

Chicago Neighborhood JobStart
Summary Evaluation Report:

A Transitional Jobs Response to the Great
Recession

February 2012

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a chicago neighborhood job start report

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Overview

This brief summarizes the results of an evaluation of Chicago Neighborhood JobStart, a program that sought to place 2,200 low-income residents of historically high-unemployment neighborhoods into temporary jobs with local employers. The program operated for approximately 4 months between June and September 30, 2010, using a combination of public funding from the American Recovery and Reinvestment Act (ARRA) and private funding from the 2016 Fund for Chicago Neighborhoods.

JobStart subsidized wage and payroll costs for the participants it placed into temporary jobs and provided case management and supportive services to help participants maintain employment. The program was intended to accomplish three objectives:

1. Help participants weather the lingering effects of the 2007 recession by providing employment and income.
2. Improve the employability of participants by providing them with opportunities to “learn how to work” in supportive environments.
3. Help participants gain permanent employment.

Successes

Within a short period of time, JobStart recruited and trained a large number of participants and placed them into transitional jobs. Participants had a pronounced need for earned income, and survey results suggest that large proportions of participants had barriers to employment.

- 1,618 participants completed job readiness training, and grantees placed 1,518 (93.8 percent) of these participants into transitional jobs.
- The average participant reported household income of \$760 upon entering JobStart, implying that the typical participant lived well below poverty at the time he or she entered JobStart.
- Commonly-reported barriers to employment included lack of overall job skills and interpersonal skills, criminal records, and unmet needs for transportation and childcare.

The average participant earned substantial income relative to his or her household income, and survey results suggest that participants’ soft skills improved during their transitional jobs:

- On average, each adult program participant worked 9.1 weeks, or 87.6 percent of the 10.4 weeks available given his or her start date. Average monthly income earned by adult program participants was twice their average household income upon entering JobStart.
- Among participants who responded to an evaluation survey, 77.2 percent reported that JobStart allowed them to support their families or pay their bills and 62.8 percent reported that without JobStart they would likely have been unemployed.
- Among JobStart employers who responded to an evaluation survey, the percentage who rated participants unfavorably on six soft skills at the beginning of the program decreased at the end of the transitional job, while the percentage who rated participants favorably increased.

Survey results and economic impact analysis suggest that JobStart benefited employers in the program and other businesses and their employees throughout Cook County:

- Among JobStart employers who responded to an evaluation survey, the majority reported that employing JobStart participants resulted in moderate positive effects on business performance.
- Assuming that participants spent 70 percent of income earned through JobStart in the retail sector of Cook County, JobStart wages were associated with a \$5.1 million increase in demand for goods and services across all sectors, a \$1.2 million increase in household earnings, and an increase in employment of 44 jobs across Cook County.

The overwhelming majority of participants and employers who responded to a survey about their participation in JobStart reported that they would participate in JobStart or a similar program again.

Challenges

JobStart placed fewer participants into transitional jobs than planned. Additionally, program records from immediately after JobStart ended indicate that it did not meet its goal for number of adult participants placed into unsubsidized employment, education, or training by the time the program ended. Seven primary factors appear to explain why JobStart did not meet all of its goals:

1. The federal funds used for JobStart had to be spent by September 30, 2010. This fact, combined with the relatively late timing of Illinois' application for the funds, left grantees with less than a month to set up their JobStart programs in order to provide participants with the maximum 16 weeks of transitional employment possible.
2. The requirement that grantees recruit participants exclusively from 13 community areas impeded their ability to meet JobStart's transitional job placement goal.
3. Contemporaneous operation of JobStart and a larger subsidized employment program, Put Illinois to Work, appears to have caused some confusion and competition for employers.
4. JobStart relied heavily on relatively small for-profit and nonprofit employers for transitional jobs. Such employers were less likely to hire participants permanently.
5. Absence of funding for job placement and retention after the transitional jobs ended appears to have impeded unsubsidized placement.
6. Economic conditions across Illinois and the United States may have impeded placement of JobStart participants into unsubsidized jobs.
7. Finally, placement data from program records likely under-represent the percentage of adult participants who found employment after JobStart ended.

The evaluation indicates that subsidized employment may be a promising response to economic downturns and an effective means of engaging disadvantaged youth and low-income, noncustodial males. Given institutional leadership, experienced providers, and adequate funding, a beneficial transitional jobs program can be implemented within a short timeframe.

The evaluation used diverse sources of information to investigate the circumstances that motivated a group of philanthropic funders, nonprofit organizations, and public agencies to create the JobStart program using ARRA funding; examine the characteristics of JobStart participants and their neighborhoods; understand how program providers implemented the JobStart program design; and explore program outcomes for participants and employers. Based on findings in these areas, the evaluation report sets forth recommendations for future transitional jobs programs.

Methodology

The JobStart evaluation was designed to answer four research questions:



The evaluation report summarized by this brief addresses the first three questions. The Social IMPACT Research Center plans to analyze program impacts in a future report. The following sources were used in the report. Please refer to Appendix A of the full report for a detailed description of evaluation methodology.

- **Program documents:** To understand program design, the Community Services Agreement (CSA) between IDHS and the 2016 Fund and the JobStart Procedural Manual developed by the 2016 Fund were reviewed. These documents describe the services that grantees were required to provide and were incorporated into grant agreements between the 2016 Fund and its grantees.
- **Program records:** Data on the personal and household characteristics of JobStart participants were drawn from JobStart eligibility documentation that grantees were required to collect.
- **Interviews:** To understand the circumstances that led to the creation of JobStart and shaped its design and implementation, representatives of key organizations involved in the design, administration, and funding of JobStart were interviewed. To understand each grantee's experience implementing JobStart, all grantee project directors were interviewed.
- **Grantee Staff Survey and Project Director Survey:** To understand implementation of each grantee's JobStart program, separate surveys were sent to JobStart project directors and staff who worked directly with JobStart participants and employers at each agency. All project directors responded to the Project Director Survey, and 80 of 103 staff who were still employed at the grantees after JobStart ended responded to the Grantee Staff Survey.
- **Participant Survey:** Data on participants' employment history, barriers to employment, and satisfaction with JobStart were drawn from responses to a 36-question survey sent to all participants. Of all surveys sent, 238 useable responses were received. Because the number of responses constitutes a relatively small proportion of all 1,618 participants, caution must be used in generalizing about the characteristics and experiences of all participants from survey responses. Margins of error are available from the Social IMPACT Research Center upon request.
- **Employer Survey:** Data on the characteristics of JobStart employers, their assessments of participant progress, and their satisfaction with JobStart are from responses to a 35-question survey sent to all employers. Of all surveys sent, 77 useable responses were received. Because the number of responses constitutes a relatively small proportion of all 268 JobStart employers, caution must be used in generalizing about all employers from survey responses. Margins of error are available from the Social IMPACT Research Center upon request.
- **Economic Activity Analysis:** Economic activity across Cook County associated with JobStart was estimated using economic multipliers created by the U.S. Department of Commerce, Bureau of Economic Analysis using its Regional Input-Output Modeling System (RIMS II). Research on the spending behavior of low-income households was also used to estimate economic activity.

Background

Circumstances that led to the creation of JobStart included the recession that began in December 2007, Chicago's Olympic bid, and prior workforce and community-development efforts undertaken by a group of Chicago-area philanthropic funders, nonprofit organizations, and public agencies.

National Context

The recession that began in December 2007 provided the impetus for the American Reinvestment and Recovery Act (ARRA), the source of funding for JobStart and scores of other subsidized employment and transitional jobs programs across the United States. This recession proved to be the longest and most severe since the Great Depression—even after it ended in June 2009, unemployment continued to worsen, peaking at 10.1 percent in October 2009.¹ The recession exacerbated unemployment among minorities, individuals with low educational attainment, and youth even more severely: unemployment peaked at 16.5 percent for African Americans, 15.7 percent for individuals with less than a high-school degree, and 19.5 percent for individuals age 16 to 24 within the year following the recession's end.

ARRA included a \$5 billion fund to help states cover the cost of increased spending on Temporary Assistance to Needy Families (TANF) resulting from the recession.² Called the TANF Emergency Contingency Fund (TANF EF), it reimbursed approved states for 80 percent of their increased spending on three types of TANF-funded benefits and services: (1) basic assistance, (2) non-recurrent, short-term benefits, and (3) programs that create jobs for needy parents by subsidizing their wages (subsidized employment programs). Importantly, increased spending on subsidized employment programs had to occur before September 30, 2010, in order to qualify for reimbursement from the TANF EF.

Under TANF, states may serve a variety of low-income individuals through subsidized employment, including custodial parents or other adult caretakers, noncustodial parents, and youth living with custodial parents or other adult caretakers. A remarkable expansion of subsidized employment programs followed the enactment of ARRA and the establishment of the TANF EF.³ Illinois created three subsidized employment programs with TANF EF funding: Put Illinois to Work (PITW), that placed over 27,000 adults into subsidized jobs statewide; Youth Employment for the Summer (YES), which placed 2,586 youth into subsidized jobs in Chicago; and JobStart, which placed 1,030 adults and 488 youth into transitional jobs in Chicago. Unlike PITW and YES, JobStart was designed to provide supportive services and used private funding to draw down TANF EF funds for these services.

