience, which may bode well for their employment prospects. However, they lacked financial resources and faced more housing issues.

Program Implementation

This section provides detail on the implementation of Next STEP, including changes that were made from the original plans.

Structure and Staffing

As noted above, Workforce Solutions for Tarrant County oversaw Next STEP. The program provided services in a space next door to the local workforce center in Fort Worth. The program staff included the program director, two special projects managers (who oversaw program activities and public outreach and supervised other staff members), three case managers, four job developers, and a document specialist responsible for tracking and maintaining the management information system. Additionally, Workforce Solutions partnered with two outside organizations: Guinn Healthcare, which provided mental health assessment and counseling, and Legal Aid of Northwest Texas, which provided legal assistance.

- **Case managers spent time one-on-one with their assigned participants in each stage of the program to assess their needs and job readiness, make referrals to services, interact with parole and program partners, and provide support services.**

Each participant was assigned to a case manager when he or she enrolled in the program. The case managers worked with participants on a one-on-one basis, meeting with them at least weekly both before the participants entered employment and after employment, when participants came in to the office for support services and peer-group meetings. Case managers provided participants with forms of material support such as transportation vouchers, clothing, hygiene items, and glasses, and also helped them get started with their job searches, before they began working with a job developer. They developed employment plans with participants, helped them set up e-mail accounts, helped them access the *Work in Texas* website to conduct a

job search, and reviewed their résumés.¹⁰ They also led some sessions in the boot camp workshop, including one where they conducted the StrengthFinders test discussed further below. Additionally, case managers communicated with parole officers, making contact with them when participants' schedules or plans came in conflict with their parole requirements or when they had not heard from a participant. Based on their one-on-one interaction with participants, the case managers assessed when they were “ready” to begin the job search and referred them to the job developer. Data from a time study suggest that over one-third of program staff time was spent on case management activities.¹¹

- **Job developers helped participants with their job searches, developed job leads with employers interested in participating in Next STEP, facilitated workshops on job readiness, and followed up with participants and employers once they secured subsidized and unsubsidized employment.**

Participants were assigned job developers when they entered the program, but did not begin formally working with them until their case managers determined they were ready. However, the job developers got to know the participants in the job-readiness stage because they facilitated most of the boot-camp workshops. Part of the goal of the boot camp was to help participants identify their “passions” and find jobs that were consistent with those passions. Once a participant was ready to start his job search, the job developer met weekly with him to review his résumé and provide him with job leads. Program staff members spent just over a quarter of their time on workforce preparation, job development, and work-site management activities.

The job developers asked participants to search for their own jobs as a way to “teach them how to fish” and to help them find jobs in line with their interests. At the same time, the job developers also reached out to employers to generate interest in Next STEP. In some cases, job developers had job leads they could provide to participants. The job developers also convened job fairs periodically to bring in employers who were interested in meeting potential workers. Staff members estimated that about half of the jobs participants ended up getting they found themselves, and half were found by job developers.

- **Guinn Healthcare conducted one-on-one assessments, led workshops, and provided mental health counseling.**

¹⁰*Work in Texas* is a database of posted jobs in the state.

¹¹In the fall of 2013, the evaluation team conducted a study that asked staff members to report the time they spent on each program component during a specified period.

After participants enrolled, typically while they waited for the next boot camp to begin, they met with Guinn Healthcare for a comprehensive assessment. Guinn staff members assessed participants' cognitive skills, mental health issues, executive functioning (which covers the ability to plan and organize, make considered decisions, manage time, and focus attention), and recidivism risk, and provided the assessment results to the case managers and job developers. In addition, they provided mental health counseling to those whom they found needed additional assistance. Midway through the grant period, because Next STEP staff members realized some participants needed additional services and needed to stay engaged in the program, Guinn began offering workshops on a number of topics, discussed further below.

- **The program engaged Legal Aid of Northwest Texas to help expunge or seal participants' criminal records and help with child support order modifications.**

Case managers could make referrals to the Legal Aid representative. Assistance was limited to the removal of barriers to employment, which generally meant determining whether anything in participants' criminal records could be expunged or sealed, but not helping on criminal issues such as parole violations. Legal Aid could also help with child support order modifications, but did not assist with paternity establishment or visitation issues. The organization was also not allowed to help a noncustodial parent with a child support order if it was already working with the custodial parent.

- **The program partnered with a local staffing agency to process its payroll and serve as employer of record.**

Participants placed in subsidized employment received wages from the staffing agency. When participants entered the second stage of the subsidy, they received 50 percent of their wages from their employers and 50 percent from the staffing agency.

Implementation of Core Program Components

This section draws from three site visits to Fort Worth (including several interviews with staff members, partners, employers, and participants) and ongoing conversations with program managers over the course of the grant period.¹² It describes how the program implemented and adapted its various components over the grant period. Table 6.3 presents data on participation in core program components; it is based on information entered by the program's staff into the ETJD management information system.

¹²The first visit was an early assessment of operations and the next two were implementation visits.

Table 6.3**One-Year Participation in ETJD Subsidized Jobs and Services Among
Program Group Members: Fort Worth**

Measure	Program Group
Participated in any activity, including a subsidized job (%)	95.8
Worked in a subsidized job (%)	38.6
Worked in 100 percent subsidy stage (%)	38.6
Worked in 50 percent subsidy stage (%)	22.6
Among those who worked in a subsidized job:	
Average number of months in the program ^a	6.9
Average number of days from random assignment to first subsidized paycheck	118.8
Average number of days worked in a subsidized job ^b	63.6
Average number of months worked in 50 percent subsidy stage, among those who worked in 50 percent subsidy stage	4.0
Made the transition to unsubsidized employment at subsidized job employer (%)	37.1
Received a service other than a subsidized job (%)	94.2
Formal assessment/testing ^c	83.1
Education and job training ^d	19.5
Workforce preparation ^e	93.4
Work-related support ^f	83.7
Child support assistance, among noncustodial parents	--
Parenting class, among noncustodial parents	--
Incentive payment ^g	57.5
Average total incentive payment amount received, among recipients (\$)	323
Other services ^h	42.9
Sample size	503

SOURCES: MDRC calculations based on data from the ETJD management information system and Workforce Solutions for Tarrant County tracking files.

NOTES: A double dash indicates that the service was not offered.

^aMeasured as the duration between random assignment and last subsidized paycheck.

^bCalculated using net hours worked, assuming a seven-hour workday.

^cIncludes Strength Finders, Shipley, Wide Range Achievement Test 4, and Tests of Adult Basic Education.

^dIncludes welding, truck driving, machining, forklift driving, and high school equivalency classes.

^eIncludes alleviation of barriers to boot camp attendance and networking meetings.

^fIncludes gas cards, bus passes, clothing/shoes, eye exams, and photo identification.

^gIssued for attendance at boot camp and workshops.

^hIncludes additional meetings with case managers.

- **As intended, Next STEP conducted a comprehensive assessment of participants' job readiness at the start of the program. Next STEP staff members found that the assessments identified issues they would not have identified themselves.**

Next STEP assessed 83 percent of program group members. Testing typically started at 9 a.m. and took several hours to complete. A counselor from Guinn Healthcare assessed participants' skills in math, reading, comprehension, and spelling, along with their vocabulary and abstract reasoning. The counselor also screened them for depression, posttraumatic stress disorder, Supplemental Security Income eligibility, learning disabilities, domestic violence, cognitive executive functioning, and recidivism risk.

After the assessments, the counselor met one-on-one with each individual to clarify that person's responses and to review the assessment results. The counselor had a separate meeting with the case manager and job developer to discuss how to interpret the ranges of scores and to point out warning signs to be aware of in helping the participants. While the counselor's report made suggestions regarding strategies that might be helpful in light of the issues the assessments uncovered, the case managers were responsible for making referrals for any additional services that might be needed, including referrals for counseling.

During the boot camp, case managers also administered the StrengthFinders test, which was designed to identify participants' strengths and talents. These strengths and talents were then used to identify jobs that might be suitable for each participant. The theory was that participants would stay employed in jobs that matched their skills and interests.

