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INTRODUCTION.

High unemployment and chronic joblessness disproportionately impact youth, particularly disconnected and minority youth with barriers to employment, yielding lifelong negative effects on job prospects and earnings. One in every seven Americans between the ages of 16 and 24 – 5.8 million young people in all – are disconnected from work or school. Being disconnected from both work and school presents significant life-long barriers to getting and keeping a job in adulthood. One in four African Americans between ages 18 and 24 is looking for a job but cannot find one, as are more than one in seven Hispanic youth adults. Moreover, a longitudinal study following a sample of young people as they aged out of foster care and transitioned to adulthood found that by age 24, only half of young people formerly in foster care were employed. The majority of these young people who were not employed were actively searching for work. And among those employed, 22 percent were poor. The U.S. Juvenile Justice system processes 2.5 million juvenile arrests annually and juveniles released from secure confinement have recidivism rates ranging from 55 to 75 percent, making the issue of re-connecting youth involved in the juvenile justice system to employment and communities paramount. And, while black youth make up only 15 percent of the youth population, they account for about 30 percent of juvenile arrests and 45 percent of adolescents in residential facilities. Youth who have been involved in the juvenile justice system have significant trouble securing employment following incarceration, which has lasting negative effects on their adult employment and earnings. The National Alliance to End Homelessness estimates that during a year there are approximately 550,000 unaccompanied, single youth and young adults up to age 24 who experience a homelessness episode of longer than one week. Being unstably housed creates significant barriers to education and employment.

GENERAL COMMENTS.

We recommend that Federal partners prioritize transitional jobs programs as a strategy to connect disconnected youth to employment, supports, skill building and education through the Performance Partnership Pilots (P3). Transitional Jobs combine wage-paid work, job skills
training, and supportive services to help individuals facing barriers to employment succeed in the workforce. Many individuals served through Transitional Jobs programs are youth and young adults who can benefit in the short and long term from the opportunity to earn income and access to real work opportunities, supports, and positive social networks. Indeed, research demonstrates that youth who miss out on early work experiences are more likely to endure later unemployment and less likely to achieve higher levels of career attainment. Work experience is one of the strongest and most effective means by which we can address current and future work opportunities for youth. (See Appendix A for goals of Transitional Jobs programs, applicable research, and best practices.)

SPECIFIC REQUESTED COMMENTS.

Question 4: What are leading examples of existing intergovernmental partnership that have been able to create the infrastructure and conditions needed to implement and scale what works and curtail inefficient activities that are not producing results?

The availability of funding for subsidized employment and transitional jobs programs provided under the American Recovery and Reinvestment TANF Emergency Fund spurred widespread and rapid implementation of subsidized employment and transitional jobs programs for adults and youth across the country. All told about 280,000 individuals were placed in jobs through programs that were supported through the TANF ECF in about 40 states. About half of this total was accounted for by youth. In Illinois alone, over 27,000 individuals were placed in jobs in less than 8 months. In many states and local communities, strong partnerships between agencies that receive and administer TANF funds and workforce agencies or local Workforce Investment Boards collaborated to implement these programs. States such as California, Colorado, Pennsylvania, and Texas among others implemented subsidized employment and transitional jobs programs through these partnerships. As a result of this time-limited funding opportunity, collaborations between state and local TANF agencies and local workforce entities focused on implementing these programs exist today. One example exists in a large-scale implementation in Los Angeles County involving partners in multiple public systems: DPSS, which administers “welfare to work” programming for recipients of Temporary Assistance for Needy Families (TANF) through its numerous Greater Avenues for Independence (GAIN) offices; the South Bay Workforce Investment Board (SBWIB) which administers Workforce Investment Act funding for a portion of LA County; and over 20 WorkSource One-Stop employment centers across the region.

Question 5 Does the preliminary application content include the right information to distinguish the top candidates?

The success of Performance Partnership Pilots will rely on the quality, capacity, and experience of the entities delivering the program services. In addition, in order to continue to learn how to engage and support youth employment and education, attention must be paid to promising and innovative approaches to service delivery and program structure. To this end, we encourage Federal partners to require States and localities that apply for P3 to demonstrate these sorts of innovations and promising practices in employment service delivery and structures for serving the employment and education needs of disconnected youth.
- **Culturally Competent Service Delivery.** Given the target population of disconnected youth, many of whom may be youth of color and/or LGBTQ youth, we recommend that applicants describe how they currently deliver or will deliver culturally competent youth employment and education services.