JobStart and Put Illinois to Work

In January 2008, Chicago bid to host the 2016 Olympic Games. The Chicago Community Trust and other philanthropic funders formed the 2016 Fund for Chicago Neighborhoods (2016 Fund) to help Chicago's south and west-side neighborhoods benefit from a 2016 Olympic Games.⁴ The 2016 Fund raised nearly

¹ The Business Cycle Dating Committee of the National Bureau of Economic Research defines the most recent recession as having begun in December 2007 and ended in June 2009. National Bureau of Economic Research. (n.d.). US business cycle expansions and contractions. Retrieved February 25, 2011, from <http://www.nber.org/cycles.html>

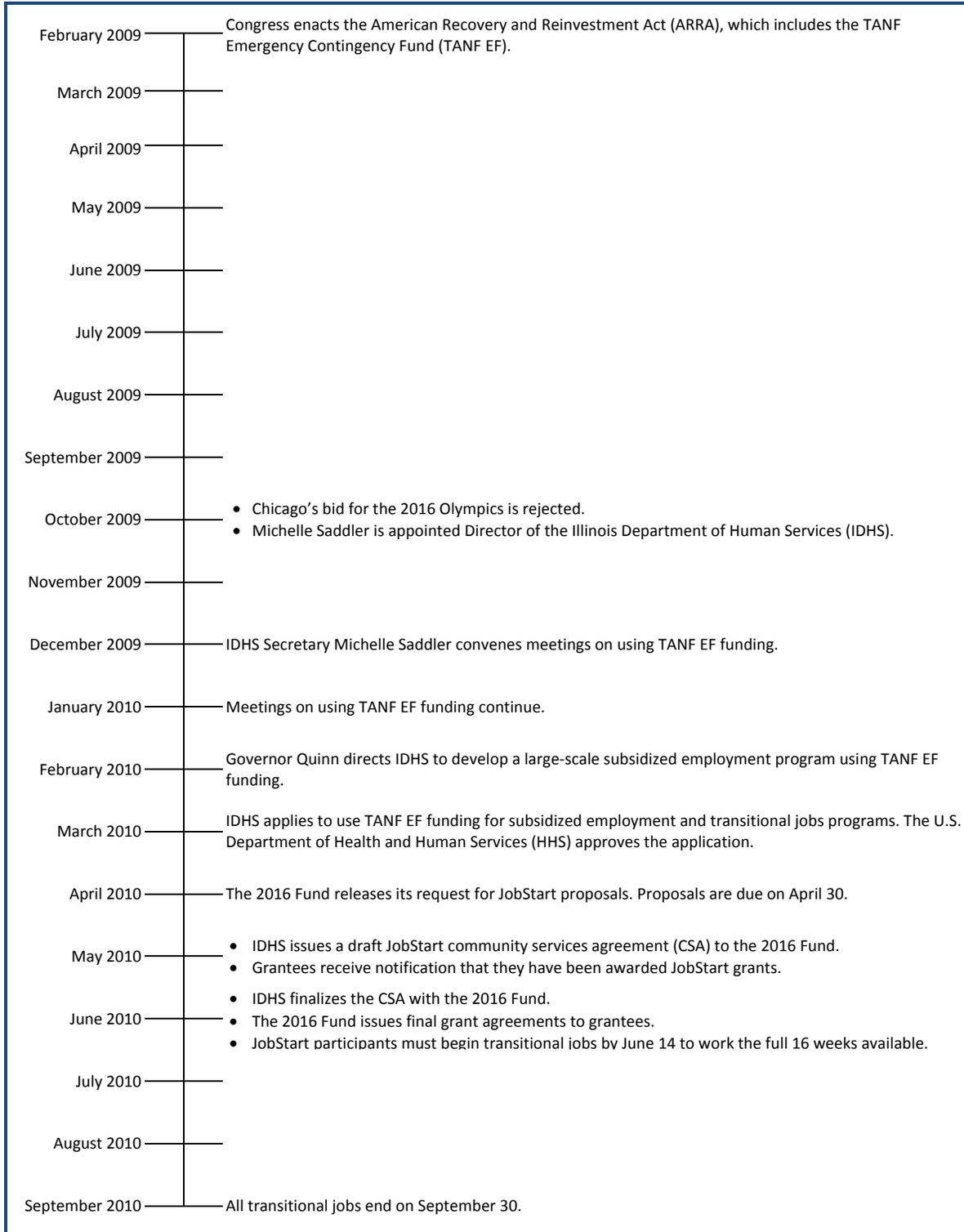
² Enacted in 1996, TANF replaced Aid to Families with Dependent Children as America's primary source of cash assistance for low-income families. It dramatically shifted the emphasis of American welfare policy from providing cash assistance to moving welfare recipients into work by imposing work requirements on recipients of federal assistance and by limiting receipt of federal assistance to no more than 5 years.

³ Pavetti, L., Schott, L., & Lower-Basch, E. (2011 February). *Creating subsidized employment opportunities for low-income parents: The legacy of the TANF Emergency Fund*. Washington, DC: Center on Budget and Policy Priorities. (p. 5-6).

⁴ The funders included the Boeing Company, The Chicago Community Trust, the Joyce Foundation, the John D. and Catherine T. MacArthur Foundation, the McCormick Foundation, the Polk Bros. Foundation, the Wieboldt Foundation, the Lloyd A. Fry Foundation and an anonymous donor.

\$5 million and granted nearly \$2 million to job training, business development, and community organizations before the International Olympic Committee rejected Chicago’s bid in October 2009. The 2016 Fund would later use the remaining funds to provide the private match required for JobStart.

Figure 1: Timeline of Key Events



In October 2009, a new secretary was appointed to the Illinois Department of Human Services (IDHS). The new administration was interested in using TANF EF funding for subsidized employment programming. In February 2010, the 2016 Fund decided to devote \$2.0 million to the program in Chicago. The \$2.0 million contribution, in combination with employer supervision valued at \$2.6 million, leveraged \$18.2 million from the TANF EF for a total program budget of \$22.8 million.

In March 2010, IDHS applied and received approval for TANF EF funding from the U.S. Department of Health and Human Services (HHS). Its application included plans for JobStart and for the large-scale subsidized employment program that would become PITW. However, the final Community Services Agreement (CSA) that granted TANF EF funding to the 2016 Fund and established the JobStart program framework was not executed until June 7, only one week before the target date for placing participants into subsidized employment. By this time, some grantees had already started their JobStart programs in order to afford participants the maximum amount of time in subsidized employment.

The relatively short timeline from approval of TANF EF funding to JobStart implementation, along with late execution of the CSA, left relatively little time for the 2016 Fund and its partners to plan JobStart and communicate its rules and procedures to grantees. Moreover, the 2016 Fund continued to receive clarification about implementing the CSA from IDHS after the CSA was executed. This timeline made JobStart administration difficult for the 2016 Fund and its grantees.

Subsidized and Transitional Jobs

With the objectives of using temporary jobs to provide immediate work and income to low-income Chicagoans and, simultaneously, of improving their long-term employability, JobStart fits within the umbrella of workforce interventions called subsidized employment programs, and within the category called transitional jobs (TJ) programs.

- Subsidized employment programs fund the creation of temporary jobs for individuals who might otherwise be unemployed.
- TJ programs combine time-limited, wage-paying jobs with supportive services intended to help participants maintain subsidized employment and gain employment in the regular labor market.
- TJ programs target individuals with barriers to employment, such as long-term welfare receipt, long-term unemployment, a criminal record, or homelessness. Such individuals are believed most likely to benefit from a combination of temporary paid jobs and supportive services.
- TJ programs may improve the employability of participants with barriers to employment through multiple avenues:
 1. Participants may best “learn to work” by holding a paying job where they can make mistakes, receive guidance, and improve their performance. A transitional job allows participants to perfect critical “soft skills” before attempting to gain and hold permanent employment in the regular labor market.
 2. TJ program participants may also acquire “hard skills,” such as clerical and administrative skills, proficiency with computers, or vocational skills that increase their employability in the regular labor market.
 3. The earned income provided by a transitional job may help participants meet basic needs during the in-program period, providing stability and improving skill acquisition.
 4. A transitional job may enable participants to establish an employment record and employer references, which are critical to a successful job search.

TJ programs may also benefit employers by providing a source of potential permanent employees with initial training and support provided by the program, and by allowing employers to “try out” these potential employees at no cost to them.

A variety of TJ programs operate across the United States. However, most programs include some combination of the components outlined in Figure 2.⁵ JobStart applied most of these elements.

Figure 2: Transitional Jobs Program Elements

<p>Orientation and Initial Assessment</p>	<p>TJ programs provide an overview of program rules and assess each participant’s skills, interests, and barriers to employment. Assessment may help program staff match participants with transitional jobs that fit their interests and identify supportive services that will help them maintain their transitional jobs.</p>
<p>Job Readiness Training</p>	<p>Group training about the soft skills necessary to maintain employment often precedes placement in transitional jobs. Subjects commonly covered include appropriate workplace behavior and dress, job-search techniques, resume writing, interviewing, and complementary life skills.</p>
<p>Subsidized Employment</p>	<p>A defining component of a TJ program, subsidized employment consists of a time-limited, wage-paying job funded by the program. Most programs require participants to work between 20 and 35 hours per week, pay at or slightly above the state or federal minimum wage, and offer 3 to 9 months of subsidized employment.</p>
<p>Academic or “Hard Skills” Training</p>	<p>TJ programs vary on the extent to which they offer or require participants to undergo basic academic skills training, training toward an academic degree or credential, or training in a job or occupation-specific skill. Only a handful of programs offer paid vocational trainings.</p>
<p>Case Management</p>	<p>TJ programs include regular meetings between participants and program staff to monitor participants’ progress, address questions or problems, and help participants access supportive services. Programs may supplement these meetings with group case management sessions that offer peer support.</p>
<p>Supportive Services</p>	<p>Most TJ programs offer some combination of supportive services to help participants maintain employment in their transitional jobs. These may include assistance with transportation, childcare, work-related clothing or equipment, medical care, housing, counseling, and treatment of alcohol or drug abuse.</p>
<p>Job Placement and Retention</p>	<p>Most TJ programs begin offering services to help participants find unsubsidized jobs well before the transitional job ends. For those who find unsubsidized jobs, TJ programs may extend supportive services for a limited time to help them maintain unsubsidized employment.</p>

⁵ Kirby, G., Hill, H., Pavetti, L., Jacobsen, J., Derr, M., & Winston, P. (2002, April). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc. (Table II.2). Bloom, D. (2010, February). *Transitional jobs: Background, program models, and evaluation evidence*. New York: MDRC. (p. 21-22).

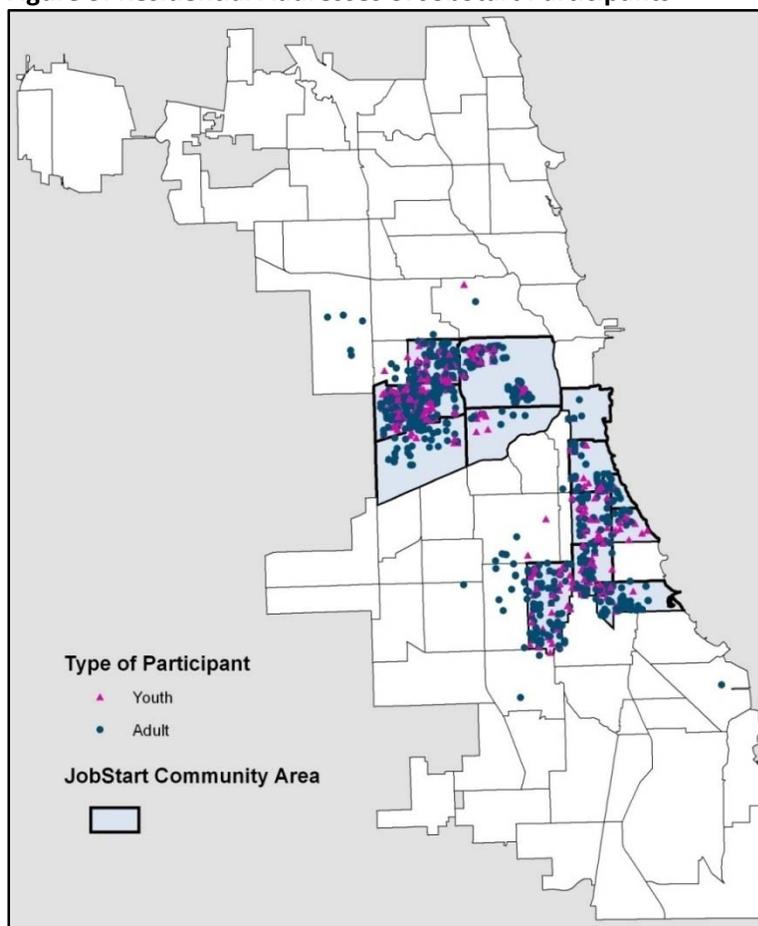
Neighborhoods and Participants

JobStart was intended to serve participants residing in 13 Chicago neighborhoods with historically high levels of unemployment. Grantees were directed to prioritize enrolling participants with multiple barriers to employment who might benefit from supportive services offered by the program.

