The Enhanced Transitional Jobs Demonstration

Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs

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Chapter 9

Summary and Conclusion

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A number of studies have tested the basic transitional jobs model, which offers participants a set of core services including a temporary paid job (previously tested programs have offered mainly unskilled jobs created by the program operator or a partner agency), assistance with finding unsubsidized employment when the temporary job ends, case management, job coaching, and other forms of support (such as financial assistance with transportation and other work-related expenses). Though subsidized employment can have wide-reaching goals, the kinds of transitional jobs programs tested in the Enhanced Transitional Jobs Demonstration (ETJD) and prior rigorous studies all had the goals of teaching people basic work habits, improving longer-term labor-market outcomes and, depending upon the target population, reducing recidivism or receipt of public assistance benefits. Previous random assignment studies of the basic transitional jobs model have shown mixed results. For example, transitional jobs programs tested in recent years targeting formerly incarcerated men were generally ineffective at improving longer-term employment and, with the exception of one program in New York City, were not successful at reducing recidivism.[1] Earlier transitional jobs programs for other populations, such as recipients of Temporary Assistance for Needy Families, also had mixed results in rigorous studies.[2]

As described in the earlier chapters of this report, the ETJD programs targeted individuals who had recently been released from prison and noncustodial parents who had fallen behind in child support payments due to unemployment. Most of the participants in both types of program were men. The ETJD evaluation set out to rigorously test transitional jobs programs that included enhancements to the models tested in previous studies. Each of the programs provided enhancements in one or more of three general categories: (1) structural changes to the transitional jobs themselves, (2) enhanced support, and (3) special child support system incentives provided by the local child support agency. To assess whether the ETJD evaluation tested truly enhanced models — rather than models that closely resembled the ones previously tested — it is important to determine which of the ETJD programs were able to implement their intended models.

Each chapter in this report focuses on one of the seven programs and describes the intended enhanced model, its implementation, and one-year impacts on participants' outcomes in three domains: employment, child support, and criminal justice. Impacts on other outcomes such as well-being and views on personal circumstances are also assessed. This chapter summarizes the interim result of ETJD across the seven programs in the project and looks ahead to next steps for the study.

[1]Redcross, Millenky, Rudd, and Levshin (2012); Valentine (2012); MDRC Board of Directors (1980).

[2]For a review of evaluations of subsidized employment programs over the past 40 years, see Dutta-Gupta, Grant, Eckel, and Edelman (2016).

Summary of Implementation Findings

While most ETJD grantees were able to implement the transitional jobs models they proposed, some struggled to put into operation some of the enhanced components of their models as intended (and even some of the basic components), as described below. Most of the ETJD grantees had experience operating transitional jobs programs, usually with their chosen target populations. Nonetheless, they were required to implement enhancements to their existing models and to dramatically increase the number of participants they served. To meet their sample-size goals, grantees focused a lot of attention on recruitment and on improving relations with referral partners like child support and criminal justice agencies. The timeline of the ETJD project did not allow for a pilot or practice period before the programs had to start implementing their enhancements and enrolling people. Although the programs had been operating before ETJD, they might have benefited from a pilot period to practice the enhancements and stabilize recruitment.

ETJD programs encountered challenges found commonly in many employment programs. They had difficulty helping participants transition to unsubsidized jobs in the private sector, experienced staff turnover in vital positions, and saw partnerships with other community providers fail. Most of the specific enhancements that ETJD grantees originally proposed for the project were put in place. However, a few particular enhancements that they initially proposed — such as occupational training, wage supplements, and the tiered hybrid model approach — were not implemented as planned. As a result, the ETJD evaluation cannot assess the effects of those particular enhanced models.

Overall, however, despite these challenges encountered in implementation, the ETJD project will provide strong evidence regarding the effectiveness of transitional jobs models with the enhancements mentioned above.

