

Promoting Employment in Public Housing Communities

Learning from the Jobs-Plus Demonstration



THIS policy brief is one in a continuing series that offers emerging insights from the Jobs-Plus demonstration. Sponsored by U.S. Department of Housing and Urban Development, The Rockefeller Foundation, and other public and private funders listed at the end of this document, Jobs-Plus is an intensive, “place-based” initiative for increasing employment among public housing residents. The Manpower Demonstration Research Corporation (MDRC) is managing the demonstration and evaluating the program. This brief describes the people and places Jobs-Plus is trying to help, and it outlines the demonstration’s principal goals and evolving strategies. It was written by Steven Bliss and James Riccio.

Jobs-Plus Aims to Transform Public Housing Communities by Increasing Employment Among Residents

The problem of concentrated poverty and joblessness in U.S. cities has intensified in recent decades, with the number of high-poverty neighborhoods more than doubling between 1970 and 1990.¹ Poverty and unemployment are especially acute in public housing developments, many of which are among the most economically disadvantaged communities in the nation. In the current environment of time-limited welfare, the need to boost employment among families in public housing — many of whom have long histories of welfare receipt — takes on special urgency. Yet in some cities welfare recipients living in public housing appear to be some of the hardest people to employ among welfare recipients and other low-income groups overall.²

Jobs-Plus is a national demonstration project designed to test a multifaceted approach to transforming low-work, high-welfare public housing developments into high-work, low-welfare communities. Initiated in 1996, Jobs-Plus aims to increase employment dramatically by integrating three components — extensive employment-related services, new financial work incentives, and a “community support for work” component — and targeting them toward all

working-age residents of participating housing developments. By doing so, Jobs-Plus hopes to move large numbers of residents into steady employment and improve the quality of life in these developments.

The Goals of Jobs-Plus Are Closely Aligned with Those of the 1998 Federal Housing Legislation

Jobs-Plus incorporates several principal objectives of the Quality Housing and Work Responsibility Act (QHWRA), the federal housing legislation passed by Congress in 1998, in an effort to create high-employment, mixed-income public housing. Despite some important differences in emphasis,³ QHWRA and Jobs-Plus both aim to reduce the concentration of poverty in public housing. Furthermore, both seek to increase the financial incentive to work by revising rent policies and to strengthen linkages between the public housing and welfare systems. As a result, the Jobs-Plus demonstration will provide an early look at the consequences of these new national policies and at some of the issues housing authorities will face in implementing them.

Tests of This New Employment Approach with Diverse Populations Are Underway in a Variety of Cities

Public housing developments in five cities (Baltimore, Chattanooga, Dayton, Los Angeles, and St. Paul) offer a diverse set of locations and populations for testing the feasibility and effectiveness of Jobs-Plus. A sixth city (Seattle) is also operating a version of Jobs-Plus within the context of HOPE VI, another federal housing program.⁴

As shown in Table 1, page 2, non-Hispanic blacks accounted for more than 90 percent of household heads at three of the Jobs-Plus developments before the program began, while residents of the other developments were a more varied ethnic mix, including large numbers of

TABLE 1

Jobs-Plus Is Being Tested with a Diverse Group of Places and People
 Characteristics of Households in Jobs-Plus Developments, 1997 (Before Jobs-Plus)

	Baltimore	Chattanooga	Dayton	Los Angeles		St. Paul	Seattle
	Gilmor Homes	Harriet Tubman Homes	DeSoto Bass Courts	Imperial Courts	William Mead Homes	Mt. Airy Homes	Rainier Vista
Race/ethnicity of household head (%)							
Black, non-Hispanic	99	94	98	78	6	24	42
White, non-Hispanic	0	3	1	2	1	5	12
Hispanic	0	3	0	20	80	3	0
Asian/Pacific Islander	0	0	0	0	13	65	43
Other	0	0	0	0	0	3	3
Female-headed (%)	79	85	88	89	60	65	74
Two or more adults (%)	17	11	11	29	56	54	37
Number of occupied units	528	423	485	450	412	298	467

Hispanic and Asian/Pacific Islander households. The Los Angeles, St. Paul, and Seattle developments are home to a substantial number of immigrants, including (depending on the city) Mexican, Central American, Vietnamese, Cambodian, Hmong, and East African families. The participating developments also vary with respect to other demographic characteristics such as the percentages of female-headed households (ranging from 60 percent to 89 percent) and households with two or more adults (ranging from 11 to 56 percent).