Initially, case managers relied on the StrengthFinders test and worried that negative results coming from the Guinn assessment could discourage some participants from continuing with the program. For example, some results focused on participants' lack of motivation or lack of empathy. Their worries were allayed after Guinn counselors began meeting with Next STEP staff members and training them how to interpret the results. Counselors also rephrased some of the more negative language in the assessment results before they provided summaries to participants. Next STEP staff members noted that these meetings gave them valuable information about the participants and highlighted areas they needed to pay attention to in working with them.

- **Most program group members participated in the job-readiness workshop, called "boot camp." The staff said it was the component that was most helpful to participants and that distinguished Next STEP from other programs.**

Participants were required to complete the two-week job-readiness workshop in their first month in the program before being referred to a job developer to start their job searches. The workshop took place Monday through Friday from 9 a.m. to 5 p.m. The sessions covered a variety of topics including workplace dos and don'ts; résumés, cover letters, and thank-you letters; mock interviews; time management; problem solving; financial literacy; and networking. As mentioned above, case managers also administered the StrengthFinders test during the workshop and participants took turns sharing their results and describing their strengths to their peers. The participants met as a group, though one hour was set aside at the end of each day for participants to visit the computer lab and begin looking at job postings.

As Table 6.3 shows, most program group members (93 percent) received some workforce preparation services, which included the boot camp. Participants were not allowed to continue to the subsidized employment stage without completing the two-week program.

Staff members said that they got to know the participants during these sessions. Boot camp helped them identify participants' strengths, match these strengths to jobs for which "they had a passion," and help participants interview better.

The research team interviewed eight participants who at the time were still completing the boot camp requirements. They spoke very positively about their experiences in the workshop. Two said the boot camp was helping them to learn more about themselves. They felt more confident applying for jobs since they knew what types of questions they might have to answer, especially regarding their criminal background, and had gotten a chance to practice their responses. They appreciated learning in a group setting where they all had something in common and did not have to hide their pasts.

- **Next STEP offered a variety of preemployment activities in addition to boot camp to help participants become job-ready; for some participants, these activities probably increased the time between when they enrolled and when they entered employment.**

Some participants were able to begin looking for employment around the same time they were in boot camp or shortly thereafter, though staff members felt that some participants were not ready for the job market and needed to focus on barriers to employment they had identified. Case managers might delay referring participants to job developers if they were contending with substance abuse problems, homelessness, or behavior that was particularly problematic for an employer. For example, a participant would not be considered job-ready if that person was not following through on activities or was habitually late. Activities for participants who were not job-ready fell into three broad categories: counseling and cognitive behavioral workshops, short-term education and training, and legal services. In addition to these

program-specific services, case managers referred participants to other programs in the community for services such as housing assistance and substance-abuse treatment.

Counseling. Participants who needed mental health counseling were referred to Guinn Healthcare for one-on-one assistance, often as soon as they completed the initial assessments. Participants who may not have wanted or needed intensive counseling were encouraged to attend workshops that the program began operating midway through the grant period. Workshops were offered throughout the month in five “service areas.”

- **Personal Skills for Career Success:** Aimed to help participants understand their emotions and behavior in the workplace (three sessions)
- **Mastering Personal Change and Taking Charge of Your Life:** Aimed to help participants improve their problem-solving skills, acquire new abilities, and set and achieve realistic goals (two sessions)
- **Alternative Problem Solving:** Aimed to help clients with cognitive executive functioning problems learn how to compensate for their impairments (one session)
- **Thinking for a Change:** A subset of sessions from a cognitive behavioral curriculum that aimed to help participants at a high risk of recidivism (12 sessions)
- **Anger Management:** Aimed to help participants learn strategies and techniques to manage anger (12 sessions)

Education and training. Some participants were interested in short-term education or training. Participants who lacked high school degrees could take GED classes offered on-site at Next STEP. The classes were paid for with another funding source, though Next STEP covered the cost of the GED test. In some cases, these GED classes fulfilled a condition of a participant’s parole. The program also paid for short-term training for participants to become machinists, gain commercial driver’s licenses, and learn welding, computerized numerical control, and logistics.¹³ The welding training took about ten weeks while the commercial driver’s license training took about four weeks. According to the program data shown in Table 6.3, about 20 percent of program group members received some type of education or training.

Legal services. Few participants actually received legal assistance from Legal Aid of Northwest Texas. According to the Legal Aid lawyer, because of the grant that funded his

¹³“Computerized numerical control” refers to controlling machine tools using a computer, in industrial manufacturing settings.

services, he was limited to helping remove barriers to employment, which primarily meant expunging or sealing participants' criminal records. He could not address criminal cases or parole violations. Additionally, while he could help with child support order modifications, he could not help with visitation issues.

- **In early 2013, because participants were spending a significant amount of time in preemployment activities, the program began providing financial incentives to participants to encourage engagement and to get them some financial assistance.**

The program's managers recognized that it was taking time for participants to find employment and they needed financial assistance during this period. Additionally, some were leaving the program. To keep participants engaged, Next STEP began offering participants monetary awards for participating in and completing activities, searching for employment, and once employed, retaining their jobs. For example, they received \$150 for attending all sessions of the boot camp workshop and \$100 for attending 90 percent of the sessions. They received "performance readiness incentives" for milestones such as GED completion (\$100) or occupational training (\$100). Next STEP also provided awards referred to as "commitment incentives" if participants completed their assessments, attended particular meetings, or registered for *Work in Texas*, for example. These awards ranged from \$25 to \$100. Next STEP also offered participants an incentive award of \$100 per week for volunteering with a local organization such as a food bank. Retention incentives were provided to participants who gained employment and stayed employed. Finally, participants who left the program in good standing — meaning they attended at least two retention meetings — earned a \$200 award.

Overall, about 58 percent of program group participants received financial incentives during the 12-month follow-up period (see Table 6.3). Among those who received incentive payments, the total average amount received was \$323. Staff members noted that the incentives not only provided participants with financial assistance, but also helped keep them engaged in the program and involved in the community.

- **While the program had also intended to provide assistance with child support issues and fatherhood, in the end, few participants received these services.**

As shown on Table 6.2, fewer than 10 percent of the participants had current child support orders when they enrolled. Additionally, the program did not develop a formal relationship with the child support agency. The program made referrals to a fatherhood program operated in the county called "Fathers and Children Together," but the program was not offered on-site and only 10 to 12 Next STEP fathers participated in it.

- **While the vast majority (96 percent) participated in some Next STEP activity, only 39 percent worked in a subsidized job. Interestingly, about the same percentage of program group members went directly into unsubsidized employment without working in subsidized jobs first. Program records also indicate that a little more than a third of those who worked in subsidized jobs transitioned into unsubsidized employment with the subsidized employer.**

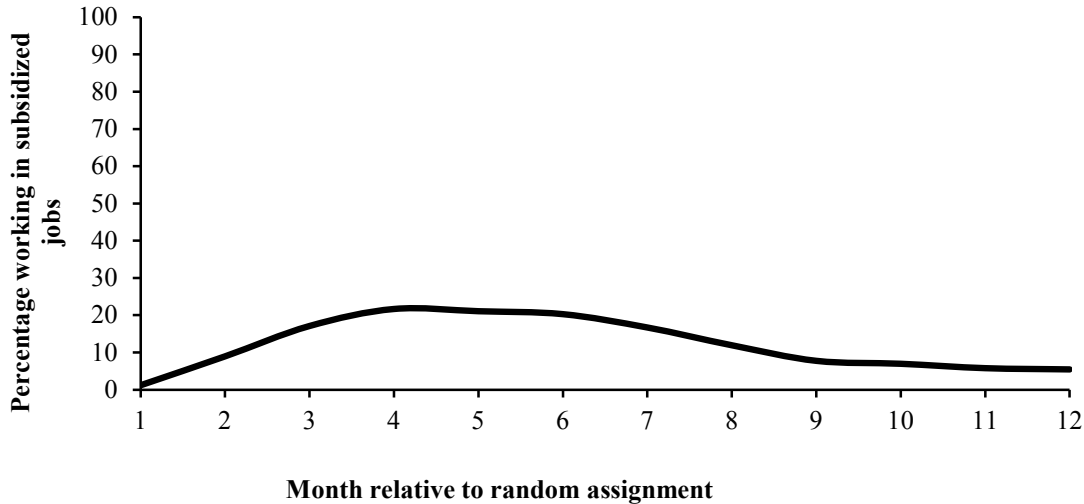
The program developers intended for most participants to obtain subsidized employment that would turn into unsubsidized jobs with the same employer. Instead, only 39 percent of all participants received subsidized jobs (as shown in Table 6.3), which is the lowest percentage among all ETJD programs, though some participants who did not receive subsidized jobs moved directly into unsubsidized employment.¹⁴ In other words, some participants found jobs on their own that did not require a subsidy. As explained by program staff members, some employers were simply not interested in the subsidy. They did not want the government in their business or were not interested in participating in a “welfare program.” When participants conducted their job searches, they identified positions that were, for the most part, open jobs where the employer had already made a commitment to hire someone. That is, the employer had a hiring need and did not necessarily need a subsidy in order to make a hire.

