

Transitional Jobs Programs: Stepping Stones to Unsubsidized Employment

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KEY FINDINGS

- Workers in transitional jobs programs receive more intensive support, supervision, and assistance in working through barriers to employment than they would in other TANF programs.
- Wage costs represent a sizable portion of total costs for most of the programs, but they comprise a smaller portion of costs in the programs with more intensive services.
- Consistent participation in the study programs usually leads to permanent unsubsidized employment.
- Program participants and staff report that transitional work has a positive effect—financially, professionally, and personally—on participants' lives.

Proposals for reauthorizing the Temporary Assistance for Needy Families (TANF) legislation make clear that the employment focus of welfare programs will continue and, possibly, intensify. The President's proposal declares that encouraging work is "the heart of welfare reform" and calls for increasing the number of welfare recipients who must work and the amount of work they must do. The reauthorization bills proposed by congressional Democrats differ in the details, but also emphasize helping welfare recipients find and keep jobs.

Of particular concern to lawmakers are families that—despite strong incentives to work and increased supports for working parents—continue to receive welfare and have difficulty finding steady employment. Research suggests that some families face formidable challenges to gaining employment and attaining self-sufficiency. Addressing these challenges may require more than the standard resources and approaches. The recent economic downturn underscores the need for strategies that can be pur-

sued in both good times, when jobs and funding are plentiful, and bad, when they are scarce.

Transitional jobs programs—a variation on publicly funded jobs programs of the past—are a new option for helping hard-to-employ TANF recipients. These programs can be both work-focused and supportive—a combination particularly useful, if states must put a larger proportion of their TANF caseload to work. A close examination of six transitional jobs programs provides insight into the transitional jobs model and its potential for serving hard-to-employ TANF recipients.

What Is Transitional Work?

Transitional jobs programs offer temporary, subsidized employment and direct services in a supportive environment to those who lack work experience, education, or training. The guiding philosophy of these programs is that work is beneficial, and that the best way to learn how to work is through paid work. As of May 2001, there were

**PROGRAMS IN THE STUDY
OF WAGE-PAID TRANSITIONAL EMPLOYMENT**

**People Realizing Employment Possibilities
(PREP),**

Forrest City, AR

Community Jobs Program (CJP),

San Francisco, CA

GoodWorks!,

Augusta, GA

Transitional Work Corporation (TWC),

Philadelphia, PA

Community Jobs (CJ),

Aberdeen, WA

Community Jobs (CJ),

Tacoma, WA

approximately 40 transitional jobs programs nationwide, serving at least 3,500 individuals at a time.¹ Transitional work has these key features:

Transitional work is paid work. Like unsubsidized workers, transitional workers earn a wage for actual hours worked and they are eligible for the Earned Income Tax Credit. Most positions are part-time (less than 35 hours per week) with an hourly wage from \$5.15 to \$8.52 (Table 1). Participants begin earning a wage soon after entering a program; most are paid bi-weekly or twice monthly. Similar to many low-wage, entry-level workers, most transitional workers do not receive employee benefits (for example, employer contributions to health insurance or retirement plans).

Transitional work is designed for the hard-to-employ. Individuals are generally referred to transitional jobs programs by the TANF agency because they are floundering in traditional “work first” programs. Transitional jobs programs are an attractive

**TABLE 1
TRANSITIONAL WORK—HOURS AND WAGES**

	Hours per Week	Wage per Hour
PREP Forrest City, AR	30-40	\$5.15, \$5.50, or \$6.00 ^a
CJP San Francisco, CA	1-parent: 32 2-parent: 35	\$6.26 ^b
GoodWorks! Augusta, GA	20-28	\$5.15-\$8.52 ^c
TWC Philadelphia, PA	25	\$5.15
CJ Aberdeen, WA	20	\$6.72 ^d
CJ Tacoma, WA	20	\$6.72 ^d

SOURCE: Site visits conducted in August and September 2001.

^aDepending on education level of the PREP participant.

^bIncreased to \$8.00 in January, 2002.

^cDepending on phase of program and work-site.