Work, Welfare, and Community Life Before Jobs-Plus

A survey administered to residents before Job-Plus began illustrates some of the employment and welfare patterns and community characteristics that Jobs-Plus is working to change. (The data presented in this section exclude the St. Paul site, where the survey was administered somewhat later.)⁵

Most heads of household had worked before but were not steadily employed.

Across the sites, 90 percent of the heads of household reported having had some employment experience prior to the launch of Jobs-Plus, with more than one-half working at the time of the survey. However, most of the jobs they held paid low wages, did not provide benefits such as paid sick leave or health-insurance coverage, and imposed a

Full-Time Work Was Not the Norm

(Before Jobs-Plus)

Among working-age household heads...

56% were employed at the time of the survey;
33% working full-time and **23%** working only part-time or at odd jobs.

Most Working Residents Held Low-Paying Jobs, Often Without Fringe Benefits

(Before Jobs-Plus)

Among household heads who worked during the 12 months prior to survey...

54% reported that the number of hours they worked per week was "always changing."

79% earned \$7.75/hour or less.

69% had jobs that did not provide sick days with full pay.

69% had jobs that did not offer health insurance.

shifting number of hours of work per week.

Residents' employment was impeded to some extent by an array of personal, situational, and financial factors, including:

- **Limited education.** Only about one-half (55 percent) of survey respondents had a GED certificate or high school diploma.

- **Lack of adequate child care or child supervision while at work.** Twenty-seven percent of respondents with children under age 18 indicated that full-time work would pose a significant problem for them because they would be concerned whether their children would be okay.
- **Health or medical problems.** Twenty-nine percent said they had health conditions that would make it hard for them to work or would limit the amount or kind of work they could do.
- **Expectation of little or no economic improvement from employment.** Forty-seven percent of respondents expressed concern about having their rent raised if they earned too much, while 28 percent believed that earning too much would cause them to forfeit benefits they had been receiving.

Most families relied on welfare and Food Stamps.

Given the prevalence of unsteady and low-paying jobs, it is unsurprising that a large proportion of households had to rely on public assistance to help them get by. Indeed, more than one-half of all heads of household reported using AFDC/TANF or General Assistance during the prior year, and more than two-thirds reported using Food Stamps.

Residents saw problems — and strengths — in their public housing developments.

Residents of Jobs-Plus developments voiced a variety of concerns about their personal safety and the public housing environment in general (see box, above right). Many experienced or feared apartment break-ins or thefts of personal property and identified the presence of guns and drugs as significant problems. In addition to diminishing the overall quality of life in the developments, these factors appear to have discouraged employment among residents; 40 percent of survey respondents said they would worry about their safety if they had to travel to or from work after dark.

Yet despite these concerns, residents said that they did not feel isolated and held positive views of their housing development. These strengths — community pride, a sense of cooperation among neighbors, and life routines that extend beyond the immediate vicinity — are all foundations on which Jobs-Plus is building to help public housing communities better encourage and support employment.

Crime and Safety Were Major Concerns, but Residents Also Saw Positive Aspects of Their Developments

(Before Jobs-Plus)

Of the household heads interviewed...

20% said that someone had broken into their housing unit — or had tried to — within the prior year.

18% said that someone had stolen their purse/wallet, jewelry, money, or other personal property — or had tried to — within the past year.

58% said that people selling or using drugs was a “pretty big” or “very big” problem in their development.

51% said that guns and gunfire were a “pretty big” or “very big” problem in their development.

But:

72% said that their development was a “good,” “very good,” or “excellent” place to live.

70% agreed that people in their development were willing to help their neighbors.

88% said they traveled outside of the neighborhood where their development is located at least once a week.