Among those who worked in a subsidized job, about four months passed from the time they enrolled in the program to the time they started working. They spent a significantly longer period in the program before working compared with the other ETJD programs, which reflects the differences between the Next STEP model and other ETJD models — for example, the fact that participants had to find jobs and were not placed in program jobs, the way participants in other ETJD programs were. The program’s emphasis on getting participants job-ready before they began searching for employment also contributed to the delay.

Participants who worked in subsidized jobs spent 13 weeks, on average, in those subsidized jobs (64 days worked, as shown in Table 6.3, divided by five workdays per week). About 59 percent of those who worked in subsidized jobs (23 percent of all program group members, as shown in Table 6.3) moved into the second stage of the subsidy, in which employers paid 50 percent of the participants’ wages and the program paid the remaining 50 percent. Figure 6.2

¹⁴According to program records (not shown in Table 6.3), 38 percent of program group members moved directly into unsubsidized employment. Note that the percentage of program group members working in subsidized jobs shown in Table 6.3 differs slightly from the percentage shown working in subsidized jobs in Table 6.5 later in this chapter. This difference arises because the follow-up period captured in the program’s subsidized employment records (the data source for Table 6.3) does not align perfectly with the follow-up period captured in the quarterly unemployment insurance records (the data source for Table 6.5).

Figure 6.2
Subsidized Employment Over Time: *Fort Worth*



SOURCE: MDRC calculations based on data from the ETJD management information system.

displays the percentage of participants working in subsidized jobs in the months following random assignment. Program records show that 37 percent of those who worked in a subsidized job transitioned (“rolled over”) to unsubsidized employment with the subsidized employer.

Box 6.1 describes two participants’ experiences in Next STEP that the staff felt were typical.

- **Participants gave mixed reviews to their work situations. Because these were private-sector jobs, employers treated participants like any other employees and did not give them any special treatment.**

Figure 6.3 presents selected responses from a questionnaire administered to participants as they were working in subsidized jobs. As the figure shows, just over one-third of the interviewed participants felt positively about their relationships at work, the support they received from supervisors, and the development of their soft skills. Participants in Next STEP gave lower marks on these indicators than the average participants in ETJD programs, which probably reflects the fact that these were “real-world” jobs and not transitional jobs designed to provide extra support to participants. About half of the participants said that their jobs were preparing them for future employment.

Box 6.1

Next STEP Participant Profiles

Participant 1

“Dave” was 41 years old when he entered Next STEP. After serving time for a conviction related to a controlled substance, he moved in with his parents. He completed the assessments and while he waited for the next boot camp to begin, he attended some of the mini-workshops offered by the program and registered with *Work in Texas*, the online job-search system. He completed the boot camp and began working with his job developer, “Rick,” to find a job laying concrete, since he had experience doing so. His case manager found a company that worked with decorative concrete; Rick made contact with the employer on Dave’s behalf and got him an interview. After the interview, Rick talked to the employer, who was trying to determine whether there was enough demand for work to hire someone. In the meantime, Rick was pursuing another company for Dave that did rehab work for municipalities and maintained concrete structures. As soon as this company finalized a contract with the county, it would have work for Dave. While these were a couple of promising prospects, three months had passed and Dave needed a job. To keep these other prospects alive and to bring in some needed income, he found a temporary job on his own that involved remodeling foreclosed homes; it paid \$11 an hour.

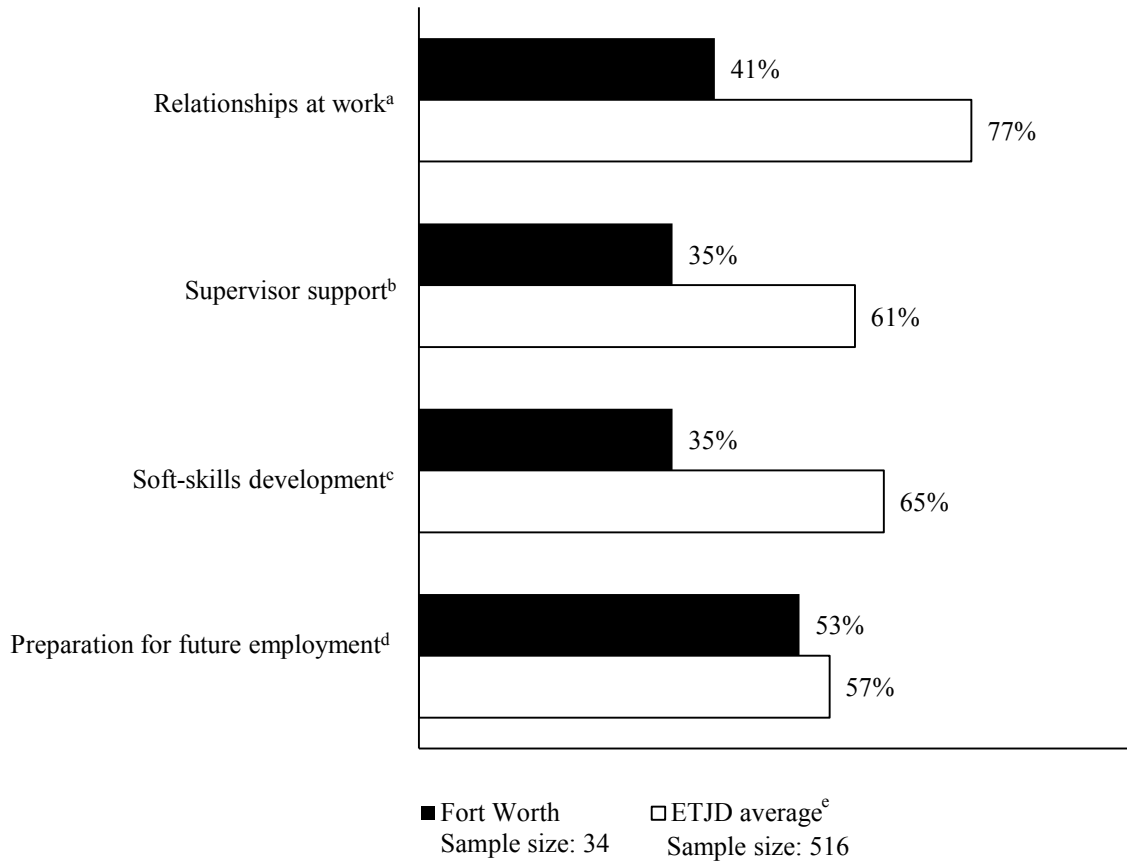
Participant 2

“Richard” was released from prison after serving time for aggravated assault. When he came into the program, he already knew that he wanted to be a truck driver. After Richard completed the assessments and boot camp, Next STEP sent him to truck-driving school to get a commercial driver’s license; this training took four weeks. He completed the training and found a job on his own hauling water for oil and gas companies, earning \$14.50 an hour. The job was not subsidized and he worked as a contractor. He was unhappy in this position, so his job developer found him a job in “earth moving” — transporting rock and dirt; this job was subsidized. Richard spent a couple of months in the position, but his employer became disenchanted with his performance and attendance problems. Richard left this job and disappeared for a month. Staff members were not able to get in touch with him. They later found out he was in Tarrant County jail on assault charges and was probably returning to prison.