Neighborhoods

The City of Chicago is divided into 77 Chicago Community Areas (CCAs). JobStart grantees were required to enroll participants from 13 CCAs on Chicago's south and west sides. Figure 3 shows the shows the designated CCAs and the residential addresses of participants.

Figure 3: Residential Addresses of JobStart Participants⁶



Across these CCAs:

- Unemployment was 14.3 percent, compared with 9.9 percent across non-JobStart CCAs.
- Nearly one third of residents lived in poverty, compared with one fifth across non-JobStart CCAs.
- Over half of residents lived in low-income households (households below 200 percent of the poverty line) compared with 39.1 percent of individuals across non-JobStart CCAs.⁷

⁶ Analysis of program records. Map reflects 1,112 addresses that could be plotted.

⁷ Social IMPACT Research Center analysis of U.S. Census Bureau 2005-2009 American Community Survey.

JobStart Participants

JobStart established separate programs for adult caretakers and noncustodial parents, on the one hand, and for youth living with adult caretakers on the other. Because youth programs attempted to engage a different population than adult programs (that is, high-school or college-aged youth), data for adults and youth are presented separately.

- The average ages of adult and youth program participants were 28 and 17, respectively. The majority of participants were female, and the overwhelming majority was African American.
- More than half of adult program participants had earned only a high-school degree or GED, and slightly more than one quarter had not earned a high-school degree or GED.
- Among adult program participants, 62.2 percent reported eligibility for JobStart as parents or adult caretakers, while 18.1 percent reported eligibility as noncustodial parents.
- Average household income reported by adult participants upon entry into JobStart was \$609 per month, equivalent to \$7,308 per year. Given that average family size of a JobStart participant was four and that the federal poverty guideline for a family of four was \$22,050 in 2010, the typical adult participant household lived well below poverty at the time of entry into JobStart.

The Participant Survey asked participants about their employment history.

- Among Participant Survey respondents, 89.9 percent of adults reported they had held a job before JobStart. Of those:
 - 76.5 of adults reported they had held a job for more than one year.
 - These adults also reported that they had been unemployed for 1.3 years on average at the time they enrolled in JobStart.

The Participant Survey also asked participants about challenges finding steady employment. Among adult respondents, 84.5 percent reported facing at least one challenge to finding steady employment.

- The most common challenges reported by adult respondents were lack of job openings for which they were qualified (33.1 percent), a criminal record (31.1 percent), balancing work or family obligations other than caring for a sick or disabled relative (18.9 percent), lack of transit fare or gas money (17.6 percent), and lack of a high-school diploma or GED (16.2 percent).
- By contrast with adult respondents, only 52.4 percent of youth respondents reported at least one challenge to finding steady employment. The most common challenge reported by youth respondents was lack of job openings for which they were qualified.
- Challenges most commonly reported by Grantee Staff Survey respondents included unmet need for transportation, no prior work experience, poor overall job skills, poor interpersonal skills, no high-school diploma or GED, a criminal record, and unmet need for childcare.

“The most significant challenge was teaching work ethics to a group of young adults that had never had jobs before.”

JobStart Employer

In summation, the typical JobStart participant belonged to a household with very low income. Results from the Participant and Grantee Staff Surveys suggest that substantial proportions had barriers to employment, including lack of educational attainment, poor job and interpersonal skills, criminal records, and unmet needs for transportation and childcare.

Implementation

The evaluation examined the ways in which grantees implemented the JobStart program design, the employers used to provide transitional jobs, and the challenges they faced operating their programs.

Grantees and Program Start-up

The 2016 Fund selected 12 nonprofit agencies (grantees) to implement JobStart.

- Eight grantees operated JobStart adult programs, two grantees operated JobStart youth programs, and two grantees operated adult and youth programs.
- Seven grantees ran Put Illinois to Work (PITW) programs contemporaneously with JobStart.
- The Chicago Housing Authority (CHA) subcontracted with 10 agencies to operate its JobStart program. Two of these agencies were also direct JobStart grantees.
- Some grantees devoted substantial resources to their JobStart programs before they received a final grant agreement in order to afford participants the maximum amount of time in subsidized employment. Others did not start their programs until their final agreements were in place.
- Project directors reported that experience operating prior TJ or job readiness programs facilitated start-up of their JobStart programs.

Recruitment and Eligibility

To achieve the ambitious goal of placing 2,200 participants into subsidized employment, grantees needed to recruit and verify eligibility of hundreds of prospective participants. Grantees were required to submit copies of documents demonstrating each participant's eligibility for JobStart to the 2016 Fund and receive approval from the 2016 Fund before placing the participant in subsidized employment. The 2016 Fund implemented this review procedure because it might be required to return money to the federal government if an audit found that JobStart had served TANF-ineligible participants.

- Several project directors reported a substantial response to their recruitment efforts from outside the JobStart CCAs and indicated they could have enrolled many more participants in the absence of the residency requirement.
- The residency requirement also created confusion among neighborhood residents and other stakeholders and contributed to the already-substantial burden of demonstrating eligibility.
- The 2016 Fund was created to serve communities that would have been impacted by the 2016 Olympic Games and use of its resources was limited to the JobStart CCAs without prior approval from contributors. Staff of the 2016 Fund reported that most grantees did not express difficulty with this requirement until it was too late to seek approval for expanding program boundaries. They also reported that the 2016 Fund made accommodations in two cases, including reducing the number of participants and expanding the CCA boundaries to adjacent areas.
- Under the demanding timeline of the program, grantees found it challenging to meet the “up-front” requirements for demonstrating eligibility. However, several project directors perceived up-front review by the 2016 Fund as positive because it eliminated mistakes early on and ensured that participants would not later be deemed ineligible and removed from the program.

- Several project directors said that that their agencies would have expanded recruiting efforts if more time had been available.

Assessment

Before job readiness training and subsidized employment, grantees were required to assess participants' educational attainment, skills, work experience, occupational interests, career goals, and service needs.

- The most commonly used types of assessment were the Test of Adult Basic Education (TABE), individual interviews, and group interviews.
- Most project directors said that additional time for assessment would have enabled them to acquire more information about participants and provide supportive services more effectively.
- Two project directors said that they would have liked to assess enrollee aptitudes and career interests more effectively. This would have helped staff to provide job coaching and facilitated planning for after the transitional job ended.

Job Readiness Training

JobStart required participants to complete at least 30 hours of job readiness training within the 2 weeks prior to beginning subsidized employment. Grantees were instructed to cover workplace behavior, financial literacy and banking, customer service, job search and application skills, and job-specific skills. Grantees could elect to provide more than 30 hours of job readiness training.

- Grantee staff reported their agencies covered most required topics before or during the transitional job.
- Several project directors said that longer initial job readiness training, or alternately, follow-up training during the transitional job would have helped participants maintain their transitional jobs and increased their job readiness. Some grantees provided additional training.
- Several project directors recommended paying participants for job readiness training, arguing that it would incentivize attendance and reduce retention problems. Because wages paid for job readiness training did not qualify for TANF EF reimbursement, grantees were not allowed to pay wages for job readiness training using JobStart funds.
- One project director recommended having supervisors and managers from local employers explain their expectations for work ethic to participants as part of job readiness training.

"I learn how to get ready for a job and how to interact on an interview."
JobStart Participant

Case Management

JobStart required grantees to provide participants with job coaching and case management. Staff were required to meet one-on-one with participants once each week for the first 4 weeks of the transitional job and once every 2 weeks thereafter, and in group sessions every 2 weeks.

- Among Grantee Staff Survey respondents, 68.3 percent reported that their agencies provided one-on-one case management at least once a week in the first 4 weeks, and 85.4 percent reported that their agencies provided it at least once every 2 weeks thereafter.

- Seven grantees reported that they provided group case management. Among Grantee Staff Survey respondents, 68.0 percent reported that their agencies provided group case management at least once every two weeks.
- Project directors whose agencies provided group case management reported that it offered participants support and encouragement, enabled participants to motivate and hold each other accountable for goals, and helped case managers obtain information about participants.

Supportive Services

JobStart required grantees to provide or help participants access supportive services that they needed to maintain their transitional jobs.

- Among participant respondents, 53.3 percent reported receiving transportation assistance, 30.0 percent reported receiving help with work-appropriate clothing, and 20.1 percent reported receiving help arranging childcare.
- Grantees provided other supportive services, such as assistance with the cost of tools or clothes or referrals for medical care, relatively infrequently. One grantee encouraged participants to enroll in a federal program that provides mobile phone service to income-eligible individuals.
- One quarter of participant respondents reported that they did not receive some services they needed. The most commonly reported services needed but not received were help addressing housing problems, job search assistance, and computer training.

Transitional Jobs and Employers

The transitional job was to last up to 16 weeks and provide between 30 hours and 40 hours of work each week. Grantees were required to set wages for adult participants between \$8.25 and \$10.00 per hour. All youth participants were to be paid \$8.25 per hour. To ensure that participants would have meaningful work experiences, the 2016 Fund committed to reviewing job descriptions and grantees were required to visit each worksite at least once during the first 2 weeks of the transitional job and at least once during the remainder of the program. Employers were required to sign a memorandum of understanding (MOU) in which they agreed to provide participants with meaningful work activities, sufficient work to occupy their hours, and mentoring and supervision. The number of participants at each worksite was limited to 10 in order to allow for adequate supervision.

Participants could work for for-profit, nonprofit, or government agencies. Across all grantees, 268 employers were used to provide transitional jobs.