^dThe programs in Washington State use the state minimum wage, which is indexed to inflation and increased to \$6.90 on January 1, 2002.

¹ Richer, Elise, and Steve Savner. “Survey of Transitional Employment Programs: Preliminary Findings.” Washington, DC: Center for Law and Social Policy, May 2001.

alternative because they provide a paycheck and an environment that supports the transition to work. Participants gain experience and receive training, which improves their chances of finding and keeping unsubsidized employment. The part-time schedule of most transitional work placements and the intensive case management provided by program staff allow individuals to adapt more easily to the requirements of work and to identify and address problems as they arise.

Transitional work is not

“make-work.” Transitional work does more than occupy people’s time and provide income: It provides a realistic experience of looking for and holding a job. After programs match participants to placements that fit their interests, needs, and circumstances, participants must complete interviews and other standard application requirements at the transitional work site. Once on the job, participants are closely monitored to ensure they have real responsibilities, receive training, and make contributions to their employers.

Transitional work is temporary. The goal of transitional work is to give participants enough time to gain marketable experience and skills, without losing the incentive to find permanent employment. Transitional employment is usually limited to nine months, and some programs have a goal of moving participants into permanent employment in as few as three months.

Transitional work is concentrated in non-profit organizations. Non-profits are excellent partners for transitional jobs programs, because they are willing to provide individualized training and supervision to participants in exchange for employees that they would otherwise not be able to afford. Many programs also use, or would like to use, public and private placements, which are more likely to lead to permanent employment. Public and private place-

ments usually require collaboration with employee unions to ensure that subsidized transitional workers do not displace unsubsidized employees.

How Do Programs Support Transitional Workers?

Transitional jobs programs provide different levels of support, depending on the targeted population and the resources allocated by the state or locality. Basic programs concentrate on providing participants with

temporary, paid work experience. More comprehensive programs provide a variety of supportive services before, during, and after the placement. Table 2 lists the services we found in the six programs.

Assessment. Transitional jobs programs emphasize rapid

entry into transitional job placements. At most, clients spend two weeks in pre-placement activities before beginning their jobs. Only two of the programs we studied—GoodWorks! and CJ-Aberdeen—conduct in-depth assessments of all participants. The other programs rely on information passed on by the TANF agency (which can be extensive) or on informal assessment during discussions with the participant.

Training. Most of the programs provide participants with some pre-placement training on job search skills and workplace norms. Some programs also require participants to complete 4 to 20 hours of other work-related activities during the transitional placement. These activities help participants address barriers to employment, such as limited English, substance abuse problems, or difficulty with workplace norms. Research suggests that the combination of work and education improves participants’ access to better jobs.²

Support and supervision. At work, transitional workers receive more supervision and support than regular employees. Work site supervisors help them learn basic skills, acquire good workplace behaviors,

“I’ve never had any job experience in my life...I’m getting quite a bit out of it because they’re taking the time to work with me...they treat you like a capable employee.”

— Participant in CJ-Aberdeen

² Strawn, Julie, and Karin Martinson. “Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce.” New York, NY: Manpower Demonstration Research Corporation, June 2000.

**TABLE 2
SERVICES AND SUPPORTS PROVIDED THROUGH TRANSITIONAL JOBS PROGRAMS**

Pre-Placement Services	
<p>Formal Assessments</p> <ul style="list-style-type: none"> Drug tests Criminal background check Job and basic skill tests Psychological evaluations Screens for barriers to employment Interest inventories 	<p>Training</p> <ul style="list-style-type: none"> Resume and cover-letter writing Filling out applications Interviewing skills Workplace culture Life skills Classes/discussions about health, domestic violence, substance abuse, and consumer credit
Services During Placement	
<ul style="list-style-type: none"> Work site supports and mentoring Case management Job coaching Education and job skills training Supportive services (e.g., transportation passes, money for car repairs, children’s clothes, household supplies) 	
Services During the Transition to Unsubsidized Employment	
<ul style="list-style-type: none"> Job coaching Job search assistance Job development Job retention follow-up 	
SOURCE: Site visits conducted in August and September 2001.	

and identify leads for unsubsidized jobs. The support that participants receive from program staff is more intensive than that in other welfare programs because of low client-to-staff ratios (generally 25:1) and high frequency of contact (generally weekly). Program staff identify and address personal barriers to employment, encourage and reassure participants, teach life skills and acceptable workplace behaviors, and monitor progress at the work site. Staff describe their role as “doing whatever it takes to help people get and keep a job” and being a “mentor” and “resource tool.”