Three grantees successfully implemented transitional jobs programs with structural enhancements. Two of them (in Atlanta and New York City) used staged approaches providing a gradual progression from a highly supportive transitional job with the program to one that more closely resembled a "real-world" job with a private employer. One (in Fort Worth) operated a model in which participants were placed directly in jobs at private-sector employers, with the employers being provided a subsidy. Notably, these kinds of structural enhancements required a greater commitment from private-sector employers than traditional models. The expectation was that at least some participants would be hired permanently if the transitional period was successful. This expectation was most explicit in the Fort Worth program. As might be expected, ETJD programs that engaged private-sector employers in this way had more trouble placing people into subsidized jobs than programs that placed people in program jobs. Unlike program jobs, which are readily available, subsidized private-sector jobs require commitments from employers and require participants to go through an interview process. As a result, fewer

participants in those programs received services at the intended frequency and intensity, especially the transitional work component. It seems likely that most subsidized jobs models that included these kinds of structural enhancements would experience these challenges in implementation. The evaluation therefore provides a fair test of models with this type of enhancement. However, in New York City, where one of the staged models operated, a high proportion of the control group obtained subsidized jobs during the follow-up period at a large transitional jobs program, and as a result impacts for the New York City ETJD program may be underestimated (see Chapter 8).

A fourth grantee, the one in San Francisco, operated a structural enhancement in the form of a tiered approach designed to track people into different types of transitional jobs based on their job readiness at the time of program enrollment. Ultimately the tiered approach was not implemented as planned. The program experienced significant challenges and only two in five people in the program group ever worked in subsidized jobs. In addition, for those who did work in subsidized jobs, the program struggled to identify positions aligned with their intended tier assignments, especially for participants determined to be ready to work in the private sector. Just 24 percent of participants in the private-sector tier actually worked subsidized jobs in the private sector; others ended up working in program jobs.

Child support system partners were highly committed in the two ETJD programs that included enhancements in that category (those in Milwaukee and San Francisco) and those incentives — modified child support orders and forgiveness of interest on debt contingent on program participation — were implemented as planned. However, the incentive related to debt in Milwaukee was affected by the fact that the majority of participants' debts were owed to custodial parents rather than the state. The child support agency therefore had no jurisdiction to offer incentives or adjustments on most of the amounts owed. This reality reduced the number of participants who could benefit from the enhancement, and hence reduced the incentive's power to affect engagement in the program. Notably, in San Francisco nearly three-fourths of program group members paid child support, and paid at significantly higher rates than the control group. Yet there were no impacts on the average amount of child support paid, probably because program group members' child support orders were modified downward while they were participating.

Most ETJD programs provided comprehensive support services, the third category of enhancements described earlier. In particular, one program targeting recently released prisoners at a high risk of recidivism (the one in Indianapolis) used a peer-mentoring approach in a highly supportive social enterprise company. Another (in Fort Worth) included a partnership with a mental health provider to provide cognitive behavioral therapy-based workshops — a type of

intervention that has been found to be effective in reducing recidivism.[3] Although it is not possible to isolate data on participation in those particular activities, other analyses suggest that in both cases the programs that included these specific enhancements generally operated as intended, thus the evaluation can reliably provide information about whether those types of enhancements seem to improve the effectiveness of the transitional jobs program.

Implications of Interim Impact Findings

Given the short follow-up period covered by this report, it is too early to draw firm conclusions about the impact of the ETJD programs on participants' outcomes, especially their longer-term labor-market outcomes. ETJD programs targeted individuals with serious barriers to employment, as shown by the low employment rates among the control groups, ranging from about 35 percent to 45 percent on average in a given quarter (the control group in one city had an average quarterly employment rate of 22 percent). Impacts on employment during the first year were very large in six of the seven cities thanks to the transitional jobs provided to program participants. The one program that operated a private-sector model (the one in Fort Worth) did not generate statistically significant impacts on employment during the first year. Program group members experienced more employment stability throughout the year — that is, they worked more quarters — in nearly all cities. As might be expected, programs that provided nearly immediate access to transitional jobs had larger early impacts on employment and earnings than programs that required a lengthier process before placement in a transitional job. As was hypothesized before the demonstration, subgroup analysis suggests that impacts on employment during the first year were generally larger for those with little to no employment in the prior year, representing the least employable members of the study sample. At some sites, there were a few small impacts on other aspects of material well-being, such as having health insurance through an employer or feeling more financially secure.

The general trend in impact results observed thus far is similar to the trend found in previous studies — that is, the employment rates of the program and control groups converged as program group members left transitional jobs. By the end of the follow-up period covered in this report — the first quarter of the second year after random assignment — program group members were employed at somewhat higher rates than their control group counterparts, but much of this difference still appears to be due to subsidized employment.