These questionnaire findings contradict what researchers learned in interviews with six participants who were working in subsidized jobs. In the interviews, participants said that they were learning new skills and were developing good working relationships with their supervisors. One participant noted that he fit right in with his coworkers and felt as though he was part of a “family.” As is true of most private-sector employment, some participants were clearly more likely than others to feel they were getting support and encouragement on the job.

Figure 6.3

Favorable Impression of the Value of Transitional Job Support and Preparation for Future Employment: *Fort Worth*



(continued)

- **Participants expressed some frustration at the slow pace of the program.**

In those same interviews, participants spoke in positive terms about the boot camp, the hardworking staff, and the opportunities that they received that they would not have had otherwise. But they also said they wanted the program to “move along faster.”

- **After they found employment, the program encouraged participants to stay engaged with monthly retention meetings for participants who were receiving subsidies and quarterly meetings for participants who had graduated to unsubsidized employment.**

Figure 6.3 (continued)

SOURCE: MDRC calculations based on the ETJD participant questionnaire.

NOTES: The measures presented in this figure, *relationships at work*, *supervisor support*, *soft-skills development*, and *preparation for future employment* were created based on an exploratory factor analysis of a pool of questions. These questions asked participants about their level of agreement with a particular statement on a scale of 1 to 7, where 1 indicates strong disagreement and 7 indicates strong agreement. Based on the results of the factor analysis, questions were grouped into factors and a mean score was calculated across the questions included in a particular factor; the percentages presented above represent the proportion of questionnaire respondents who averaged a score of 6 or higher on the questions in that factor, indicating a high level of satisfaction with their program experiences in that area.

With a few exceptions, questionnaires were administered to participants by the research team during site visits at events and activities when many participants would be available at once. Consequently, the responses obtained are from participants who attended program activities and were therefore likely to be more motivated and engaged than the full sample of program participants. For this reason, the results presented in this figure are not necessarily representative of all participant experiences and should be interpreted with caution; they are likely to be more positive.

^aBased on agreement with the following statements: *I understand what is expected of me on the job; I know whom at work to ask for help when I need it; My relationships with coworkers are positive and supportive; and My coworkers understand me and want me to succeed.*

^bBased on agreement with the following statements: *I get the support or guidance that I need from my supervisor; My supervisor gives me advice about how to handle situations at work; and My supervisor helps me if personal issues come up that get in the way of working.*

^cBased on agreement with the following statements: *I am learning how to work better with coworkers; I am learning how to cooperate better with supervisors; and This job has helped me learn to present myself better at work.*

^dBased on agreement with the following statements: *The kind of work I am doing will help me get a decent-paying job later; I am learning specific job skills that I will use in the future; and I have met people through this job who may help me find a job in the future.*

^eTo account for varying questionnaire sample sizes across ETJD programs, the "ETJD average" is a weighted average of all programs such that each program is equally represented.

The program held the meetings in the evenings to allow participants who worked during the day to attend. The meetings gave participants the chance to share their work experiences with the group and to help other participants who were encountering challenges at work. As is common in these types of programs, participation in Next STEP declined after participants found jobs. For example, some of the working participants who were interviewed by the research team said they had not had time to come to the program office since they began their jobs.

Impacts on Participant Outcomes

This section presents the one-year impacts of Next STEP on service participation, employment and earnings, criminal justice involvement, child support payments, and economic well-being.

Participation and Service Receipt Outcomes

As discussed above, in addition to the employment subsidy, Next STEP provided assistance with job searching and job readiness. It gave participants financial help for work-related expenses and paid for professional training and certifications in such areas as welding, commercial driver's licensing, and computerized numerical control. Since some of these types of services were also available from other programs in the Fort Worth community, it is important to measure the *additional* level of services that program group members received because they were able to enroll in Next STEP. Unless otherwise indicated, all impact results discussed in this report are statistically significant, with $p < 0.10$.

- **Next STEP significantly increased participation and service receipt in nearly all activities and services.**

As Table 6.4 shows, program group members reported significantly higher levels of participation in activities and services than control group members in every activity or service measured, with the exception of postsecondary education (which was not surprising, since postsecondary education was not a program component). As expected, estimated impacts on employment-related assistance are especially large, with nearly all program group members reporting that they got help with job searching, career planning, and paying for job-related expenses. About 95 percent received job-search help compared with 60 percent of control group members. Control group members may have received services from Texas ReEntry Services or the local workforce center. About 13 percent of program group members received unpaid work experience compared with 3 percent of control group members (not shown in the table). Eighty-four percent of program group members received financial help with job-related transportation or equipment costs compared with just 16 percent of control group members, a statistically significant increase of 68 percentage points.

The program also offered assistance with education and training. As noted above, the program offered GED classes on-site and referred participants to training programs, sometimes at employers' work sites. About 9 percent of program group members received GED or other education compared with 4 percent of control group members. Almost one-third of program group members received vocational training for professional certifications or licenses, compared with 17 percent of control group members. The most common types were forklift training (39 percent) and commercial driver's license training (22 percent).¹⁵ This higher rate of training meant that more program group members also earned professional licenses or certifications. Not including certifications that required only a short time in training (such as Occupational Safety

¹⁵Not shown in the table.

Table 6.4

One-Year Impacts on Participation and Service Receipt: *Fort Worth*

Outcome (%)	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>Employment support</u>				
Received help related to finding or keeping a job	96.8	60.7	36.0***	[31.3, 40.7]
Job search, job readiness, and career planning ^a	95.4	59.8	35.6***	[30.8, 40.5]
Paying for job-related transportation or equipment costs	83.8	16.3	67.5***	[62.8, 72.2]
<u>Education and training</u>				
Participated in education and training	43.6	27.9	15.7***	[9.8, 21.6]
ESL, ABE, or high school diploma or equivalent ^b	9.3	3.5	5.8***	[2.7, 8.9]
Postsecondary education leading to a degree	7.1	10.1	-2.9	[-6.5, 0.6]
Vocational training	31.9	17.2	14.7***	[9.4, 20.1]
Received high school diploma or equivalent	2.9	5.0	-2.0	[-4.5, 0.4]
Earned professional license or certification (not including OSHA or forklift) ^c	20.9	9.8	11.1***	[6.6, 15.6]
Earned OSHA or forklift certification	9.3	9.6	-0.4	[-4.0, 3.3]
<u>Other support and services</u>				
Received help related to past criminal convictions	89.0	42.7	46.3***	[41.0, 51.6]
Handling employer questions about criminal history	89.1	40.9	48.1***	[42.9, 53.4]
Legal issues related to convictions	45.6	13.3	32.3***	[26.9, 37.8]
Among those identified as noncustodial parents at enrollment: ^d				
Received help related to child support, visitation, parenting, or other family issues	56.3	19.5	36.8***	[26.6, 47.0]
Modifying child support debts or orders	37.0	9.3	27.7***	[18.7, 36.8]
Setting up visitation with child(ren)	22.7	5.6	17.1***	[9.3, 24.9]
Parenting or other family-related issues	45.3	15.5	29.8***	[19.7, 39.9]
Received advice or support from a staff member at an agency or organization	78.7	36.4	42.2***	[36.6, 47.9]

(continued)

Table 6.4 (continued)

Outcome (%)	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
Received mentoring from a staff member at an agency or organization	71.3	30.0	41.2***	[35.5, 47.0]
Received mental health assistance	23.7	14.6	9.1***	[4.2, 14.0]
Sample size	346	340		

SOURCE: MDRC calculations based on responses to the ETJD 12-month survey.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

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

^aIncludes help with job searching, job referrals, developing a résumé, filling out job applications, preparing for job interviews, job readiness training, and planning for future career or educational goals.

^bESL = English as a second language, ABE = adult basic education.

^cOSHA stands for Occupational Safety and Health Administration. In an effort to separate receipt of professional licenses or certifications that require more intensive and lengthy training (for example, a Certified Medical Assistant certificate or a commercial driver's license) from those that can be earned following more cursory, one-day training, receipt of OSHA and forklift certifications, which fall into the latter group, is presented separately from receipt of other types of licenses or certifications. A review of all reported types of licenses or certifications revealed that OSHA and forklift certifications account for a large majority of the shorter-term, less intensive licenses and certifications received by sample members.