- Among employer respondents, 56.8 percent were nonprofit, 40.5 percent were for-profit, and 2.7 percent were public.
- On average, employer respondents employed 29 people prior to JobStart. Over half employed 10 or fewer people and the overwhelming majority employed 50 or fewer people.
- Overall, JobStart employers were heavily concentrated in services, including childcare centers, churches, schools, property management and landscaping companies, for-profit and nonprofit retail stores, fast food and full-service restaurants, and beauty salons.

On the basis of their experience with JobStart and other programs, project directors observed that different types of employers offer unique advantages and disadvantages as transitional job employers.

- Small for-profit and nonprofit employers tend to accommodate barriers to employment and offer participants more individual attention. However, they were less likely to hire participants after subsidized employment as a result of relatively small budgets and few job openings.
- Large for-profit employers are able to bring on relatively large numbers of participants and offer different types of jobs within one worksite. They are also more likely to hire participants after subsidized employment. However, they were more difficult to enroll into JobStart and less likely to take on participants with barriers to employment.
- Using a diverse set of employers appears to have helped several grantees provide suitable placements for participants with different skill and work-readiness levels.

Transitional Job at a Metals Finishing Company

The experience of a local metals finishing company with JobStart appears to exemplify the use of a TJ program as a source of potential employees by a for-profit employer. A grantee placed four participants with this employer. Participants started their transitional jobs cleaning up around the worksite and painting and gradually progressed to performing some manufacturing tasks. The project director described the employer as assessing and screening the participants throughout their transitional jobs. At the end of subsidized employment, the employer permanently hired one of the four participants, an ex-offender referred to the grantee from a housing program. The participant was earning a wage of \$12.00 per hour by early 2011. This experience represents a successful instance of a for-profit employer using JobStart to meet its business needs while helping a participant with barriers to employment (i.e., housing instability and a criminal record) acquire soft skills, industry-specific skills and experience, and a foothold in the labor market.

Grantees placed 93.8 percent of participants who completed job readiness training into transitional jobs. Table 1 shows hours worked and wages earned in transitional jobs.

- The average adult worked 319 hours over 9.1 weeks (35 hours per week on average), while the average youth worked 184 hours over 6.9 weeks (27 hours per week on average).
- On average, adult participants worked for 9 of the 10 weeks possible (87.6 percent of weeks possible) given the time between their start dates and September 30.
- Employer respondents reported that the most common tasks performed by JobStart participants were administrative and clerical tasks and janitorial and maintenance tasks.
- Several project directors observed that possession of additional hard skills would have helped participants in their transitional jobs. These included basic computer skills, administrative and clerical skills, child care licensure and experience, and basic quantitative skills.
- Approximately two thirds (61.6 percent) of participants remained in their transitional jobs through September 30.
- Grantee Staff Survey respondents reported that the most common reasons participants left their transitional jobs before September 30 were termination by employers, that participants were “no show” and did not reengage with their

“I was working every day proudly. I felt like I was important to my workplace.”

JobStart Participant

agencies, and that participants did not like their subsidized jobs or worksites. The most common reasons reported for termination were unexcused absences, failure to perform job duties satisfactorily, failure to follow directions from supervisors, coming to work late or leaving early unexcused, and ceasing to show up for work.

Table 1: Hours Worked and Wages Earned in JobStart Transitional Jobs⁸

	Adults	Youth	Total
Number of participants who worked in a transitional job ^a	1,030	488	1,518
Percentage of participants who worked in a transitional job ^b	94.0%	93.5%	93.8%
Total hours worked	328,747	89,754	418,500
Average hours per participant	319	184	276
Average number of weeks worked ^c	9.1	6.9	8.4
Average number of hours worked per week	35	27	33
Maximum number of weeks possible in program ^d	16	16	16
Average weeks worked as a percentage of maximum	57.0%	43.1%	52.5%
Average weeks possible given participant start date ^e	10	11	10
Average weeks worked as percentage of average weeks possible	87.6%	65.1%	80.3%
Total wages earned	\$3,193,201	\$743,223	\$3,936,423
Average wages per participant	\$3,100	\$1,523	\$2,593
Average wages per hour ^f	\$9.71	\$8.28	\$9.41
Total FICA payments	\$240,219	\$56,898	\$297,117
Total Workers' Compensation payments	\$75,527	\$6,499	\$82,026

^a All participants worked for at least 1 hour in a transitional job according to program records. ^b Number who worked in a transitional job as a percent of participants who completed job readiness training, worked 1 or more hours in a transitional job, or both according to program records. ^c Weeks between start and end of subsidized employment were calculated using program records. ^d Weeks between June 14 and September 30, 2010. ^e Weeks between start of subsidized employment and September 30, 2010. ^f One grantee that served youth participants paid wages of \$8.50 per hour instead of \$8.25 per hour to maintain wage parity with another program.

Job Placement and Retention

To help participants find unsubsidized employment after their transitional jobs ended, JobStart directed grantees to provide job search and application training; discuss work, training, or education goals during case management; provide job leads and help participants make contact with employers; and connect participants with supportive services offered by their own agencies or other social service agencies.

- Relatively high proportions of participant respondents reported receiving services aimed at helping them find unsubsidized employment.
- Across all grantees, 21.8 percent of adults and 91.8 percent of youth were known to have entered unsubsidized employment, education or training, or another jobs program immediately after JobStart ended. The following outcomes section examines these placement rates in greater detail.
- Grantee Staff Survey respondents reported that the most common reasons participants were not placed into unsubsidized jobs were lack of interpersonal skills, lack of work experience, few jobs available, lack of educational attainment, and inability to pass a criminal background check.⁹

⁸ Analysis of JobStart program records.

- Project directors reported that participant attitudes, lack of funding to continue placement activities after JobStart ended, and use of small nonprofit employers that lacked the resources to hire participants were substantial obstacles to unsubsidized placement.
- Among employer respondents, 60.0 percent reported that their businesses were not financially able to retain all the JobStart participants they wanted to hire.¹⁰
- Considering participants that they did not want to retain, 46.1 percent of employer respondents reported they would be ready to hire with more time in transitional jobs, and 30.8 percent reported that even with more time in transitional jobs they would not be ready to hire.¹¹

Administration

Use of federal funding and delays concluding and clarifying the Community Services Agreement (CSA) that granted federal funding to the 2016 Fund made JobStart administration difficult.

- If an audit determined that JobStart had served ineligible participants or paid grantees for benchmarks not achieved, the 2016 Fund might have been required to return money to the federal government. This motivated the 2016 Fund to create rigorous procedures for verifying participant eligibility and detailed rules for vouchering for wages and placement fees.
- The final CSA was executed only one week before the target date for placing participants into subsidized employment, and the 2016 Fund continued to receive clarification about implementing the CSA from IDHS after the CSA was executed.
- Most project directors reported that they received instructions to change their procedures after JobStart began operating. Several project directors reported that their agencies sometimes received contradictory responses to questions from different 2016 Fund staff people. Most likely, late implementation of the CSA and continued clarifications resulted in these challenges.
- Despite administrative challenges, most project directors reported that the 2016 Fund performed admirably in coordinating the program, communicating rule changes promptly, working to fix problems, and helping grantees fulfill program requirements.
- The 2016 Fund staff reported that earlier execution of the CSA would have reduced administrative difficulties by enabling them to offer grantees more instruction and guidance about complicated aspects of JobStart administration well before JobStart began.

Funding

Grantees were required to pay participant payroll and supportive services costs up front and submit vouchers to the 2016 Fund requesting payment for those costs. The 2016 Fund reimbursed grantees for payroll and paid grantees a placement fee to cover their other costs. It then vouchered for reimbursement from IDHS for the portion of program costs paid by the TANF EF.

Grantees were eligible to receive a portion of the placement fee each time a participant achieved one of five benchmarks. The amount paid for each benchmark depended on the number of weeks a participant

⁹ Analysis of JobStart Grantee Staff Survey responses. N = 22. All respondents self-identified as having worked on helping participants to find, gain, and prepare for unsubsidized employment after the transitional job.

¹⁰ Analysis of JobStart employer surveys. N = 39. All respondents employed at least one participant for at least 1 hour in a transitional job.

¹¹ Analysis of JobStart Employer Survey responses. N = 26. All respondents employed at least one participant for at least 1 hour in a transitional job.

was expected to complete in subsidized employment. This payment structure was intended to incentivize rapid enrollment and placement into transitional jobs and to maximize effort to help participants maintain those jobs.

- To cover the cost of providing services until participants reached the first benchmark, the 2016 Fund paid grantees an advance for each participant they planned to place in a transitional job as stated in their grant agreements. The advance was paid using private funding.
- Compared to WIA funding, project directors found TANF EF funding provided through JobStart relatively easy to use and flexible.
- Grantees found the vouchering process very challenging: most found tracking weeks worked and estimating weeks expected in subsidized employment very labor intensive, and most reported difficulty completing the electronic voucher spreadsheet provided by the 2016 Fund.
- The need to account for all funding paid to participants in order to avoid liability to the federal government for improper use of funds drove the detailed and labor-intensive tracking of participant time in subsidized employment required by the 2016 Fund.
- The 2016 Fund staff reported that additional start-up time would have reduced vouchering difficulties by enabling them to train grantees more thoroughly on vouchering procedures and design a more user-friendly vouchering spreadsheet.
- Project directors whose agencies operated longer JobStart programs described the placement fee as generous. Given 75 percent of the fee, five said their agencies would participate again, four said their agencies might participate, and two said their agencies would not participate.¹²

Total JobStart expenditure for all participants who completed job readiness training was \$7.8 million, 34.2 percent of the planned \$22.8 million program budget. It included \$3.9 million for wages, \$379,143 for payroll taxes, and \$3.5 million for benchmark fees. The lower-than-anticipated number of participants and the shorter-than-anticipated average TJ duration account for the difference between program expenditures and the planned program budget.

Interaction with PITW

JobStart operated contemporaneously with PITW, a much larger subsidized employment program. The two programs were supported by the TANF EF and were originally scheduled to end on September 30, 2010. However, the State of Illinois extended PITW until January 15, 2011 using its own funds.

- Some project directors reported that participants and employers confused JobStart and PITW, and believed that JobStart would also be extended. They believed that this discouraged JobStart participants and employers from forming employment relationships by September 30, thereby contributing to lower-than-expected placement rates into unsubsidized employment.
- Some project directors reported that PITW created competition for employers, as employers that were recruited for PITW lacked the capacity to also participate in JobStart.
- Some project directors reported that PITW served as an alternative placement opportunity for JobStart applicants outside the JobStart CCAs, and one project director said that publicity around PITW facilitated recruitment for JobStart.

¹² Analysis of Project Director Survey responses. N = 11 for 75 percent. One grantee submitted separate surveys for its adult and youth programs.

