

## **New Strategies to Promote Stable Employment and Career Progression An Introduction to the Employment Retention and Advancement Project**

The welfare reforms of the 1990s dramatically increased the need for effective strategies to help low-income parents work more steadily and advance in the labor market; long-term reliance on public assistance is no longer an option for most families. Yet, while a great deal is known about how to help welfare recipients prepare for and find jobs, there is little hard evidence about what works to promote employment retention and advancement.

The Employment Retention and Advancement (ERA) evaluation is the most comprehensive attempt thus far to understand which program models are most effective in promoting stable employment and career progression for welfare recipients and other low-income workers. Conceived and sponsored by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS), the ERA project includes up to 15 random assignment experiments across the country. The evaluation is being conducted under contract to ACF by the Manpower Demonstration Research Corporation (MDRC), a nonprofit, nonpartisan organization. MDRC, with assistance from the Lewin Group, is also providing technical assistance to help make the ERA programs as strong as possible.

This first report on the ERA evaluation, which began in late 1999, describes the emerging ERA programs and identifies some early lessons on the design and implementation of relatively large-scale retention and advancement programs.

### **I. The ERA Programs**

As of fall 2001, a total of 15 ERA demonstration projects were operating or under development in nine states.<sup>1</sup> The projects are diverse and represent a range of goals, service strategies, target populations, and organizational structures. As shown in Table ES.1, the ERA projects can be divided into three broad groups according to their primary emphasis:

- **Advancement projects.** Six of the projects focus primarily on helping low-wage workers move up to better jobs. Services include career counseling, targeted job search assistance, close linkages with employers to identify or build career ladders, and education and training to help participants upgrade their skills while working.

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<sup>1</sup>The nine states having demonstration projects discussed in this report are: California, Florida, Illinois, Minnesota, New York, Oregon, South Carolina, Tennessee, and Texas. Florida's ongoing participation in the project is uncertain because necessary programmatic funding had not been secured when this report was completed. In addition, Ohio joined the project in late 2001 with an employer-focused project that will operate in Cleveland. The planned Florida program is discussed in this report, but the Ohio program is not.

## The Employment Retention and Advancement Project

Table ES.1

Description of ERA Projects

State	Location	Target Group	Primary Service Strategies
<b>Advancement Projects</b>			
California	Los Angeles County (post-employment services)	Newly employed welfare recipients working at least 32 hours per week	Stabilization/retention services, followed by a combination of services to promote advancement: e.g., education and training, career assessment, targeted job development
	Riverside County (education and training)	Newly employed welfare recipients working at least 20 hours per week	Test of alternative strategies for promoting participation in education and training activities for working parents
	Riverside County (Post-Assistance Self-Sufficiency program, or PASS)	Individuals who have left welfare and are working	Intensive, family-based support services delivered by community-based organizations to promote retention and advancement
Florida	Duval (Jacksonville) and Leon (Tallahassee) Counties	Low-wage workers (details not yet specified)	Generous stipends to promote participation in education and training
Illinois	Cook (Chicago) and St. Clair (East St. Louis) Counties	Welfare recipients who have worked at least 30 hours per week for at least six consecutive months	A combination of services to promote career advancement: e.g., targeted job search assistance, education and training, assistance in identifying and accessing career ladders
Oregon	Medford and Eugene	Employed former welfare recipients	Stabilization/retention services, followed by a combination of services to promote advancement
<b>Placement and Retention Projects</b>			
Minnesota	Hennepin County (Minneapolis)	Long-term welfare recipients who were unable to find jobs through standard welfare to work services	In-depth family assessment; intensive monitoring and follow-up; emphasis on placement into unsubsidized employment or supported work with referrals to education and training, counseling, and other support services
New York	New York City (Personal Roads to Individual Development and Employment, or PRIDE)	Welfare recipients whose employability is limited by physical or mental health problems	Two main tracks: (1) Vocational Rehabilitation: Participants with severe medical problems receive unpaid work experience, job placement, and retention services tailored to account for medical problems; (2) Work-Based Education: a combination of unpaid work experience, remedial education, job placement, and retention services
	New York City (substance abuse case management)	Welfare recipients with a substance abuse problem	Intensive case management to promote participation in substance abuse treatment, links to mental health, employment, and other needed services
Oregon	Portland	Individuals who are cycling back onto welfare and those who have lost jobs	Team-based case management, job search/job readiness activities, intensive retention and follow-up services, mental health and substance abuse services for those identified with these barriers, supportive and emergency services