^dThese measures include only those who were identified as noncustodial parents at study enrollment (program group = 110; control group = 126; total = 236).

and Health Administration or forklift certifications), 21 percent of program group members earned a certification or professional license, compared with 10 percent of control group members.

The program also increased the proportion who received advice or support from program or agency staff members. Eighty-nine percent of program group members received help handling employer questions about their criminal histories compared with 41 percent of control group members. This disparity may reflect the topics covered in the boot camp, which devoted time to helping participants answer tough questions from employers. More program group members also received help with legal issues related to their convictions (46 percent versus 13 percent). Since the implementation study found that few participants received assistance from Legal Aid, this figure might also capture help from case managers who contacted parole officers on behalf of their clients when issues arose.

In addition, program group members were more likely to report receiving advice, support, or mentorship from staff members. Almost a quarter of the program group reported

receiving mental health assistance, a statistically significant increase of 9 percentage points over the control group. Among those identified as noncustodial parents, more program group members reported receiving help related to child support, visitation, and other family issues than control group members.

Employment and Earnings Outcomes

This section presents one-year impact findings on employment and earning from three data sources: quarterly wage data from the National Directory of New Hires, program payroll records that detail the subsidies paid to program group members, and a survey of sample members conducted about a year after they enrolled in the study. The quarterly wage data only reflect wages in jobs covered by the unemployment insurance system, not employment conducted by individuals who are self-employed or who are independent contractors. The Next STEP subsidized wages were not covered by unemployment insurance and thus are added to the quarterly wage records to estimate total employment and earnings. The survey includes uncovered employment to the extent that the survey respondents reported it.

- **According to the unemployment insurance data and program payroll records, Next STEP did not significantly increase employment in the one-year follow-up period.**

As shown in Table 6.5 and Figure 6.4, the program did not significantly increase employment in the first year. Program group members also earned about the same as control group members.

The program may have improved over time as certain service elements were added (for example, the incentives for reaching program milestones and benchmarks). To evaluate whether these additional services improved the program's effectiveness, a separate analysis was conducted for those who entered the program in the first year and for those who entered the program in the second year. The impacts are similar for sample members who enrolled in both time periods — the program did not significantly increase first-year employment for either subgroup (see Appendix Table E.2).

- **The client survey tells a different story, suggesting that more program group members were employed than control group members. It may be that program group members were more likely to be employed, but in jobs not covered by the unemployment insurance system.**

The survey results show a different pattern of impacts than the unemployment insurance data and program records. On the survey, program group members reported higher rates of employment than the control group during the first year. About 88 percent of program group

Table 6.5

One-Year Impacts on Employment and Earnings: *Fort Worth*

Outcome	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>Primary outcomes</u> <i>(based on administrative data)</i>				
Employment ^a (%)	73.6	72.2	1.5	[-3.1, 6.2]
ETJD subsidized employment (%)	36.1	--		
Number of quarters employed	1.8	1.8	0.0	[-0.1, 0.2]
Average quarterly employment (%)	45.5	44.5	1.0	[-2.5, 4.5]
Employment in all quarters (%)	11.7	13.5	-1.8	[-5.2, 1.6]
Total earnings (\$)	5,645	5,773	-128	[-874, 618]
ETJD subsidized earnings (\$)	1,034	--		
Total earnings (%)				
\$5,000 or more	35.9	39.3	-3.3	[-8.3, 1.7]
\$7,500 or more	27.3	29.3	-2.0	[-6.6, 2.6]
\$10,000 or more	19.4	20.9	-1.6	[-5.7, 2.5]
Employment in the first quarter of Year 2 (%)	46.1	45.9	0.3	[-4.8, 5.4]
ETJD subsidized employment in the first quarter of Year 2 (%)	6.3	--		
<hr/>				
Sample size ^b	503	495		
<hr/>				
<u>Self-reported outcomes</u> <i>(based on survey data)</i>				
Ever employed in Year 1 (%)	87.9	82.2	5.7**	[1.2, 10.2]
Currently employed (%)	67.5	59.9	7.6**	[1.5, 13.7]
Currently employed in transitional job program (%)	2.1	0.8	1.4	[-0.2, 2.9]
Type of employment (%)				
Not currently employed	33.8	41.5	-7.8**	[-14.0, -1.6]
Permanent	50.4	40.7	9.7**	[3.4, 16.1]
Temporary, including day labor and odd jobs	15.8	17.4	-1.6	[-6.4, 3.2]
Other	0.0	0.3	-0.4	[-0.9, 0.1]

(continued)

Table 6.5 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
Among those currently employed: ^c				
Hours worked per week	42.6	41.7	0.9	
Hourly wage (\$)	11.6	11.0	0.6	
Hours worked per week (%)				
More than 20 hours	62.1	52.8	9.3**	[3.0, 15.6]
More than 34 hours	54.8	47.2	7.5*	[1.2, 13.9]
Hourly wage (%)				
More than \$8.00	52.3	43.8	8.5**	[2.1, 14.9]
More than \$10.00	34.4	23.6	10.8***	[5.0, 16.6]
Sample size	344	341		

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

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

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

^aEmployment rates and earnings include both ETJD subsidized jobs and all other jobs covered by unemployment insurance.

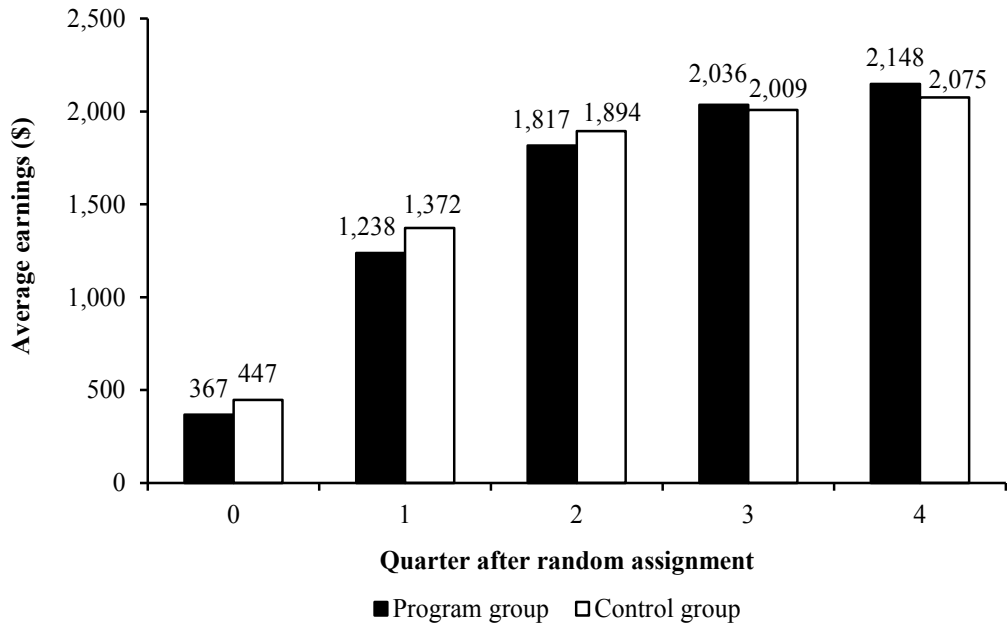
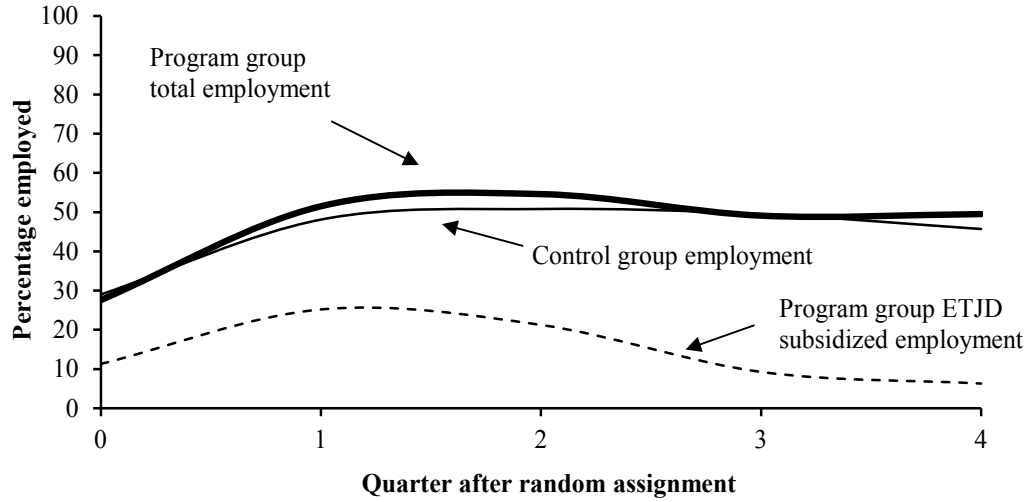
^bOne sample member is missing a Social Security number and therefore could not be matched to employment data.