Outcomes

JobStart was intended to help participants weather the effects of the recession that began in December 2007, improve the employability of participants, and place participants into unsubsidized employment or further education or training. It may also have helped participating employers and stimulated business activity. This section provides a preliminary assessment of these outcomes.

Economic Stimulus

Employer Survey results indicate that JobStart had moderate positive effects on business performance and financial health:

- Just over half of respondents reported business performance improved as a result of employing participants, while slightly less than half reported no change.¹³
- Nearly one third reported that the financial health of their businesses improved from the time they became involved with JobStart to the end of the program. Of those who reported that their financial health improved, all but one attributed at least some of the improvement to their involvement with JobStart.¹⁴
- The moderate effects of JobStart on business performance and financial health reported by may be the result of two factors: the relatively short time worked by participants (8.4 weeks on average) and the relatively good financial health of respondents before JobStart.

“As a small business it was great to have the extra help.”

JobStart Employer

“I believe this program could have been more successful for my business if the program had more time.”

JobStart Employer

In addition to directly providing participants and employers with economic benefits, JobStart may have stimulated economic activity at businesses where participants spent income earned through the program and at businesses that sell goods and services to those businesses where the “first round” of spending occurred. This represents an economic multiplier effect. When a consumer makes a purchase at a business, that business must replenish its stock of materials or buy services from other businesses to support the initial purchase. The business may make some supporting purchases within a local area, stimulating economic activity. It may make other purchases outside the local area, resulting in “leakage” of economic activity from that area and reducing the multiplier effect from the first round of spending. The supporting businesses, in turn, make purchases from other businesses, with leakage occurring at every step. The sum of economic activity at every step, including the initial purchase, reflects the total economic activity associated with the purchase.

Lower-income individuals and families have a higher propensity to spend income on goods and services (as opposed to saving or investing income), and to spend income locally, than those with higher-incomes.¹⁵ Studies of the Earned Income Tax Credit and recent federal stimulus payments find that low-

¹³ Analysis of Employer Survey responses. N = 70 for a question about productivity, 72 for questions about quality of work, number of customers or clients served, and customer or client satisfaction, and 71 for a question about workforce satisfaction with workload. All respondents employed at least one participant for at least 1 hour in a transitional job.

¹⁴ Analysis of JobStart Employer Survey responses. N = 70. All respondents employed at least one participant for at least 1 hour in a transitional job.

¹⁵ P. Orszag & J. Stigliz. (2001 November). *Budget cuts versus tax increases at the state level: is one more counter-productive than the other during a recession?* Washington, DC: Center for Budget and Policy Priorities. Several studies of the consumer response to tax rebates find that low-income households spend a higher proportion of their tax rebates than the typical middle-income household. D. Johnson, J. Parker, & N.

income households spent approximately 70 percent of these payments immediately after receiving them.¹⁶ Accordingly, the multiplier effect of JobStart is estimated by assuming that participants spent 70 percent of income earned through the program. This represents a conservative assumption, as the definition of low-income households used in the studies are substantially higher than the household incomes of JobStart participants, suggesting that JobStart participants would spend a greater proportion of earned income to satisfy immediate needs.¹⁷

While JobStart participants could have spent income earned through the program in multiple economic sectors, much of their spending is likely to have occurred in the retail sector. The retail sector encompasses a wide variety of businesses at which participants might have spent income earned through JobStart, including grocery stores, clothing stores, gas stations, furniture and home furnishings stores, and electronics and appliance stores.¹⁸ The multiplier effect of JobStart is estimated by assuming that participants spent income earned through the program in the retail sector in Cook County.

Table 2 shows estimates of economic activity in Cook County associated with JobStart participant wages given the assumptions previously noted. These include an initial increase in demand of \$2.8 million resulting from wages spent; a subsequent increase in demand of \$2.3 million resulting from business spending to support initial demand; \$1.2 million of increased earnings across Cook County households as a result of increased demand for goods purchased in the retail sector; and a 44-job increase in employment as a result of increased demand in the retail sector. Assuming that participants would not have received and spent \$2.8 million in the absence of the program, this represents new economic activity across Cook County that was stimulated by JobStart participant wages.

Table 2: Estimated Economic Activity Associated With JobStart Participant Wages in Cook County¹⁹

Total wages earned by JobStart participants	\$3,936,423
Proportion of wages spent in the retail sector	0.70
Increased demand	
Initial	\$2,755,496
Subsequent	\$2,327,292
Total	\$5,082,788
Increased household earnings	\$1,228,676
Increased employment	44

Souleles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf (p. 16).

¹⁶ EITC recipients spent 70 percent of their EITC checks. Low-income households spent 76 percent of their 2001 income tax rebates and 71.5 percent of their 2008 economic stimulus payments. R. Edwards. (2003 September). *Macroeconomic implications of the Earned Income Tax Credit*. Retrieved October 27, 2011 from <http://www.demog.berkeley.edu/~redwards/Papers/edwards-eitc.pdf> (p. 16). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf (Table 6).

¹⁷ In 2004, the average annual income of an EITC-eligible household was \$28,599, equivalent to \$2,383 per month. The studies of spending from the 2001 income tax rebate and 2008 economic stimulus payments defined low-income households as those with annual earnings equal to or less than \$34,298 and \$32,000, equivalent to \$2,858 and \$2,667, respectively. As noted previously, average household income reported by JobStart adult program participants upon entry was only \$609 per month, equivalent to \$7,308 per year. A. Goodman-Bacon & L. McGranahan. (2008). *How do EITC recipients spend their refunds?* Chicago: Federal Reserve Bank of Chicago. (p. 21). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1604). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf (Table 6).

¹⁸ U.S. Department of Labor, Bureau of Labor Statistics. Retail Trade: NAICS 44-45. Retrieved June 28, 2011 from <http://www.bls.gov/iag/tgs/iag44-45.htm>

¹⁹ Bureau of Economic Analysis Regional Input Output Multiplier System Type II multipliers and analysis of program records.

Participant Income and Employability

On average, JobStart participants earned a substantial amount of income relative to their household incomes upon entering the program. Participant and Employer survey results indicate that participant employability improved moderately from the beginning to the end of JobStart.

Table 3 compares the average monthly household income of participants upon entering JobStart with average monthly income earned through the program. Average monthly income earned by adult program participants was more than double their average household income upon entering JobStart, while average monthly income earned by youth program participants was 78.5 percent of their average household income upon entry. Among Participant Survey respondents, 77.2 percent reported that JobStart allowed them to support their families or pay their bills when they might not otherwise have been able to, and 62.8 percent reported that without JobStart they would likely have been unemployed.²⁰

“[JobStart] provided me a job which in turn helped me provide for my family.” *JobStart Participant*

Table 3: Average Monthly Household Income Upon Entering JobStart Compared with Average Monthly Income Earned Through JobStart²¹

	Adults	Youth	All
Average monthly household income prior to JobStart	\$609	\$1,127	\$760
Average wages per participant earned in transitional job (total)	\$3,100	\$1,523	\$2,593
Average number of months worked in transitional job	2.3	1.7	2.1
Average wages per participant earned in transitional job (per month)	\$1,361	\$884	\$1,234
Average wages earned per month as a percentage of prior household income	223.5%	78.5%	162.5%

One of the primary avenues through which TJ programs may improve employability is by helping participants learn and practice “soft skills” needed to maintain employment.

- Among employer respondents, the percentage who rated participants “poor,” “very poor,” or “fair” on soft skills decreased moderately from the beginning to end of the transitional job, while the percentage who rated participants “good” or “very good” increased moderately.²²
- The majority of participant respondents reported that they were somewhat more likely or more likely to exercise soft skills after completing JobStart.²³
- The majority of Participant respondents agreed or somewhat agreed that JobStart had increased their

“The best thing about the program for me was that I got to learn new skills and get [sic] comfortable around people I’ll be working with.” *JobStart Participant*

²⁰ Analysis of Participant Survey responses. N = 215. All respondents employed at least one participant for at least 1 hour in a transitional job.

²¹ Analysis of JobStart program records. N = 865 adults and 355 youth for records of household income.

²² Analysis of Employer Survey responses. N = 68 for the beginning of the transitional job and 71 for end of the transitional job for a question about amount of supervision needed, 72 for questions about productivity and interpersonal skills, 73 for the beginning of the transitional job and 72 for the end of the transitional job for a question about personal presentation, 72 for beginning of the transitional job and 73 for end of the transitional job for a question about punctuality, 71 for beginning of the transitional job and 72 for end of the transitional job for a question about communication about absences, and 73 for beginning of the transitional job and 71 for end of the transitional job for a question about overall performance. All respondents employed at least one participant for at least 1 hour in a transitional job.

²³ Analysis of Participant Survey responses. N = 210 for a question about consistently showing up for work on time, 209 for questions about calling a supervisor if the participant will be late or miss work and courteously dealing with customers or other members of the public, 211 for a question about getting along better with a supervisor, 225 for a question about cooperating better with coworkers, 205 for a question about missing fewer days of work, 207 for a question about getting work done with less supervision, and 226 for a question about confidence in ability to be successful at work. All respondents were employed at least 1 hour in a transitional job.

attractiveness to other employers and introduced them to useful contacts.²⁴

The vast majority of Employer respondents (91.9 percent) reported that they would provide a reference for at least a few of their JobStart employees, and 66.2 percent reported that they would provide a reference for half or more of their JobStart employees.²⁵ Additionally, 44.6 percent reported that they were more likely to hire low-income parents or youth than they were before JobStart, and only 8.1 percent reported that they were less likely to hire low-income parents or youth.²⁶

Transitional Jobs and Unsubsidized Job Placement

The evaluation examined placement of JobStart participants into unsubsidized employment, education or training, and other jobs programs using data from records maintained by each grantee. These records likely under-represent the percentage of participants who found employment after JobStart ended for two reasons. First, some participants may have found unsubsidized employment before JobStart ended but may not have informed their JobStart agency. Once a participant finds a job, he or she may have little incentive to maintain contact with an employment program, with the result that placement rates reported by employment programs generally under-represent actual placement rates. The placement status of 18.3 percent of adult participants was unknown at the time JobStart ended and some of these participants may have found unsubsidized jobs.

Second, grantee records generally reflect placement at the time JobStart ended. Participants reported as unemployed or placed in education, training, or another jobs program may have found unsubsidized employment after JobStart ended. Several project directors indicated that some participants who were unemployed when JobStart ended found unsubsidized employment.

“[JobStart] provided us with two good workers which we still have on staff today.”
JobStart Employer

Initially, the 2016 Fund allocated 2,270 subsidized employment slots across all grantees. It was hoped that at least 60 percent of adults and 75 percent of youth into unsubsidized employment, further education or training, or some combination of these activities after unsubsidized employment ended. Table 4 shows placement into unsubsidized employment, education, or training across all grantees.