The Jobs-Plus Approach: Multifaceted, Saturation-Level, and Place-Based

Ultimately, the goal of Jobs-Plus is to improve the quality of life in public housing developments and the personal well-being of residents. The program aims to achieve this by increasing residents' employment and earnings, with the expectation that other positive changes will follow. Part of what makes Jobs-Plus unique is a comprehensive “place-based” approach that addresses a combination of factors contributing to joblessness and poverty. It includes three components:

- **Employment-related services and supports**, including job search assistance, job development, case management, education and training, and assistance with child care and transportation;
- **Enhanced financial incentives to work**, primarily modified rent rules that allow families to keep a larger proportion of their increased earnings;
- **A “community support for work” component** that aims to increase information-sharing and mutual aid among residents that will help promote and sustain work.

Importantly, rather than targeting a small subgroup of residents, Jobs-Plus attempts to engage *all* working age-residents of the participating housing developments.

At each Jobs-Plus site, implementation of this ambitious program design has been overseen by a local collaborative consisting of four key stakeholders: residents, the housing authority, the welfare department, and the Workforce Investment Board. All seven developments (including Seattle) have implemented the three Jobs-Plus components. According to their own reports, they enrolled a cumulative total of 2,500 residents from the inception of the program through June 2001 and placed 1,300 into jobs.

Building New Services, Incentives, and Supports: Overview of Early Progress

On-site offices and employment resource centers within all participating housing developments are core Jobs-Plus features. They help to give the program — and its employment-promoting mission — a prominent and visible presence in the life of the development. Established with support from local housing authorities (which sometimes set aside vacant housing units for this purpose), the centers provide residents convenient access to such core services as intensive case management, individualized job-search assistance, help in locating job openings, and in some cases, basic education and job skills training. The centers also provide a means of engaging residents who are unwilling or unable to travel off site for services.

In addition to establishing a prominent on-site presence at the participating housing developments, the Jobs-Plus sites have made strides in instituting each of the three program components.

Employment-Related Services

Each Jobs-Plus site offers a spectrum of services tailored to residents' employment-related needs. In expanding the services available to participants, the sites have taken a variety of innovative approaches. Some of the features at various sites include:

- **New interagency partnerships improve access to job-search assistance, education, training, and support services** through the welfare and workforce development systems, housing authorities, community-based organizations, schools, and community colleges.

- **Co-location of welfare department and other public agency staff at the Jobs-Plus employment resource center** helps to integrate services across agencies and reduces the red tape encountered by participants.
- **Services targeted specifically to immigrants and refugees** provide classes in English as a second language, tutoring sessions, parenting sessions, and naturalization classes, either on-site or off-site.
- **On-site services to address health-related barriers to employment** include assessment and referrals for treatment of substance-abuse and other health problems.
- **Referral of participants for job search and other assistance to "one-stop" career centers** established through the Workforce Investment Act complements the on-site services available at the Jobs-Plus developments.

Financial Incentives to Work

While QHWRA (the 1998 federal housing legislation) enables housing authorities to revise rent policies as a way to encourage residents to work, Jobs-Plus takes this strategy further, incorporating rent policies of such variety and duration as to place the demonstration at the vanguard of public housing rent reform. Jobs-Plus thus will help provide important insights into how residents respond to rent incentives and determine what factors housing authorities must consider in choosing among different policies.

Jobs-Plus rent policies vary across the sites, but they generally encompass at least one or more of the following three approaches:

- **Larger earnings exclusions or disregards.** The amount of household earnings countable in rent calculations is reduced.
- **Establishment of flat rents.** A household pays a fixed rent that does not increase as earnings rise.
- **Reduction in the proportion of income paid as rent.** The percentage of relevant income a household pays as rent is lower than the traditional 30 percent.

In addition to establishing rent policies that allow participants to keep a larger proportion of any increased earnings, Jobs-Plus staff educate residents about the financial benefits of employment. Toward this end, MDRC developed a Web-based income calculator that case

managers can use to show residents how different employment scenarios will affect their net income. The Jobs-Plus staff also help participants take advantage of the federal Earned Income Tax Credit. This is key, considering that only 40 percent of respondents to the pre-Jobs-Plus survey said that they knew about this important earnings supplement for low-income working families.

