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Evidence Supports *Real Work, Real Pay* Transitional Jobs Pilot as a Workforce Strategy

Introduction

Transitional Jobs (TJ) programs represent a workforce development strategy aimed at helping those with multiple barriers to employment find and keep work. Recent research has shown that high numbers of participants in Wisconsin's W-2 program fall into this category,ⁱ and that W-2 agencies are having a hard time aiding these individuals, with many who do find work returning to the program a short time later.ⁱⁱ *Real Work, Real Pay* is a transitional jobs pilot project contained in the 2007-09 Executive Budget.

Real Work, Real Pay contains the following common TJ program elements: the job is time-limited; the employment is with a public or private employer for a wage; the job is up to 30 hours per week; the employer receives a subsidy covering wages to the participant; case management and retention services are ongoing; education and training planning and opportunities continue while employed, incentives for workplace peer mentors, and career pathway planning.

Because the ongoing case management would occur while the W-2 participant is working, instead of only *before* job placement, it proves to be especially effective. It is in those first days and weeks after starting a job when many employees with little work history and multiple barriers to employment have the most difficulty adjusting to the demands and scheduling of work. Another positive element of TJ programs is that because these workers are earning a real wage, as compared to a subsidy, they are eligible for federal and state earned income tax credits, a significant boost for low-income families.

TJ programs are in place around the country, aimed at TANF participants, at-risk youth, ex-offenders, refugees and immigrants, and disabled individuals. Evidence clearly suggests that for those with multiple barriers to employment, TJ programs can be an effective workforce development strategy.

Evidence of Successⁱⁱⁱ

- A 2002 study included an examination of the Catholic Charities Community Transitional Jobs program. In that study, a group that took part in transitional jobs was compared to a group that just received employment services but no transitional job. After exiting the program, the earnings of the TJ participants were 32 percent higher than those who just received employment search and other limited services. Also, nearly 65 percent of the TJ participants were working in unsubsidized jobs six months after the program, while only 47 percent of the latter group was working at that point.^{iv}
- A review of six transitional jobs programs in 2002 found that between 81 and 94 percent of those completing the programs found unsubsidized employment afterward. Their hourly wages ranged between \$5.75 and \$9.00.^v
- A study of Washington State's Community Jobs program showed that 72 percent of participants found unsubsidized employment, despite the fact that those workers began with an average of eight barriers to employment (examples of such barriers are, a disability, substance abuse, poor mental health, and limited English proficiency). Those entering unsubsidized employment had earnings gains of 60 percent over their pre-program income.^{vi}

- A 2004 study looked at the impact of Advancement Plus, a Minnesota program that included a transitional jobs component along with ongoing case management. The program was aimed at helping the hardest to place participants, many who were homeless, ex-offenders, and domestic violence victims. Compared to the standard approach in which participants received traditional case management and employment search services, the Advancement Plus participants were more likely to find unsubsidized work after the program. 48 percent of homeless participants who had been receiving welfare for 52 weeks before the program found unsubsidized employment, compared to only 34 percent of those in the traditional program.^{vii}

The quantitative studies briefly mentioned above offer evidence that the transitional jobs approach is a sound one when working with TANF participants and others who exhibit multiple barriers to employment. There is additional *qualitative* evidence of TJ program success as well.

- A review of New York City’s Park Opportunities Program found that the transitional job participants – as compared to those in traditional subsidized community service type jobs – benefited from earning a real wage, working with a more involved supervisor, and having a clear work plan. They were also more likely to learn a range of skills that were useful in new unsubsidized jobs after the program ended.^{viii}
- The survey by Mathematica Policy Research of six separate transitional jobs programs mentioned above in the second bullet point also included qualitative data on the characteristics and experiences of program participants.^{ix} They found that the transitional jobs programs they examined had positive personal, professional and financial impacts on participants in the program.

Conclusion

At their core, transitional jobs programs are based on the idea that everyone can work and that everyone has strengths that should be built upon. Evidence has shown that this workforce development strategy can help those hardest to place in employment make successful and lasting connections to the workplace. This evidence suggests it’s time to implement a meaningful transitional jobs effort such as *Real Work, Real Pay* in Wisconsin as a way of moving more W-2 participants into the workplace, and helping them stay there.

ⁱ Courtney, Mark and Dworsky, Amy. *Those Left Behind: Enduring Challenges Facing Welfare Applicants*, Issue Brief, May 2006. Chicago, IL: Chapin Hall Center for Children, University of Chicago. Available online at: www.ChapinHall.org (requires brief registration).

ⁱⁱ Returning participants increased from 38.6 percent of all subsidized placements in June 2000 to 52.3 percent in June 2004. *An Evaluation: Wisconsin Works (W-2) Program*. Report 05-6, April 2005. Wisconsin: Legislative Audit Bureau. Available online at: <http://www.legis.wisconsin.gov/lab/reports/05-6Full.pdf>

ⁱⁱⁱ The studies mentioned in this brief document, along with a broader discussion of transitional jobs programs are referenced in the Center on Budget and Policy Priorities and Center for Law and Social Policy publication, *Implementing the TANF Changes in the Deficit Reduction Act: “Win-Win” Solutions for Families and States*, February 2007. Washington, DC. Available online at: <http://www.cbpp.org/2-9-07tanf.htm>

^{iv} Rynell, Amy and Beachy-Quick, Kristy. *Transitional Community Jobs, Chicago, Illinois: A Summary Report of the Program and its Outcomes*. 2003. Chicago, IL: The Heartland Alliance Mid-America Institute on Poverty (MAIP).

^v Kirby, Gretchen, et al. *Transitional Jobs: Stepping Stones to Unsubsidized Employment*. 2002. Washington, DC: Mathematica Policy Research, Inc. Available online at: www.mathematica-mpr.com/publications/PDFs/transitionalreport.pdf

^{vi} Burchfield, Erin. *Community Jobs Program Moves People from Welfare to a Career Track: Outcomes Assessment Summary*. 2002. Seattle, WA: Economic Opportunity Institute.

^{vii} EnSearch, Inc. *2004 Comparison Study: An Evaluation that Compares Outcomes for a Multi-State Transitional Jobs Program with Random Samples of Participants in the Minnesota Family Investment Program (Minnesota’s TANF Program)*. 2004. Minnesota: Lifetrack Resources.

^{viii} Youdelman, Sondra, with Paul Gestos. *Wages Work! An Examination of the New York City’s Park Opportunities Program (POP) and its Participants*. 2004. New York, NY: Community Voices Heard. Available online at: <http://www.cvhaaction.org/english/reports/WagesWork.pdf>