- The number of slots was reduced to 2,154 after some grantees experienced difficulty enrolling participants. Across all grantees, 66.9 percent of all initial program slots were filled; excluding the Chicago Housing Authority, 88.8 percent of all initial program slots were filled. Eight grantees filled over 100 percent of their initial slots and were allocated additional slots after the program began.
- Among adults, 21.8 percent were known to have entered one or more desired activities after JobStart ended: 12.0 entered unsubsidized employment, 6.0 percent entered education or training, and 3.8 percent entered another jobs program.
- Among youth, 91.8 percent were known to have entered one or more desired activities: 80.7 percent entered education or training, 8.2 percent entered another jobs program, and 2.9 percent entered unsubsidized employment.

²⁴ Analysis of JobStart Participant Survey responses. N = 213 for a question about increased attractiveness to employers and 212 for a question about meeting contacts through JobStart. All respondents were employed at least 1 hour in a transitional job.

²⁵ Analysis of JobStart Employer Surveys responses. N = 74. All respondents employed at least one participant for at least 1 hour in a transitional job.

²⁶ Analysis of JobStart Employer Survey responses. N = 74. All respondents employed at least one participant for at least 1 hour in a transitional job.

Table 4: Placement Rates for JobStart Participants, End of Program²⁷

	Adults		Youth		Total	
Worked in a transitional job ^a	1,030	100.0%	488	100.0%	1,518	100.0%
Entered unsubsidized employment ^b	124	12.0%	14	2.9%	138	9.1%
Enrolled in education or training	62	6.0%	394	80.7%	456	30.0%
Enrolled in another jobs program	39	3.8%	40	8.2%	79	5.2%
One or more desired outcomes ^c	225	21.8%	448	91.8%	673	44.3%
Unemployed	617	59.9%	16	3.3%	633	41.7%
Unknown ^d	188	18.3%	24	4.9%	212	14.0%

^a A participant is counted as having worked in a transitional job if he or she worked for at least 1 hour in a transitional job according to program records.

^b Includes five adult participants and five youth program participants who entered both unsubsidized employment and education or training.

^c Sum of unsubsidized employment, education or training, unsubsidized employment and education or training, and another jobs program.

^d Post-program status is marked “unknown” in program records or is otherwise indeterminate from program records.

Overall economic conditions may have impeded placement into unsubsidized jobs before JobStart ended.²⁸ Lack of funding to continue case management and job placement activities may have impeded placement of participants into unsubsidized jobs after JobStart ended: research suggests that the duration and intensity of retention services provided by employment programs is related to employment outcomes, and four project directors reported that lack of funding to continue placement activities was a reason why some participants were not placed in unsubsidized jobs.²⁹

Stakeholder Satisfaction

Overall, respondents to the surveys indicated high satisfaction with JobStart.

- The overwhelming majority of Participant respondents (91.7 percent) and Employer respondents (85.1 percent) reported that they would participate in JobStart again.³⁰
- Among Employer respondents, 84.9 percent reported that the performance of the JobStart grantee they worked with was good or very good.³¹
- Project directors reported high overall satisfaction with the 2016 Fund. Some were dissatisfied with communication of program rules and procedures. The 2016 Fund continued to receive guidance from IDHS about implementing JobStart after the

“Job Start was an excellent experience. It made a significant impact on our summer program. I would strongly advocate for this program to continue. It not only impacted our business and program but also the lives of the young adults who we were able to hire.”
JobStart Employer

²⁷ Analysis of program records. All participants worked for at least 1 hour in a transitional job according to program records.

²⁸ Unemployment was 10.6 percent in Chicago in September 2010, the month that JobStart ended. Across the United States, unemployment was even higher for African Americans with low educational attainment, the type of individuals who constituted the overwhelming majority of JobStart participants. Persistent high unemployment among these populations suggests that economic conditions in 2010 contributed to the difficulty JobStart participants faced finding unsubsidized employment. Social IMPACT Research Center analysis of data from the U.S. Bureau of Labor Statistics, Current Population Survey and Illinois Department of Employment Security, Local Area Unemployment Statistics.

²⁹ Clymer, C., Roder, A., & Roberts, B. (2005 September). *Promoting opportunity: Findings from the State Workforce Policy Initiative on employment retention and advancement*. Philadelphia: Public/Private Ventures. (p. 21).

³⁰ Analysis of JobStart Participant and Employer Survey responses. N = 206 participants and 74 employers. All participant respondents were employed for at least 1 hour in a transitional job, and all employer respondents employed at least one participant for at least 1 hour in a transitional job.

³¹ Analysis of JobStart Employer Survey responses. N = 73 for questions about knowledge of program rules and procedures, timeliness in placing participants, willingness to help address problem situations, effectiveness in addressing problem situations, support given to participants, and Overall satisfaction, and 71 for a question about responsiveness to phone calls and emails. All respondents employed at least one participant for at least 1 hour in a transitional job.

program began, and this appears to have contributed to problems communicating rules and procedures to grantees.

Comparison with Put Illinois to Work

As programs supported by the TANF EF, JobStart and PITW had similar eligibility requirements. They differed substantially in design, timeframe, and scale. Their contemporaneous operation allows for a side-by-side comparison of a TJ program with a subsidized employment program.³²

Program Design: Similarities and Differences

Both JobStart and PITW enrolled custodial parents and guardians, noncustodial parents, and youth from low-income families. They differed on two eligibility requirements:

- JobStart participants must have resided in one of the designated CCAs. By contrast, PITW participants could reside anywhere in Illinois.
- JobStart directed grantees to prioritize enrolling participants with multiple barriers to employment and refer relatively work-ready participants to PITW. However, work readiness appears not to have affected grantee decisions about referring participants to JobStart or PITW.

JobStart and PITW employed similar organizational structures, but differed substantially in terms of supportive services, timeframe, and scale.

- Under PITW, IDHS contracted with Heartland Human Care Services (HHCS), an Illinois nonprofit with experience operating TJ programs, to oversee the program and serve as the employer of record for participants. HHCS contracted with 26 public and nonprofit organizations, called subcontractors, to recruit participants and place them with employers. In this way, HHCS and its subcontractors performed similar functions to the 2016 Fund and its grantees, although HHCS—not its subcontractors—served as the employer of record and paid participant wages.³³
- Unlike JobStart, PITW did not require subcontractors to provide supportive services to participants, although some subcontractors did provide some supportive services.
- PITW operated for a longer duration than JobStart. It began placing participants in subsidized employment in April 2010 and was extended using state funds after the September 30 deadline for using TANF EF funding. PITW ended in mid-January 2011.³⁴
- PITW and JobStart employed different systems for paying subcontractors and participants. PITW subcontractors were paid a flat, one-time fee for every participant placed in a subsidized job. HHCS administered participant payroll, obviating the need for a vouchering system. PITW also employed a centralized online database where all subcontractors entered applicant information, placement information, and hours for payroll, resulting in standardized reimbursement process across all subcontractors and greatly reducing paperwork. These aspects of the PITW payment process made PITW relatively simple for subcontractors.
- PITW operated on a far greater scale than JobStart, employing over 27,000 participants in 71 of 102 Illinois counties.³⁵

³² The Social IMPACT Research Center is also evaluating PITW. The PITW data in this chapter come from a few key sources of the ongoing evaluation: the program's central database, payroll records, and surveys of participants and employers that contained many of the same questions as the JobStart surveys.

³³ Social IMPACT Research Center. (2010 October). *Put Illinois to Work evaluation: An early look*. Chicago: Author. (p. 13-15).

³⁴ PITW was initially extended until November 30, 2010, only a few days before the original September 30 expiration date. It was then again extended by the state a few days before this new November expiration date until January 15, 2011.

³⁵ Social IMPACT Research Center. (2010 October). *Put Illinois to Work evaluation: An early look*. Chicago: Author. (p. 5).

Participant Characteristics

The characteristics of JobStart participants were compared to those of PITW participants residing in the JobStart CCAs who responded to a survey about their experiences with the program.

- A much higher proportion of JobStart participants were under age 18, most likely because of JobStart’s distinct youth programs.³⁶
- Among adult JobStart participants, a much higher percentage did not have a high school diploma or GED and a much lower percentage had some college.³⁷
- JobStart and PITW participants differed relatively little on other characteristics.

Outcomes

Because PITW operated from April 2010 to mid-January 2011, it allowed participants to work much longer in subsidized employment than JobStart.

- On average, PITW participants across Illinois worked more than twice the number of hours as JobStart adult participants and more than four times the number of hours as JobStart youth participants.
- Of JobStart and PITW participants who responded to a survey, a higher proportion of PITW participants strongly agreed that the program helped them meet their financial obligations and become employable.³⁸ This may be because PITW allowed participants to work longer in subsidized employment and paid a higher wage.
- Of JobStart and PITW employers who responded to a survey, a higher proportion of PITW employers reported that business performance increased or somewhat increased as a result of employing participants.³⁹ By employing participants longer, PITW employers may have had more time to use them for activities that increased business performance.
- Although PITW was not specifically intended to help participants find unsubsidized employment, it may have helped participants find employment by helping them learn and practice soft skills and establish an employment record. Of participants who were still in a PITW job when the program ended, 20 percent were known to have entered unsubsidized employment.

“The positive aspect of participating in both [JobStart and PITW] was that it gave a huge array of people a chance to be in the working class. These people varied from single parents, ex felons, people who have not had any work experience as well as those who have been dislocated workers. It gave these people a second chance and for some a first chance.”

JobStart Program Staff Person

³⁶ Analysis of JobStart and PITW program records and PITW participant survey responses. N = 1,023 JobStart adult program enrollees, 478 JobStart youth program enrollees, and 3,671 PITW participants. All JobStart participants worked at least 1 hour in a transitional job.

³⁷ Analysis of JobStart and PITW program records and PITW participant survey responses. N = 962 JobStart adult program enrollees, 483 JobStart youth program enrollees, and 118 PITW enrollees. All JobStart participants worked at least 1 hour in a transitional job.

³⁸ Analysis of JobStart Participant Survey responses and PITW participant survey responses. N = 215 JobStart participants and 120 PITW participants. All JobStart participants worked at least 1 hour in a transitional job.

³⁹ Analysis of JobStart Employer Survey responses and PITW employer survey responses. N = 70 JobStart participants and 217 PITW participants for a question about productivity, 72 JobStart participants and 219 PITW participants for a question about quality of work, 72 JobStart participants and 217 PITW participants for a question about number of customers or clients served, 72 JobStart participants and 216 PITW participants for a question about customer or client satisfaction, and 71 JobStart participants and 220 PITW participants for a question about workforce satisfaction about workload. All JobStart respondents employed at least one participant for at least 1 hour in a in a transitional job.