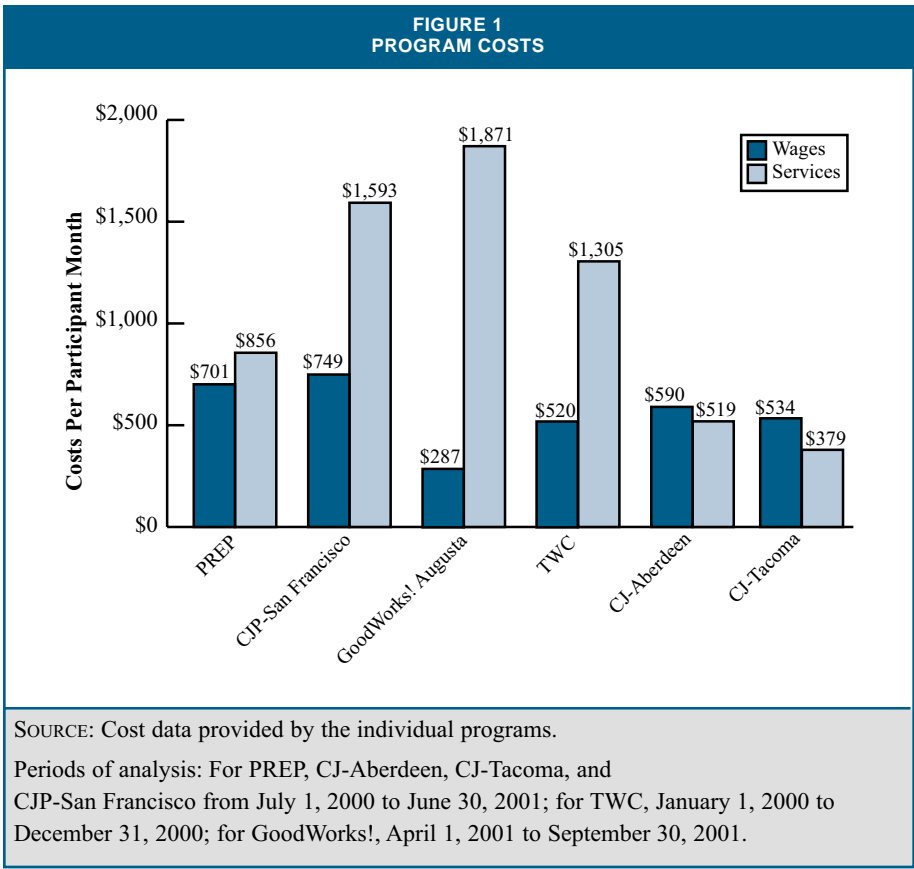
Supportive services. Transitional jobs programs tend to rely on existing systems for supportive services rather than providing such services directly. Most transitional jobs participants continue to receive, for example, child care services, transportation assistance, Medicaid, and food stamps. Some

programs, such as the Washington CJ programs, distribute TANF supportive services funds directly to participants, for items such as car repairs, counseling, and household supplies. The programs that allow or encourage participants to leave TANF provide some supportive services directly—including a van service, a scholarship program, and a car purchase program.

“The program offers real life working experience, real money, real interaction, and real support.”

— PREP program administrator

Job search and retention services. All transitional workers receive help searching for unsubsidized employment, but these services range widely across the programs from intensive, in-house services to referrals to the TANF or employment agency for services. Regardless of the structure of job search services, it is important to strengthen the link between the transitional job program and job placement so that clients perceive and benefit from continuity in services. Realizing that finding work is only a first step toward self-



data to describe gross program costs and placement rates. In addition, this study has gathered rich qualitative data on the benefits that participants feel they derive from transitional work.