^cThese measures are calculated among those employed at the time of the survey; they are therefore considered nonexperimental and are not tested for statistical significance.

members were employed, according to the survey, compared with 82 percent of control group members, a statistically significant difference of 6 percentage points. According to the survey, program group members were also more likely than the control group to be working at the time of the interview: 68 percent of program group members were working at that time compared with 60 percent of control group members, an impact of 8 percentage points.

The survey also found that program group members were working more hours and at higher wages than control group members: 62 percent of program group members worked more than 20 hours per week compared with 53 percent of control group members, and 34 percent of program group members earned more than \$10 per hour compared with 24 percent of control group members. Somewhat surprisingly, the types of jobs reported in the survey suggest these impacts are due to private-sector employment and not temporary, informal jobs, day labor, or self-employment — the types of jobs not covered by unemployment insurance. It may be that

Figure 6.4
Employment and Earnings Over Time: Fort Worth



(continued)

Figure 6.4 (continued)

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

NOTES: Results in this figure are regression-adjusted, controlling for pre-random assignment characteristics.

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

Employment rates and earnings include both ETJD subsidized jobs and all other jobs covered by unemployment insurance.

some survey respondents were working for private-sector companies and, though they were hired as contractors, they did not consider themselves to be self-employed. Indeed, an analysis of program records that listed employers showed that some of the jobs participants received while in the Next STEP program were with employers that hired them as contractors rather than staff members once the subsidy ended. Employment in these jobs would not show up in unemployment insurance records. The exact percentage of jobs in question could not be determined.

While some other ETJD programs also show higher employment in survey results than in administrative wage records, the difference between the two sources is larger in Fort Worth than in any other city.¹⁶ These findings suggest that the Next STEP program may have gotten participants jobs, but not jobs covered by unemployment insurance.

Criminal Justice Outcomes

The program served individuals who had been recently released from prison. Effects on recidivism could occur in a variety of ways. The program could have produced effects by improving participants' thinking and behaviors, reducing their criminal thinking, engaging them in productive activities for a significant portion of the day, increasing their associations with positive people and networks, and improving their economic well-being. Table 6.6 shows Next STEP's impacts on criminal justice outcomes and recidivism.

- **Next STEP produced a modest reduction in arrests and incarceration in jail. Impacts on recidivism were concentrated among those at the highest risk of recidivism when they enrolled.**

¹⁶For example, 68 percent of program group members reported being employed at the time of the survey, while administrative wage records show that only 46 percent were employed in the quarter when the survey was administered, a difference of 21 percentage points. In the other cities the corresponding differences range from -8 percentage points in Milwaukee to 14 percentage points in New York City.

Table 6.6

One-Year Impacts on Criminal Justice Outcomes: *Fort Worth*

Outcome	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>Primary outcomes</u> <i>(based on administrative data)</i>				
Arrested (%)	19.0	24.9	-5.9**	[-10.1, -1.7]
Convicted of a crime (%)	11.6	11.4	0.2	[-3.1, 3.5]
Convicted of a felony	4.8	3.6	1.1	[-0.9, 3.2]
Convicted of a misdemeanor	7.3	7.7	-0.4	[-3.2, 2.3]
Convicted of a violent crime (%)	1.7	1.7	0.1	[-1.3, 1.4]
Incarcerated (%)	22.6	26.7	-4.1	[-8.5, 0.3]
Incarcerated in jail	20.3	24.8	-4.5*	[-8.8, -0.2]
Incarcerated in prison	9.9	11.5	-1.6	[-4.8, 1.6]
Prison admission reason (%)				
Admitted to prison for a new crime	3.2	2.4	0.8	[-0.9, 2.5]
Admitted to prison for a parole or probation violation	7.1	9.1	-2.0	[-4.9, 0.8]
Total days incarcerated	19.2	21.0	-1.8	[-7.2, 3.5]
Jail	11.6	12.5	-0.9	[-4.5, 2.8]
Prison	7.6	8.6	-1.0	[-3.9, 2.0]
Arrested, convicted, or admitted to jail or prison (%)	27.0	32.2	-5.2*	[-9.8, -0.6]
Months 1 to 6	8.3	9.5	-1.2	[-4.2, 1.8]
Months 7 to 12	13.3	17.6	-4.3*	[-8, -0.6]
Sample size	503	496		
<u>Self-reported outcomes</u> <i>(based on survey data)</i>				
On parole or probation (%)	87.1	84.4	2.7	[-1.6, 7.1]
Received a technical violation of parole or probation (%)	11.9	15.9	-4.0	[-8.4, 0.3]
Received a sanction for technical parole violation (%)	9.8	12.4	-2.6	[-6.6, 1.4]
Score on personal irresponsibility scale ^a <i>(range of 10 to 50, where higher scores indicate higher levels of personal irresponsibility)</i>	20.3	21.4	-1.1**	[-1.9, -0.3]
Sample size	346	340		

(continued)

Table 6.6 (continued)

SOURCES: MDRC calculations based on criminal justice data and responses to the ETJD 12-month survey.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

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

^aThis scale is based on responses to six scale questions in the Texas Christian University Criminal Thinking Scales, which assess how strongly a respondent agrees or disagrees with statements about having been in jail or prison (*You were locked up because you had a run of bad luck; The real reason you were locked up is because of your race; Nothing you do is going to make a difference in the way you are treated; You are not to blame for everything you have done; Laws are just a way to keep poor people down; and You may have committed crimes, but your environment is to blame*). Responses of "strongly disagree" were coded as 1, "disagree" as 2, "neither agree nor disagree" as 3, "agree" as 4, and "strongly agree" as 5. If a respondent answered at least three questions, a sum was then produced using the values of all nonmissing items. The sum was divided by the number of items included, and this average was multiplied by 10.

According to state criminal justice data, about a quarter of all control group members were arrested during the first year following enrollment in the study. The program was able to reduce arrests to 19 percent of the program group, a 6 percentage point reduction.¹⁷ The program reduced incarceration in jail by 5 percentage points. Since incarceration in jail is typically associated with an arrest, a high correlation between the two outcomes is expected. The estimated effect on convictions is not statistically significant.

State prison admissions were rare and were primarily the result of technical parole violations. There are no statistically significant differences in prison incarceration between the research groups.

Survey results suggest that the program group demonstrated lower levels of "criminal thinking," as indicated by lower scores on the personal irresponsibility scale. It is possible that reductions in criminal thinking led to the program's reductions in recidivism. As discussed earlier, the program spent a significant amount of time helping participants become ready for employment, and individuals who were assessed as needing individual counseling were referred to the mental health partner. The workshops the mental health partner offered may have helped participants learn new problem-solving and self-regulation skills, and the job-readiness classes may have also led to improvements in thinking and attitudes. Cognitive behavioral approaches and motivational techniques are becoming increasingly common in programs that work with individuals involved in the criminal justice system, and these approaches and techniques are considered to be effective in reducing recidivism.

¹⁷Appendix Table E.3 shows the impacts on criminal justice outcomes for the first six-month follow-up period (months 1 to 6) and the second six-month follow-up period (months 7 to 12). As that table shows, impacts on arrests occurred in months 7 to 12, but not months 1 to 6.