Successes, Challenges, and Recommendations

Successes

- **Within a short period of time, JobStart recruited and trained a large number of participants, placed them into transitional jobs, and helped them access supportive services.** 1,618 participants completed job readiness training, and grantees placed 1,518 (93.8 percent) into transitional jobs. Experience operating TJ programs and job readiness and placement programs for TANF recipients helped grantees start up their JobStart programs under the quick timeline.
- **The individuals recruited, trained, and placed into transitional jobs had a pronounced need for earned income, and survey results suggest that large proportions of participants had barriers to employment.** The average participant reported household income of \$760 upon entering JobStart. Commonly-reported barriers to employment included lack of overall job skills and interpersonal skills, criminal records, and unmet needs for transportation and childcare.
- **The average participant worked the overwhelming majority of weeks available given his or her start date.** On average, each adult program participant worked 9.1 weeks in a transitional job, or 87.6 percent of the 10.4 weeks available to the average participant given her start date.
- **Average monthly income earned through JobStart was substantial relative to average household income upon program entry.** Average monthly income earned by adult participants was more than double their average household income at JobStart entry, while average monthly earnings of youth participants was 78.5 percent of their average household income upon entry.
- **The majority of Employer Survey respondents reported that employing JobStart participants resulted in moderate positive effects on business performance.** Slightly more than half of Employer respondents reported that performance somewhat increased or increased in these areas as a result of employing JobStart participants. This may be because their businesses were relatively financially healthy before the program began, and because the average JobStart participant worked a relatively short period of time (8.4 weeks) for an employer.
- **In addition to its direct effects on participants and employers in the program, JobStart most likely affected other businesses and their employees throughout Cook County through an economic multiplier effect.** Assuming that participants spent 70 percent of income earned through JobStart in the retail sector of Cook County, JobStart wages were associated with a \$5.1 million increase in demand for goods and services across all sectors, a \$1.2 million increase in household earnings, and an increase in employment of 44 jobs across Cook County.
- **Participant and Employer Survey respondents reported that participants' soft skills improved from the beginning to the end of their transitional jobs.** The percentage of Employer respondents who rated participants as "poor," "very poor," or "fair" in six performance areas at the beginning of the program decreased at the end of the transitional job, while the percentage who rated participants "good" or "very good" increased. The majority of Participant respondents reported they were somewhat more likely or more likely to use certain soft skills after completing JobStart, and that JobStart increased their attractiveness to employers, taught them new skills, introduced them to useful contacts, and exposed them to a new type of work.
- **Participant and Employer Survey respondents indicated a high level of satisfaction with JobStart.** Most Participant respondents (91.7 percent) and Employer respondents (85.1 percent) reported that they would participate in JobStart or a similar program if it were offered again.

Challenges

JobStart provided participants with much-needed earnings and appears to have benefited businesses directly and indirectly. However, it did not meet its goal for number of participants placed into transitional jobs. Additionally, program records from immediately after JobStart ended indicate that it did not meet its goal for number of adult participants placed into unsubsidized employment, education, or training by the time the program ended.

- JobStart placed 1,518 participants into transitional jobs. This represents 69.0 percent of the planned 2,200 transitional job placements and 70.5 percent of the 2,154 final transitional employment slots allocated by the 2016 Fund.
- Program records indicate that 91.8 percent of youth entered unsubsidized employment, education, or training. However, JobStart did not meet its 60-percent placement goal for adults by the time the program ended: it placed only 21.8 percent of adults into unsubsidized employment, education, training, or some combination of those activities.

Seven primary factors appear to explain why JobStart did not meet all of its goals:

1. **The TANF EF requirement that states make all reimbursable expenditures by September 30, combined with the late timing of Illinois' application for TANF EF funding and late execution of the CSA between IDHS and the 2016 Fund, left grantees with less than a month to set up their JobStart programs in order to provide participants with the maximum 16 weeks of subsidized employment possible under JobStart.** This timeline affected multiple aspects of the program. Several project directors said that that their agencies would have expanded recruiting efforts if more time had been available. Most project directors said that additional time would have improved their assessment procedures, enabling them to acquire more information about participants to guide provision of case management and support services later in the program.

Most importantly, perhaps, the timeline impeded the achievement of placement goals by limiting the duration of transitional jobs for many participants. While no consensus exists on the optimal transitional job duration, most TJ programs offer 3 to 9 months in a transitional job. For example, in a study of six TJ programs for TANF recipients and other low-income individuals, participants who found unsubsidized jobs averaged between 3.9 and 8.2 months in the programs. Earlier TJ programs that yielded sustained positive impacts on employment and earnings among welfare recipients included a year or more of subsidized employment.⁴⁰ By contrast, JobStart adult program participants spent only 2.3 months on average in transitional jobs. For participants with poor interpersonal skills and understanding of workplace expectations, a transitional job must afford sufficient time to learn and practice soft skills, make mistakes, receive guidance from case managers, workplace supervisors, and peers, and improve their performance. The hard end date for JobStart may have precluded most participants from having sufficient time to take these steps. As one project director explained:

“[A] TJ program is about trials [and] errors and multiple chances. An individual is in a learning process which sometimes must allow for them to make mistakes, learn from them and move forward. [JobStart] for all intents

⁴⁰ Kirby, G., Hill, H., Pavetti, L., Jacobsen, J., Derr, M., & Winston, P. (2002, April). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc. National Transitional Jobs Network. (2010, January). (Appendix C). The National Supported Work Demonstration (1975-1980) included 12 to 18 months of highly structured paid work experience, and the AFDC Homemaker Health Aid Demonstration (1983-1986) included up to 1 year of subsidized employment. Bloom, D. (2010, February). *Transitional jobs: Background, program models, and evaluation evidence*. New York: MDRC. (Table 1).

and purposes did not allow for such learning to happen due to the rushed nature of the program.”

Consistent with this explanation, 46.1 percent of Employer Survey respondents reported that participants who were not ready to hire would be ready with more time in the transitional job, including 34.6 percent who said that these participants would be ready with 2 or more months in the transitional job.

“I think it's a very beneficial program to the employer and the worker. It was very hard to see [the participants] go. I just wish we had the capacity to keep two of the three we were given.”

JobStart Employer

2. **The requirement that grantees recruit participants exclusively from the designated CCAs almost certainly impeded their ability to meet JobStart’s transitional placement goal.** Among Grantee Staff Survey respondents, 37.0 percent reported difficulty recruiting from the designated CCAs. Several project directors reported that their agencies received many applications for JobStart from outside the designated CCAs and that they could have enrolled many more participants in the absence of the residency requirement. In addition to impeding grantees ability to recruit participants, the residency requirement added to the already substantial burden of determining participant eligibility and created confusion among neighborhood residents and other stakeholders about who could participate in JobStart. Use of 2016 Fund resources was limited to the JobStart CCAs without prior approval from contributors, and the 2016 Fund staff reported that they made accommodations in the two cases in which grantees reported difficulties recruiting from the JobStart CCAs.
3. **Contemporaneous operation of JobStart and PITW appears to have impeded placement of JobStart participants.** First, participants and employers at some grantees that operated both programs appear to have confused JobStart and PITW. This may have caused some participants and employers to believe that JobStart, like PITW, would be extended after September 30, 2010, and consequently, discouraged participants from searching for employment and employers from hiring JobStart participants into unsubsidized positions. Second, several project directors reported that PITW created competition for employers, absorbing worksites at which JobStart participants might have been placed.
4. **JobStart relied heavily on relatively small for-profit and nonprofit employers to provide transitional jobs.** While these employers tended to accommodate participants with barriers to employment and offer participants individual attention more readily than large for-profit employers, they were less likely to hire participants permanently as a result of their relatively small budgets and few job openings. Among Employer respondents, 60.0 percent reported that they were not financially able to retain all the JobStart participants they wanted to hire. Several project directors also said their agencies tried to recruit large for-profit employers, but that they were unable to obtain approval through the companies’ bureaucracies in time.
5. **Absence of funding for job placement and retention after the transitional jobs ended appears to have impeded unsubsidized placement.** Some TJ programs continue to help participants find unsubsidized jobs after their transitional jobs end; however, spending on placement and retention services would not be reimbursed by the TANF EF after September 30, and JobStart did not include funding for these services. The JobStart program design directed grantees to begin connecting participants with services before the transitional job but could not require them to provide services after September 30.

6. **Economic conditions may have impeded placement of JobStart participants into unsubsidized jobs.** Unemployment rates for Chicago and for African Americans with a high-school diploma or less education across the United States were at historic highs in 2010. These facts suggest that populations with the personal characteristics of JobStart participants were still facing pronounced difficulty finding employment.
7. **Finally, placement data from program records likely under-represent the percentage of adult participants who found employment after JobStart ended.** Placement rates reported by employment programs generally under-represent actual placement rates. As noted previously, these records likely under-represent the number of participants who found employment for two reasons. First, some participants may have found unsubsidized employment before JobStart ended but may not have notified their JobStart agency. The placement status of 18.3 percent of adult participants was unknown at the time JobStart ended and some of these participants may have found unsubsidized jobs. Second, some participants may have found unsubsidized employment some time after the program ended.

Transitional Jobs in a Recovery Context

Considering the successes and challenges of JobStart, six overall lessons about the possibilities and limitations of subsidized employment and TJ programs emerge about the implementation and potential value of transitional jobs programs:

Income earned by JobStart participants and the expected associated economic activity suggests that subsidized employment may be a promising response to economic downturns. The average adult participant reported household income of \$609 per month (including public benefits) upon program entry; on average, she earned \$1,361 per month during the program, over twice her average household income. The majority of Participant Survey respondents indicated this income was important and that they would not have earnings in the absence of JobStart: 77.2 percent somewhat agreed or strongly agreed that JobStart allowed them to support their families or pay their bills when they might not otherwise have been able to do so, and 62.8 percent somewhat agreed or strongly agreed that they would have been unemployed without JobStart. Assuming that participants spent 70 percent of income earned through JobStart in the retail sector of Cook County, participant wages were associated with a \$5.1 million increase in demand for goods and services, a \$1.2 million increase in household earnings, and an increase in employment of 44 jobs across Cook County.

The number of youth served by JobStart and the percentage of youth who returned to school after the program ended suggest that subsidized employment may be an effective means of engaging disadvantaged youth. Summer employment can fulfill critical needs for low-income youth: it may foster soft skills and early attachment to the labor market, provide safe space from gang activity and violence, and help youth successfully transition back to school. The recent recession beginning in 2007 was associated with a dramatic decline in youth employment. Teenage employment declined from 45 percent in summer 2000 to 25 percent in summer 2011.⁴¹ JobStart engaged 488 youth who worked in transitional jobs. The average youth participant worked 184 hours for 6.9 weeks, or 27 hours per week. After the program ended, 91.8 percent of youth who worked in a transitional job returned to school, entered another jobs program, or entered unsubsidized employment.