(continued)

**Table ES.1 (continued)**

State	Location	Target Group	Primary Service Strategies
<b>Projects with Mixed Goals</b>			
California	Los Angeles County (enhanced job club)	Welfare recipients who have been required to search for employment	Job search workshops using a “step-down” model: Participants initially target higher-paying jobs and then, if unsuccessful, gradually reduce their target wage.
Oregon	Salem	Welfare applicants	Job search assistance combined with career planning, once employed, education and training, employer linkages to promote retention and advancement
South Carolina	Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro Counties	Individuals who left welfare (for any reason) between October 1997 and December 2000	Individualized case management with focus on reemployment, support services, career counseling, education and training, and use of individualized incentives
Tennessee	Shelby County (Memphis)	Welfare recipients who have been assigned to look for work	Pre-employment career planning, job development, and job search assistance; post-employment follow-up to promote retention and advancement
Texas	Corpus Christi, Fort Worth, and Houston	Welfare applicants and recipients	Intensive, individualized team-based case management; monthly stipends of \$200 for those who maintain employment and complete activities related to employment plan

- **Placement and retention projects.** Four projects focus mostly on helping participants find and hold jobs. These projects target various “hard-to-employ” groups — for example, welfare recipients who have disabilities or substance abuse problems — for whom advancement is considered a longer-term objective.
- **Projects with mixed goals.** The remaining projects focus on both retention and advancement, and most of them start working with welfare recipients who are searching for jobs. These projects focus first on job placement, next on retention, and finally on advancement.

Most of the ERA projects are operating in urban areas (including sites in the nation’s four largest cities), and most are relative large in scale, enrolling 1,000 to 2,000 people over a one- to two-year period. The programs were typically developed to help families for whom recent welfare reform efforts have been less successful — for example, welfare leavers working unsteadily or in low-wage jobs or recipients who have been unable to find work. As a result, almost all the programs target current or former recipients of Temporary Assistance for Needy Families (TANF) cash welfare. (In many states, the TANF rules allow recipients who obtain low-wage or part-time jobs to continue receiving a partial grant to supplement their earnings.)

A number of the ERA projects are operated directly by state or local welfare agencies; others are operated by nonprofit organizations or colleges under contract to welfare agencies; and still others represent collaborations among welfare and workforce development agencies.

## **II. Program Design Strategies**

In designing ERA projects, state planners sought to learn from earlier retention and advancement efforts, notably, the Post-Employment Services Demonstration (PESD), a four-site project that tested programs providing follow-up case management to welfare recipients who found jobs. A careful evaluation found that the programs generally failed to improve employment retention.

Whereas the PESD programs used the same basic service — case management — to promote employment retention for a diverse set of clients, the ERA projects are seeking to better synchronize their goals, target groups, and service strategies. For example, PESD found that many welfare recipients who found jobs were able to retain them without special help. Thus, most of the ERA projects that target employed people focus more directly on career advancement. The ERA projects that emphasize employment retention target narrower, “hard-to-employ” groups whose members have demonstrated that they have difficulty finding or holding jobs.

Similarly, while most of the ERA programs are built around case management, they have sought to refine their approaches based on the lessons of PESD. For example, rather than waiting until people have found jobs, many ERA projects begin working with participants while they are searching for work, aiming to establish relationships that can carry over into the post-employment phase. In addition, these projects seek to improve the quality of the initial job placement: Although they have maintained a “work first” focus, they use career planning and other strategies to promote better job matches.