Community Support for Work

Although community support for work was the last of the three program components to be implemented, Jobs-Plus has established new connections with and among residents to support their employment. The sites are taking a variety of approaches:

- **Building (or sector) captains** are residents who serve as liaisons between Jobs-Plus and others living in individual buildings or sectors within the development. Some captains also serve as a link between Jobs-Plus and specific ethnic or social groups. With the help of these individuals, Jobs-Plus seeks to foster informal, neighbor-to-neighbor information-sharing about job opportunities as well as peer support in finding and keeping jobs. This contrasts with traditional employment programs, which rely almost exclusively on professional case-workers, acting in an official capacity, to work with clients in formal settings.
- **The delivery of services is adjusted to accommodate working residents** through after-school activities for children whose parents are on the job or in training, and with evening or Saturday job-counseling sessions.

- **Extended housing authority hours of operation** make rent review meetings and other housing authority business more convenient for working residents.

Jobs-Plus's on-site presence allows program staff — some of whom are residents themselves — to have ongoing contact with residents, thereby creating many informal opportunities to share information and provide guidance and support.

Jobs-Plus May Yield Relevant Lessons for Other Employment Programs and for Welfare Reform

As with many new programs, Jobs-Plus encountered numerous obstacles as this challenging initiative was designed and implemented across a wide variety of sites. Slow progress in hiring staff, high staff turnover, an unstable funding base, delayed federal approval of the rent incentives, difficulties in developing workable collaborative decisionmaking processes, and problems in translating design concepts into action delayed the implementation of Jobs-Plus much longer than had been anticipated. Now that the initial stages of program implementation have been completed, however, the sites are working to strengthen case management and better integrate the three major program components. They are intensifying recruitment and services in order to engage public housing residents who are hard to employ or harder to involve in employment services. They are also working to improve coordination between Jobs-Plus and the welfare and workforce development systems.

(continued on next page)

Notes

¹ Paul A. Jargowsky, *Poverty and Place: Ghettos, Barrios, and the American City* (New York: Russell Sage Foundation, 1997), p. 30.

² James Riccio and Alan Orenstein, "Are Welfare Recipients in Public Housing Really Harder to Employ?" Unpublished MDRC paper, 2000.

³ For example, QHWRA includes various provisions intended to make it easier for public housing authorities to recruit families that already are working.

⁴ Jobs-Plus originally included eight public housing developments (including two in Los Angeles) in seven cities. A Jobs-Plus site in Cleveland withdrew from the demonstration, although some activities initiated there may continue. In Seattle, the participating housing development was awarded a HOPE VI grant from the U.S. Department of Housing and Urban Development (HUD) and will be torn down and rebuilt. Although Jobs-Plus will continue to operate in Seattle in a modified form, this site is not included in the current demonstration. Planning is underway for a separate evaluation of Seattle's combined Jobs-Plus/HOPE VI intervention.

⁵ St. Paul was not included in the original baseline survey from which the aggregate figures are drawn, because a somewhat different interview instrument had to be designed for the site's heavily Hmong population. The survey was also administered later than in the other Jobs-Plus sites.

⁶ Currently available Jobs-Plus reports include: James A. Riccio, *Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration* (New York: MDRC, 1999); Susan Philipson Bloom with Susan Blank, eds., *Jobs-Plus Site-by-Site: An Early Look at Program*

Implementation (New York: MDRC, 2000); and Linda Y. Kato and James A. Riccio with Jennifer Dodge, *Building New Partnerships for Employment: Collaboration Among Agencies and Public Housing Residents in the Jobs-Plus Demonstration* (New York: MDRC, 2001).

Through continued in-depth research,⁶ the Jobs-Plus demonstration will document and analyze the sites' further efforts to build mature and sustainable programs. The lessons derived should foster a deeper appreciation of the challenges involved in creating a comprehensive employment initiative targeted at public housing residents, many of whom are TANF recipients, and offer guidance on how to achieve high levels of employment. These lessons may also be pertinent beyond the housing arena to other community interventions, employment initiatives, and welfare reform. Future Jobs-Plus policy briefs will share these lessons and discuss the implications for public policy and program design.

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