ETJD programs also set out to produce positive impacts on other important outcomes such as recidivism and child support payments. For these outcomes, the short-term follow-up covered in this report provides more information about the programs' success and, indeed, the

[3] Landenberger and Lipsey (2005).

story is somewhat more positive. Two of the three programs targeting recently released prisoners (those in Fort Worth and Indianapolis) produced some small reductions in recidivism, especially among the people at the highest risk of recidivism when they entered the programs. As in earlier studies, the pattern of those effects suggests that the programs changed individuals' behavior in some ways, perhaps due to services other than the transitional job. Specifically, one of the programs offered cognitive behavioral therapy-based workshops and the other offered highly supportive peer mentoring. Interestingly, the Fort Worth program, which offered cognitive behavioral workshops, also generated the most consistent reductions in recidivism, even though it never produced impacts on employment, not even at the peak of its subsidized job period. This finding supports prior evidence that the connection between work and crime is complex and that employment may not necessarily be the mechanism that reduces crime in transitional jobs programs.[4]

In nearly all cities, program group members were more likely to pay child support and paid more child support than control group members. These results largely reflect higher rates of employment and earnings due to the transitional jobs, and the trends in child support impacts often mirror the trends in impacts on employment, with the impacts fading by the end of the first year. Five of the seven ETJD programs (those in Atlanta, Indianapolis, Milwaukee, New York City, and San Francisco) helped participants with child support order modifications or coordinated with the agency for wage withholding. It is not possible to isolate the impacts on child support caused by order modification from the impacts caused by other aspects of the program models, such as the transitional jobs. Notably, the proportion of program group members paying child support was highest in the programs that had close coordination with the local child support agency for order modifications and wage withholding (the programs in Atlanta, Milwaukee, and San Francisco).

Looking Ahead

The ETJD evaluation will follow sample members for a total of 30 months and the final report, scheduled to be released in 2018, will assess impacts on longer-term outcomes. This longer period of follow-up will provide more conclusive evidence to policymakers and other stakeholders about the effects of transitional jobs programs.

As discussed above, ETJD successfully targeted many individuals with severe labor-market challenges. It is important to note that many of the enhancements included in the ETJD programs were designed to affect longer-term labor-market outcomes than the immediate measures available in this report. These enhancements designed to produce effects in the

[4]Redcross, Millenky, Rudd, and Levshin (2012); Valentine (2012); MDRC Board of Directors (1980).

long term included workshops to build cognitive skills and improve attitudes and behaviors, private-sector jobs that were expected to become permanent, financial incentives for maintaining employment, and other job-retention services. The findings from ETJD and previous studies suggest that many people are able to find jobs on their own within a few months — typically between 70 percent and 80 percent of the control group worked at some point in the year. But the employment challenges experienced by this population are likely to manifest themselves in employment instability. Longer-term follow-up will be critical in assessing the extent to which the programs can improve labor-market outcomes. Other studies of interventions that focused on employment stability and job quality have found that impacts can take as long as three years to emerge fully.[5]

It is possible that ETJD will not lead to long-term improvements in labor-market outcomes. It may be that subsidized employment is needed on a longer-term basis for people with substantial barriers to employment, like those in the ETJD target groups. At least one-fourth of the study sample would not have worked at all in the first year if not for the transitional jobs and, at any given time during the year, far fewer than half would have been employed. Regardless of their longer-term effects, ETJD and prior studies have shown that transitional jobs are a successful way to provide people much-needed income and work. For some populations, periods of high unemployment are persistent rather than cyclical. Just as other types of subsidized jobs programs have been initiated during periods of high national unemployment, it may make sense to reconceive transitional jobs as long-term subsidized jobs providing important support for individuals with little education and work experience and other barriers to employment, like criminal records. Research has shown that long-term joblessness can harm people in a number of ways.[6]

One of the ETJD programs produced some reductions in recidivism, and those reductions were apparently not directly connected to employment. Whether or not those impacts continue to be seen at 30 months, this finding offers valuable policy lessons about the complex relationship between employment and recidivism, and about the importance of behavior change in improving outcomes for those leaving prison. The final report will assess the financial benefits of reduced incarceration.

Finally, ETJD and prior studies have demonstrated that transitional jobs may be an effective engagement strategy to boost participation in other types of services, like cognitive behavioral workshops designed to alter unproductive ways of thinking and reduce criminal activity. As these important results continue to emerge, ETJD is adding to the body of evidence policymakers can draw upon to make informed decisions about when and how to use transitional jobs as a strategy.

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[5]Martinson and Hendra (2006); Navarro; van Dok, and Hendra (2007).

[6]Pager (2003); Holzer, Raphaeal, and Still (2004); Wester and Pettit (2010); Mallik-Kane and Visher (2008).