A separate analysis was conducted to determine the program's impacts on subgroups of sample members who were at higher or lower risk of recidivism when they enrolled in the study.¹⁸ As Table 6.7 shows, the impacts on criminal justice outcomes were concentrated among those at high risk of recidivism. In the high-risk subgroup, program group members experienced a 19 percentage point reduction in being arrested, convicted, or admitted to jail or prison; in the low- and moderate-risk subgroup, there was no significant reduction. There were few statistically significant differences in impacts on earnings and employment between these risk groups. This finding, combined with the lack of impacts on employment for the program group overall (as measured by unemployment insurance data), suggests that the reduction in recidivism among the high-risk subgroup was not the result of an impact on employment. Such a conclusion would be consistent with findings from other research, and would suggest that — contrary to the theory of change often guiding subsidized jobs programs for formerly incarcerated people — reductions in recidivism are not linearly related to improvements in employment and earnings.¹⁹ It would also suggest that program services other than the transitional jobs (for example, the cognitive behavioral services mentioned earlier) may have contributed more to reducing recidivism than the transitional jobs themselves. However, it is unclear the extent to which program group members would have engaged in such services if they had not been offered the incentive of a paid job.

Child Support and Family Relations Outcomes

As mentioned previously and shown in Table 6.2, about 35 percent of sample members were noncustodial parents when they enrolled, though fewer than 10 percent had child support orders. Data from the state child support agency capture child support paid among those who did have child support orders registered with the state (see Figure 6.5).

- **Next STEP did not significantly affect child support outcomes.**

The Next STEP program did not have a formal arrangement with the child support agency. Perhaps as a result, or perhaps because fewer than 10 percent of sample members had child support orders when they enrolled, rates of child support payments were low. According to state child support data, about 15 percent of program group members and 17 percent of control group members paid any child support during the first year after enrollment (not shown in table). The difference between the two groups is not statistically significant.

¹⁸For more information on the analytic methods used to define the risk of recidivism, see Appendix J.

¹⁹Zweig, Yahner, and Redcross (2010).

Table 6.7

One-Year Impacts on Criminal Justice Outcomes, by Recidivism Risk: *Fort Worth*

Outcome	Lower Risk				Higher Risk				Difference Between Subgroup Impacts ^a
	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval	
<u>Criminal justice (%)</u>									
Arrested	14.7	18.2	-3.5	[-7.9, 1.0]	30.9	46.8	-15.8**	[-26.1, -5.5]	†
Convicted of a crime	9.8	9.7	0.1	[-3.5, 3.7]	16.6	17.0	-0.4	[-8.2, 7.5]	
Convicted of a violent crime	2.1	1.6	0.5	[-1.2, 2.1]	0.9	1.6	-0.7	[-3.1, 1.6]	
Incarcerated	18.8	20.7	-1.9	[-6.7, 2.9]	32.8	46.3	-13.5**	[-23.8, -3.3]	†
Arrested, convicted, or admitted to jail or prison	22.9	24.6	-1.7	[-6.8, 3.4]	38.2	57.2	-19.0***	[-29.5, -8.6]	††
Months 1 to 6	11.4	12.4	-1.1	[-5.0, 2.9]	19.5	24.8	-5.4	[-14.0, 3.2]	
Months 7 to 12	17.1	18.4	-1.3	[-5.8, 3.3]	29.3	43.5	-14.1**	[-24.4, -3.9]	†
<u>Employment and earnings</u>									
Employment ^b (%)	74.8	72.8	2.1	[-3.2, 7.3]	69.7	70.4	-0.7	[-10.6, 9.3]	
ETJD subsidized employment (%)	39.3	--	--		26.9	--	--		
Total earnings (\$)	5,854	6,172	-318	[-1,205, 569]	4,899	4,677	222	[-1,091, 1,535]	
Average quarterly employment (%)	47.4	45.7	1.7	[-2.4, 5.8]	39.4	41.5	-2.1	[-9.2, 5.0]	
Employment in the first quarter of Year 2 (%)	48.4	47.8	0.6	[-5.3, 6.5]	38.9	40.4	-1.5	[-11.9, 8.9]	
Sample size	371	378			132	118			

(continued)

Table 6.7 (continued)

SOURCE: MDRC calculations based on criminal justice data.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

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

See Appendix J for details on how the recidivism risk subgroups were defined.

^aWhen comparing impacts between two subgroups, an H-statistic is generated. The H-statistic is used to assess whether the difference in impacts between the subgroups is statistically significant. Statistically significant differences across subgroups are indicated as: ††† = 1 percent; †† = 5 percent; † = 10 percent.

^bEmployment rates and earnings include both ETJD subsidized jobs and all other jobs covered by unemployment insurance.

Restricting the analysis to the 35 percent of the sample who were noncustodial parents, only about one-third paid any child support formally, through the state, in the first year (see Table 6.8). A larger percentage of noncustodial parents (both program and control group members) paid informal cash or noncash support, according to the survey. Among noncustodial parents, about half of program group members and 43 percent of the control group members had provided some informal cash support or noncash support in the month before the survey (the difference is not statistically significant). There were no differences in how often parents reported having contact with a focal child.

Economic and Personal Well-Being Outcomes

Table 6.9 presents the programs impact's on self-reported measures of financial well-being, food sufficiency, and physical and mental health.

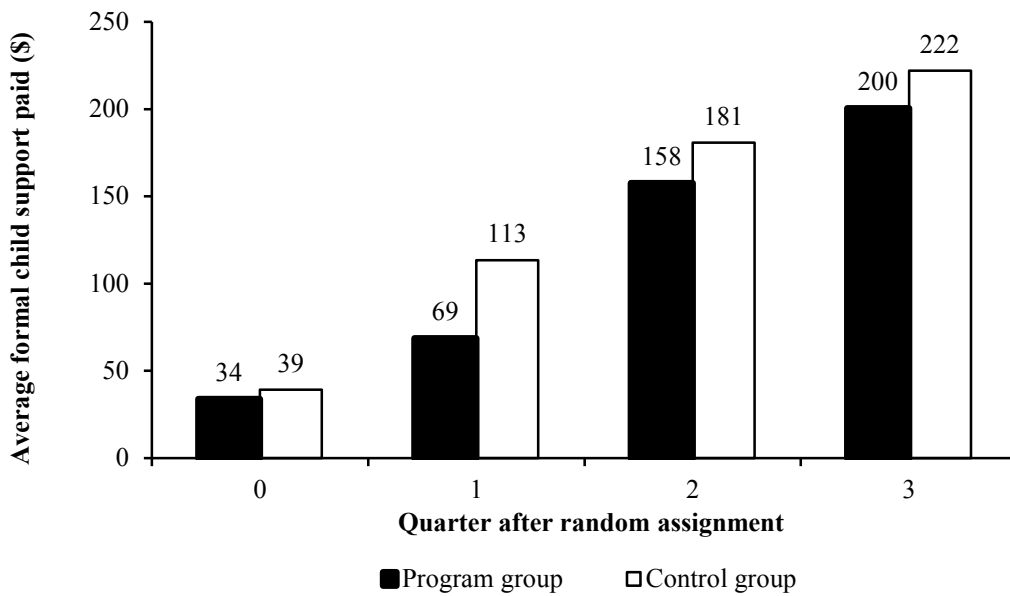
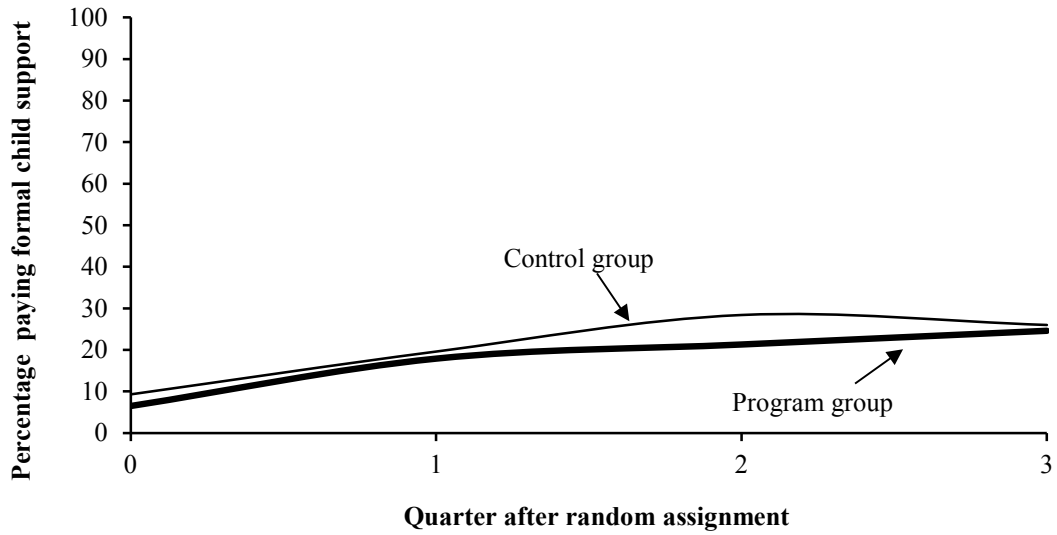
- **Next STEP did not significantly improve participants' economic and personal well-being.**