⁴¹ Austin, A. (2011 July). *Get teens back to work: why the federal government must invest now in teen jobs*. Retrieved August 23, 2011 from <http://www.spotlightonpoverty.org/ExclusiveCommentary.aspx?id=0418662d-948b-4047-8e1c-5f093e5709b9>

Subsidized employment may be an effective means of engaging low-income, noncustodial males.

Poor educational attainment, unstable work history, and incarceration limit the ability of many noncustodial fathers to pay child support, and noncustodial fathers are often outside of social service and workforce development systems that might help them to overcome these barriers.⁴² Even prior programs emphasizing services to help noncustodial parents gain employment have found it very difficult to recruit participants from this population.⁴³ Nearly one third of JobStart adult program participants were male and nearly half of these (48.2 percent) reported that they were noncustodial parents. This suggests that subsidized employment may be a promising avenue for engaging low-income and non-custodial male parents.

Initially, the newness of many stakeholders to using TANF funding for subsidized employment may have impeded use of TANF EF funding for JobStart. At the federal, state, and local levels, important stakeholders were new to the use of TANF funding for subsidized employment. At the federal level, new leadership at HHS may have contributed to delays in issuing guidance to the states on the use of TANF EF funding. At the state level, the IDHS administration that applied for TANF EF funding was appointed in October 2009, less than a year before the deadline for spending TANF EF funding. The 2016 Fund had never used federal funding before and was challenged by its reporting requirements. While subsidized employment had been an allowable use of TANF funding since 1996, the newness of stakeholders at every level may have contributed to a situation in which many important stakeholders lacked “institutional memory” about the use of this funding. In Illinois, this delayed the state’s application for TANF EF funding, leading to a short timeframe between approval of the state’s application and the deadline for spending this funding.

In Chicago, longstanding cooperation among a group of philanthropic funders, nonprofit organizations, and public agencies facilitated implementation of JobStart within a short timeframe. Despite the short timeframe, the preexisting relationship among the funders, nonprofit organizations, and public workforce system enabled these stakeholders to rapidly plan and administer JobStart. The robust network of Chicago-area workforce providers with experience operating subsidized and transitional employment programs offered ready-to-use capacity to implement the program. Importantly, the fiscal environment prevented the State of Illinois from planning and administering a large subsidized employment program directly. In this environment, hiring the personnel needed to plan and administer PITW and JobStart would have proven fiscally challenging and politically infeasible for the state. The existence of nongovernmental stakeholders with preexisting relationships and workforce experience enabled Illinois to implement JobStart without adding to the state administrative bureaucracy.

Given institutional leadership, experienced providers, and adequate funding, a beneficial TJ program can be implemented within a short timeframe. Within 7 months of receiving approval for TANF EF funding, a group of philanthropic funders, nonprofit organizations, and public agencies designed and implemented a program that placed 1,518 participants into transitional jobs. The average JobStart participant worked 80.3 percent of weeks available in the program and earned a substantial amount of income relative to her household income on program entry. These data suggest that state and local governments with capable leadership organizations and workforce providers can rapidly implement beneficial TJ programs at scale.

⁴² Martinson, K., Trutko, J., & Strong, D. (2000 December). *Serving noncustodial parents: A descriptive study of welfare-to-work programs*. Washington, DC: Urban Institute. (p. 3-5)

⁴³ Trutko, John et al. (1999 July). *Early implementation of the Welfare-to-Work grants program*. Washington, DC: The Urban Institute. (p. 20).

Recommendations

The following recommendations for future subsidized employment and TJ programs reflect aspects of the JobStart program that grantees found effective, those that grantees found challenging, and practices that might have helped the 2016 Fund and its grantees with JobStart implementation and administration. Some recommendations apply to subsidized employment and TJ programs in any context; others pertain specifically to an economic-recovery context, in which time to plan and implement programs may be in short supply. Government agencies that fund these programs, program administrators, and program providers should consider implementing these recommendations.

For government agencies:

Issue and communicate about rules and guidelines for use of program funding in advance of the program start date. Subsidized employment programs involve considerable spending on participant wages; in the case of TJ programs, there is also spending on job readiness training, supportive services, job placement and retention. Using federal funding to cover these costs, the 2016 Fund and its grantees had to track eligibility and spending in detail in order to avoid liability to the federal government for improper spending. To facilitate accurate tracking, government funders should issue rules and guidelines for using program funds, well in advance of the program start date. This would enable programs to communicate rules for tracking and spending funding and train staff on procedures before the program begins. In the case of JobStart, relatively late execution of the CSA and continued clarification from IDHS about implementing it afterwards made administration difficult for the 2016 Fund and its grantees.

Provide flexibility for states to design and implement programs that meet their needs. The creation of JobStart and PITW demonstrates how the TANF EF provided states with flexibility to meet their needs using enhanced reimbursement for increased TANF spending: the TANF EF enabled Illinois to design subsidized employment programs tailored to different segments of the low-income population—ready-to-work Illinoisans in the case of PITW and Chicagoans with barriers to employment in the case of JobStart—and fund the combination of subsidized wages and supportive services called for in each program. Several JobStart project directors valued the flexibility the funding provided and reported that it allowed them to fund a variety of needed supportive services.

For program administrators:

Ensure that program design and resource allocation reflect intended goals. TJ programs typically continue to help participants find unsubsidized jobs after their transitional jobs end. Additionally, research suggests offering retention services to program participants who find an unsubsidized job improves their employment outcomes. While JobStart was intended to place participants into unsubsidized employment and help them succeed in the labor market, it did not include funding for job search assistance and retention services after September 30, 2010. As a result the program design and available resources did not entirely reflect its goals.

Assess the capacity of prospective providers to implement the program. Most JobStart grantees were operating other ARRA-funded employment programs contemporaneously with JobStart: seven grantees were operating PITW programs and two of these agencies were also operating JobStart and PITW programs for the Chicago Housing Authority. Additionally, some grantees were operating ARRA-funded employment programs for youth. In some cases, the demands that multiple programs placed on grantees may have affected their ability to operate JobStart programs. To assess capacity

of prospective providers to implement a subsidized employment or TJ program, program administrators should require them to list other subsidized employment and TJ programs they will be operating in their applications, and to describe interaction between the prospective program and the other programs. Additionally, programs should include a staffing plan as a requirement that shows the number of staff who will be working on the program, the number of hours each staff person will devote to the program, and whether the staff will be new or are already in place.

Include provisions for third-party process evaluation. The JobStart implementation experience suggests that observation and input from a party outside the implementing organization would have been beneficial. Feedback from a third party might have helped improve some aspects of the program while it was operating. Third-party process evaluation may prove especially valuable in an economic-recovery context, in which program administrators and providers have little time to expend program funding, learn from mistakes, and make “mid-course corrections.”

Establish clear and detailed requirements for data reporting before the program begins. JobStart required grantees to record basic outcome measures, such as number of participants who completed job readiness training, number placed in transitional jobs, number placed into unsubsidized employment, and reasons participants exited the program. However, program rules did not provide standard definitions for all data elements required resulting in different providers recording similar outcomes differently. Additionally grantee staff had to retroactively record some data that would typically be recorded at enrollment. Future subsidized employment and TJ programs should establish clear and detailed requirements for data reporting well before they begin enrolling participants. Programs could also be incentivized for complete and accurate data entry.

Employ a user-friendly web-based database to record and transmit participant outcome and payment-related data. JobStart grantees experience with vouchering for payroll expenses and placement fees shows that recording participant progress through a TJ program and conveying this information to a funder for reimbursement can be complicated and frustrating. A user-friendly, secure, web-based database that allows program staff to enter participant benchmarks and payroll data and allows a funder to access the information electronically would reduce staff time spent on data reporting and vouchering, allowing staff to concentrate on other aspects of the program.

For program design:

These recommendations reflect aspects of the JobStart program or other practices that grantees described as effective, and practices that grantees reported would have helped them to overcome challenges they experienced during JobStart.

Eligibility Determination

Streamline eligibility determination: This may be accomplished by using participation in other low-income programs to establish eligibility and using electronic systems to transmit documents.

Assessment:

Include assessment of participant aptitudes and career interests: This may help staff provide job coaching and engage participants in career planning.

Job Readiness Training

Provide ongoing job readiness training: Following initial job readiness training, schedule 1 full or partial day of job readiness training each week.

Provide payment or other incentives for job readiness training: This may incentivize attendance, reduce retention problems during training, and reinforce the association between work and wages.

Feature employer representatives and program graduates in job readiness training: These individuals may offer compelling narratives needed to counter unrealistic expectations about work.

Subsidized Employment

Ensure employers understand the TJ program model: Select employers who view the TJ program as a source of potential permanent employees and give guidance on supporting participants.

Include an employer memorandum of agreement (MOA): The MOA should define employer and program responsibilities, helping employers understand the TJ model.

Use a variety of employers to accommodate participants: A diverse set of employers may help TJ programs accommodate participants with varying work readiness, skill levels and career interests.

Select employers open to permanently hiring participants with a criminal record: TJ programs can “sell” such participants by emphasizing soft skills obtained, successful TJ employment and other supports that they provide.

Provide instruction and incentives that help employers support participants: Provide technical and financial assistance that helps employers provide participants with important supports.

Academic or Hard Skills Training

Use subsidized employment to incentivize acquisition of educational credentials and cross-cutting hard skills: These may include a GED, or basic quantitative, computer, and clerical skills.

Case Management

Provide group sessions: Groups may offer participants an important source of support and help staff obtain information about participants that they would not obtain from one-on-one sessions.

Supportive Services

Provide participants with transportation assistance, help arranging childcare, and mobile phone service: Transportation is a commonly cited employment barrier, and consistent phone service may help case managers maintain communication with participants and monitor progress.

Job Placement and Retention

Provide job placement and retention services: Extending services for a defined period after transitional jobs end may help former participants find and retain an unsubsidized job.

Next Steps for the Evaluation

The sources used in this JobStart evaluation report provide a general picture of overall program outcomes; however, they represent relatively incomplete and unreliable sources for assessing employment outcomes and provide no data on the employment outcomes after JobStart ended. As a next step, the Social IMPACT Research Center has requested records from Illinois’ Unemployment Insurance system and other public programs to investigate the employment and earnings outcomes of JobStart and PITW participants, and to estimate the impact of JobStart on their employment, earnings, and public benefits receipt. To obtain a sufficient “baseline” of information and estimate changes in program impacts over the two years after JobStart ended, the request covered data from the beginning of 2006 to the end of 2012.

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