Finally, in most of the ERA projects, case management is seen not as the main service strategy but, rather, as the means of delivering other services or activities designed to meet the program's goals — for example, education or training, financial incentives, career planning, rehabilitation services, or job search assistance.

### **III. Early Lessons on Operating ERA Programs**

As the largest current project dedicated to building knowledge about retention and advancement strategies, ERA provides a rich learning laboratory. Although many of the programs have begun operating only recently, important lessons are already emerging:

- **Encouraging participation in retention and advancement services is an ongoing challenge.**

Low-income, single, working parents — the primary target population for the ERA programs — face daunting daily challenges juggling work and parenting. It should not come as a surprise that many such parents are reticent about participating in retention and advancement activities — even when such services are nominally mandatory for parents still receiving welfare.

Sites have addressed this challenge by designing aggressive marketing strategies, by offering services at convenient locations or at nonstandard hours, and, in a few cases, by offering financial incentives to encourage participation. In designing services and marketing strategies, several of the projects drew on surveys or focus groups to learn about the target population.

- **Agencies that operate retention and advancement programs often have to restructure staff roles, train staff to take on new responsibilities, and lower caseloads.**

Staff in ERA programs need to have specialized skills and knowledge. For example, they should understand how to “sell” services to working parents, how to work directly with employers to address retention issues and identify career ladders within firms or industries, and how to help participants identify and access flexible training or education programs in their communities.

Most staff in traditional welfare-to-work programs do not possess this diverse range of skills. Thus, ERA sites — with assistance from MDRC — have devoted considerable resources to staff development and training. Some programs have created case management teams that draw on staff who have specialized expertise. To facilitate more intensive services, several of the programs have reduced the number of participants assigned to each worker.

- **Interagency partnerships are vital to delivering retention and advancement services, but it can be difficult to develop and maintain such linkages.**

Most of the ERA projects represent collaborations among welfare and workforce agencies, community colleges, nonprofit providers, and others. In many sites, these linkages already existed to deliver employment services to welfare recipients, but, in a few sites, new partnerships were forged specifically for ERA. Although it is often difficult to develop and maintain such partnerships, they offer a range of benefits to participants by giving them access to the specialized expertise of multiple agencies (and, in some cases, additional funding for services). The choice of service providers was particularly critical in the projects serving hard-to-employ groups, because these clients often require specialized treatment or rehabilitation services.

One of the most ambitious strategies — likely to be pursued in a few sites — is to build linkages directly with targeted employers. The hope is that these linkages will go beyond the traditional emphasis on job placement to focus on identifying career ladders and helping ERA participants access them. The sites are crafting strategies that benefit both employers and participants.

- **It may be critical to develop advancement strategies that go beyond traditional classroom-based education and training.**

For reasons discussed earlier, many programs have found it difficult to recruit low-income working parents into education or training programs. A few of the ERA projects are tackling this issue head-on, designing new recruitment strategies and working with education agencies to develop working-parent-friendly classes. Others are trying to craft advancement strategies that do not rely as heavily on traditional education and training — including career counseling, targeted job search help, and in-depth work with employers to identify (or even create) career ladders. Such approaches are used across the country, but they are rarely implemented on a large scale.

#### **IV. What Is Coming Up?**

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

This design will allow ACF and MDRC to obtain reliable data about whether the programs increase employment rates, employment stability, wage progression, family income, and other important outcomes. The study will also assess whether results differ for important subgroups of the target population — for example, people with or without a high school diploma — and will compare the financial costs and benefits of the programs.

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

#### **V. Policy Implications**

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

The tremendous flexibility inherent in the block grant structure that was created in the 1996 federal welfare law has facilitated this evolution in welfare reform. As welfare caseloads

declined, many states have been able to shift resources from providing basic assistance to building a new set of supports for low-income working families. The states' ability to sustain and expand these efforts will likely depend on whether the funding level and the flexible approach are maintained — and even enhanced — when the TANF block grant is reauthorized in 2002.