Program costs depend on the intensity of program services. The programs in this study with the highest costs provide the most comprehensive services. Wage costs represent a sizable portion of total costs for most of the programs, but they comprise a smaller portion of costs in the programs with more intensive services (Figure 1). The cost of

sufficiency, half the programs offer participants job retention follow-up—which can include supportive services, job coaching, and incentive payments—for as long as two years.

What Are the Costs, Perceived Benefits, and Outcomes of Transitional Work?

The effectiveness of transitional jobs programs in preparing TANF recipients for unsubsidized employment remains an open question. A rigorous research design to test for program impacts would be required to address this question. We can, however, analyze administrative and cost

core program services ranges from \$379 to \$1,871 per participant month.³ When average length of participation is considered, transitional work services cost between \$2,011 and \$14,406 per participant.⁴ This range depends largely on whether programs provide participants with training activities before and during the placement and with retention follow-up after they leave the program. Four of the programs have total core service costs that are lower than the costs of other labor force attachment programs for welfare recipients.

“It’s a win-win situation. They’re (the participants) benefiting, we’re benefiting, and the taxpayers, in general, are benefiting.”
 — Work site supervisor,
 Aberdeen Community Jobs Program

³ In order to remove length of participation as a factor in determining per client costs, we calculated “participant months” by summing the monthly number of participants across all months in the cost analysis period. “Core service” is defined as any service that is delivered to all participants in the transitional job program.
⁴ Total service costs are the per participant month cost of services multiplied by the average length of program participation (shown in Table 3).

Participants feel they benefit financially, professionally, and personally. Although this study cannot show whether participants in transitional jobs programs are better off than they would have been without the program, participants do report shifts in their lives consistent with the program objectives. The net income of transitional workers—including work earnings, Earned Income Tax Credit, and, in some cases, a TANF grant—often rises. Many transitional workers learn specific occupational skills—including working with customers, landscaping, forklift operation, cashiering, food preparation, and clerical skills (e.g., filing, using a computer or fax machine, and handling multi-phone lines). Participants repeatedly said that transitional work added structure to their lives, increased their motivation to find permanent employment, and contributed to a new sense of confidence and self-worth.

Transitional jobs can benefit participating work sites and TANF agencies. Transitional workers

provide staff resources that can contribute to the productivity of their work sites. This benefit is particularly attractive to organizations that cannot afford to hire sufficient permanent staff. Transitional jobs programs also help local TANF agencies by reducing the caseloads of TANF staff or, at least, reducing the number of clients who need high levels of attention. The programs have the potential to benefit the TANF system in the long-run if they are able to help

“[Transitional work] opened the door and showed me that I can get and hold a job of my own.”

— A PREP participant

participants become self-sufficient and leave public assistance permanently.

Transitional jobs programs are successful at placing consistent participants in unsubsidized employment.

While not all transitional workers successfully complete their program, those who do are usually placed in unsubsidized employment (Table 3). Overall, about 50 percent of participants in the studied programs are successful completers, either working through the full placement period or gaining unsubsidized employment before the placement ends. Depending

**TABLE 3
LENGTH OF PARTICIPATION, COMPLETION AND PLACEMENT RATES**

	PREP Forrest City, AR	CJP San Francisco, CA	GoodWorks! Augusta, GA	TWC Philadelphia, PA	CJ Aberdeen, WA	CJ Tacoma, WA
Average length in program (months)	3.1	6.5	7.7	3.4	6.2	5.3
Percentage of Successful Completions	53.6	57.3	82.2	51.5	48.8	38.6
Percentage placed in unsubsidized employment						
All participants	48.2	46.7	70.3	48.5	n/a	n/a
Completers	89.9	81.4	85.5	94.0	n/a	n/a

SOURCE: MIS data provided by the individual programs

Data in this table are based on enrolled clients using each program’s definition of enrollment and measured only for clients with completed participation spells. The period of analysis is from each program’s inception to the date of the most recent data available.

on the program, between 81 to 94 percent of this group (or about one-half to two-thirds of all participants) are placed in unsubsidized employment by the end of the program.