Over half of both research groups experienced a financial shortfall where they were unable to pay their rent, were evicted, had utility or phone service disconnected, or could not fill a prescription. About a quarter of the research sample had had insufficient food during the previous month.

Somewhat surprisingly, the program increased health insurance coverage by 7 percentage points, and employer-based health insurance coverage by 6 percentage points. Shortly after program enrollment, staff members from a local health care program met with Next STEP participants to help them gain access to health care services from a county health care program for low-income people.

Figure 6.5

Formal Child Support Payments Over Time: *Fort Worth*



(continued)

Figure 6.5 (continued)

SOURCE: MDRC calculations based on child support agency data.

NOTE: Results in this figure are regression-adjusted, controlling for pre-random assignment characteristics.

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

Due to incomplete data, child support measures based on administrative data only include sample members who were randomly assigned during the first year of the program (by December 31, 2012).

Measures of formal child support include all payments made through the state's child support collection and disbursement unit, including funds from employer withholding and other sources (for example, tax intercepts).

Conclusion

Next STEP's model was premised on helping participants become job-ready and then helping them find subsidized jobs that would turn into permanent employment with the same employers. Next STEP provided participants with a wide range of services to help them improve their job readiness, and program group members reported receiving significantly higher levels of services such as job-search assistance, vocational training, and mental health assistance. The model resulted in delays between the time participants enrolled and the time they began working. These delays produced some tensions between participants who wanted and needed jobs immediately and case managers and job developers who felt that participants would not succeed if they moved into employment too quickly. Also, job developers were not inclined to help unmotivated participants who would not perform well on the job once placed. While the program had services in place to help participants improve their motivation and soft skills, individuals who did not show initiative may have fallen behind.

While the program did not generate employment impacts according to unemployment insurance wage records, the survey results suggest that the program may have had a modest impact on employment once one includes employment not covered by unemployment insurance. It is not known whether this modest impact on employment will continue into the second year. The program did not generate impacts on child support payments or improve participants' economic and personal well-being.

It is notable that Next STEP led to significant improvements in recidivism during the first year even though it had few impacts on employment. These impacts on recidivism were especially large among those who were at high risk of reoffending. This finding is consistent with earlier research suggesting that the connection between employment and recidivism is not straightforward.²⁰ The program's impacts on recidivism may have been caused by other components of the program such as the behavioral workshops or case management.

²⁰Zweig, Yahner, and Redcross (2010).

Table 6.8
One-Year Impacts on Child Support and Family Relations
Among Those Identified as Noncustodial Parents at Enrollment: *Fort Worth*

Outcome	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
<u>Primary outcomes</u> <i>(based on administrative data)</i> ^a				
Paid any formal child support ^b (%)	32.5	37.9	-5.4	[-13.5, 2.7]
Among those who paid formal child support:				
Months from random assignment to first payment	5.5	5.4	0.0	
Months of formal child support paid	1.4	1.6	-0.2	[-0.6, 0.2]
Amount of formal child support paid (\$)	460	556	-95	[-280, 90]
Sample size	166	185		
<u>Self-reported outcomes (%)</u> <i>(based on survey data)</i>				
Currently a noncustodial parent of a minor-age child	68.9	65.2	3.7	[-7.1, 14.4]
Provided informal cash support or noncash support in the past month				
Informal cash support	51.1	42.7	8.4	[-2.8, 19.6]
Noncash support	38.9	34.1	4.7	[-6.3, 15.8]
Noncash support	47.6	40.5	7.1	[-4.0, 18.2]
Owing child support affects willingness to take jobs, among those required to pay child support ^c	28.5	14.6		
Incarcerated for not paying child support	0.0	0.0	0.0	[0.0, 0.0]
Among those with minor-age children ^d				
Frequency of contact with focal child in the past 3 months				
Every day or nearly every day	41.1	21.2	20.0	
A few times per week	14.0	29.7	-15.7	
A few times per month	14.1	12.4	1.8	
Once or twice	8.7	7.2	1.5	
Not at all	22.0	29.5	-7.5	
Sample size	110	126		

(continued)

Table 6.8 (continued)

SOURCES: MDRC calculations based on child support agency data and responses to the ETJD 12-month survey.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

^aDue to incomplete data, child support measures based on administrative data only include sample members who were randomly assigned during the first year of the program (by December 31, 2012).

^bMeasures of formal child support include all payments made through the state's child support collection and disbursement unit, including from employer withholding and other sources (for example, tax intercepts).

^cThis measure is calculated among those required to pay child support; it is therefore considered nonexperimental and is not tested for statistical significance.

^dThis measure is calculated among those who reported having a minor-age child at the time of the survey; it is therefore considered nonexperimental and is not tested for statistical significance. The focal child is defined as the youngest minor-age child living outside of the sample member's household; if the sample member reports no minor-age children living outside of his or her household, the focal child is the youngest minor-age child residing within the household.

Table 6.9**One-Year Impacts on Economic and Personal Well-Being: *Fort Worth***

Outcome (%)	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
Experienced a financial shortfall in the past 12 months	53.0	55.0	-2.1	[-8.3, 4.2]
Could not pay rent or mortgage	35.4	39.3	-3.9	[-10.0, 2.2]
Evicted from home or apartment	7.4	8.1	-0.6	[-4.0, 2.8]
Utility or phone service disconnected	33.6	36.2	-2.7	[-8.7, 3.4]
Could not afford prescription medicine	27.5	29.7	-2.2	[-7.9, 3.5]
Had insufficient food in the past month	24.6	22.9	1.8	[-3.6, 7.2]
Housing in the past month				
Rented or owned own apartment or room	24.7	23.7	0.9	[-4.5, 6.3]
Lived with family or friends ^a	65.8	67.4	-1.6	[-7.4, 4.2]
Homeless or lived in emergency or temporary housing	4.5	4.5	0.0	[-2.6, 2.5]
Incarcerated, on work release, or living in a halfway house	3.4	3.0	0.3	[-1.9, 2.5]
Other	1.6	1.3	0.4	[-1.1, 1.9]
Is currently in good, very good, or excellent health	73.9	72.9	1.0	[-4.5, 6.5]
Had health insurance coverage in the past month	36.0	28.8	7.3**	[1.4, 13.1]
Health coverage was employer-based	22.9	16.4	6.5**	[1.5, 11.5]
Experienced serious psychological distress in the past month ^b	13.5	17.1	-3.5	[-8.1, 1.0]
Sample size	346	340		

SOURCE: MDRC calculations based on responses to the ETJD 12-month survey.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

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

^aIncludes those who lived with friends or family and paid rent and those who lived with friends or family without paying rent.

^bA score of 13 or higher on the Kessler-6 (K-6) scale is used here to define serious psychological distress. The K-6 assesses how often during the past month a respondent felt so sad that nothing could cheer him or her up; nervous; restless or fidgety; hopeless; that everything was an effort; or worthless. As a result of minor differences between the scale used to administer the K-6 in the ETJD 12-month survey and the standard K-6 scale, the percentages presented in this table may slightly underestimate the incidence of serious psychological distress among the ETJD sample.

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