Placement rates cannot be determined from the Washington CJ program data, because, until recently, these programs did not systematically collect information on this outcome. Based on earnings data, the Washington State Department of Social and Human Services reports employment rates of 58 and 59 percent among CJ participants in Aberdeen and Tacoma, respectively.

What is the Future of Transitional Jobs Programs?

Transitional job programs are a promising and flexible approach to serving the hard-to-employ.

The six programs in this study illustrate the flexibility of the transitional jobs model and its potential for serving the hard-to-employ. The combination of paid work, direct services, and support provided by transitional jobs programs provides an opportunity for welfare recipients to identify and work through the barriers they face to steady employment. The programs in this study are best equipped to deal with participants' lack of work experience, basic job and life skills, and logistical barriers to work. Programs have struggled, however, with addressing the more severe personal and family issues that can be formidable hurdles to steady employment. The more intensive and flexible programs are more likely to deal with the full range of barriers to employment that participants may face, but they also cost more. States and localities developing transitional jobs programs should consider the targeted population and the program's goals in determining the intensity and cost of the approach they will take.

Because of its flexibility, the transitional jobs model has been promoted as an approach that could help other populations besides welfare recipients. A transi-

tional jobs program designed for non-TANF recipients would have to consider carefully how to provide supportive services without links to the welfare system. In times of economic uncertainty, it might also be tempting to consider transitional jobs as an approach to job creation. However, the model's emphasis on small caseloads and intensive case management limits its capacity and usefulness as a broader job creation program.

More definitive research is needed on participant outcomes and net costs of transitional jobs program.

Some studies, including this one, have shown that transitional jobs are a promising approach for moving hard-to-employ TANF recipients into the work force and toward self-sufficiency.

However, because these are

relatively new programs there remains little rigorous experimental research evidence on the relative effectiveness of transitional jobs programs at improving the employment outcomes of participants, the relative benefits and costs, and the importance of the various components of the programs.

Experimental evaluations of transitional jobs programs could isolate the effects of transitional jobs on participants' employment outcomes and allow comparisons with other employment programs. Useful tests might include comparing a wage-paid transitional jobs program to a work experience program (which does not pay a wage) or comparing a program that provides intensive support services to one that focuses primarily on the job placement. An experimental evaluation could also isolate and quantify program benefits and compare them more carefully to costs.

The future of transitional jobs programs depends heavily on the availability of funding. At the time programs in this study emerged, substantial resources—from both the TANF and Welfare-to-Work funding streams—were available to serve the hard-to-employ TANF population. With Welfare-to-Work funding ending in 2002 and TANF funds being tied to reauthorization, changes in the

“I’ve accomplished more in the last seven months than I have in the last seven years. I got a GED, was placed in a wonderful job site, have possible full-time employment [opportunities] ... I’ve got a reason to get up everyday, a purpose, somewhere to go.”

— A participant in the Tacoma Community Jobs program

economy, and caseload levels, the funding outlook for transitional jobs programs is uncertain. There is a risk that these programs may end before they have had the opportunity to mature and undergo more

rigorous evaluation. If further state or federal funding were allocated for transitional jobs programs, it would be advantageous to incorporate research and evaluation into the funding requirements.

THE STUDY OF WAGE-PAID TRANSITIONAL EMPLOYMENT PROGRAMS

This study was conducted by Mathematica Policy Research, Inc., with funding from the Rockefeller and Charles Stewart Mott Foundations. The research examined the structure, operations, costs, perceived benefits, and outcomes of six transitional jobs programs for welfare recipients. MPR analyzed qualitative data collected during site visit interviews and focus groups, and quantitative administrative and cost data provided by the programs and the U.S. Department of Health and Human Services, Administration for Children and Families.

A full report from this study is available on Mathematica's web site at www.mathematica-mpr.com. For more information on the Study of Wage-Paid Transitional Employment Programs, contact Gretchen Kirby or LaDonna Pavetti at Mathematica Policy Research, Inc., (202) 484-9220.

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