- **Youth Engagement & Re-engagement.** Many of the youth being recruited for P3 are very disconnected from school, work, tend to be difficult to engage in services, and often have had negative experiences in traditional education systems. We encourage applicants to articulate how they will engage youth in communities and with whom they will partner to engage such youth. We also recommend that applicants articulate how they will keep youth engaged. Furthermore, applicants should demonstrate how they will re-engage youth that may leave their programs and demonstrate their commitment to serving some youth for an extended period of time.

- **Developmental Youth Employment Strategies.** For many disconnected youth, P3 may be their first opportunity to engage in real work experience. Given this, we encourage the application process to tease out how entities will create real work opportunities that allow youth to gradually build job confidence and take on greater responsibility and autonomy in their work over time. Especially for intensive interventions like transitional jobs and subsidized employment, Federal partners may want to urge States and localities to demonstrate wage stepping strategies, a graduated stress strategies, or a triaged employment strategies into their employment program. These strategies, characterized in Appendix B, do not have to be mutually exclusive, and States and localities may want to incorporate elements from multiple strategies into their programs. In addition, we know that youth are more engaged in employment programs when they are matched with employment opportunities that reflect their interests and skills. To this end, we encourage applicants to demonstrate a range of occupations and employer partners available for youth. We also encourage applicants to demonstrate how they will apply theories of change to their employment and education interventions in order to meet youth where they are at with their interest and readiness to engage in employment and education opportunities.

- **Contextualized Instruction with Paid Work Opportunities.** For many disconnected youth, earned income is critical to meeting them and their families’ basic needs. At the same time, education and skill building are critical to advancing to better paying jobs over the long run. However, many disconnected youth have had negative experiences in traditional education systems, creating a catch-22 for the need for earned income and education and skill building opportunities. To this end, we urge States and localities to be attentive to “both and” strategies of paid employment and education/skill building as suggested by the Youth Transitions Funders Group and others in the field. In addition, we urge States and localities to demonstrate how they will contextualize education and skill building opportunities alongside real work experience. Early evidence suggests that combining these approaches can be reciprocally beneficial and is “more than the sum of their parts.”

- **Financial Literacy & Matched Savings.** A paycheck represents an opportunity to weave in financial education and asset building into P3 approaches – particularly for

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1 Across the field, the wage stepping, graduated stress, and triaged employment have each been referred to as “tiered” employment.
youth who have never been engaged in employment. We encourage Federal partners to look for P3 applications that include financial education and asset building for youth into their program delivery and approach. Additionally, given evidence that children are far more likely to enroll in college and complete college if they have a savings account, it is prudent for P3 applicants to consider and demonstrate how they may incorporate matched-savings programs or other vocational education and training savings programs with employment and education interventions for youth.

- **Mentorship.** Developing trusting relationships and support systems is critical to youth success. Applicants should demonstrate how they will link their efforts with positive youth development and mentorship opportunities that align with youth employment, career, or education interests.

- **Appropriate Partners.** Given the target population for P3, we encourage applicants to demonstrate the strength of their partnerships with Juvenile Justice, Child Welfare, Homelessness and Housing, Child Support, child care, and mental health service systems, and legal assistance among others that may be appropriate to serving the employment and education needs of disconnected youth and supporting efforts to mitigate barriers to employment and education.

- **Ensuring Youth Safety.** Given the level of violence in many American urban centers, we encourage Federal partners to encourage applicants to describe and demonstrate the ways in which they and/or partners will ensure the safety of youth participating in P3. This is particularly important given the special mismatch of jobs and educational opportunities to where many low-income youth reside.

- **Ability to Engage Employers.** The success of P3 projects that focus on increasing employment for disconnected youth relies heavily on the ability for States and localities and their partners to engage, recruit, and satisfy employer partners. Especially given the target population, we highly encourage Federal partners to require that States and localities describe their process for engaging employer partners, provide evidence that they have successfully recruited employers for P3 projects, and describe the industries and occupations that are represented among them.

- **Capacity to Run Payroll Systems.** Among P3 entities that implement transitional jobs or other wage paid real work interventions for disconnected youth we highly recommend that States and localities demonstrate to Federal partners their capacity to run payroll systems on behalf of the youth involved. Paying real wages, equal to state or federal minimum wage for hours worked is a core component of the transitional jobs strategy and ought to be for interventions that provide financial compensation for work performed. Paying wages holds many benefits for workers, including providing a current employer reference and work history, ensuring access to the Earned Income Tax Credit, and reinforcing work-readiness lessons experientially in the context of a real job. Most importantly, paying wages offers much-needed earned income to support disconnected youth and often their families.

**Question 7: What types of performance measurement and evaluation are envisioned?**

Leading researchers such as MDRC have concluded that “Most second-chance programs for youth have never been formally evaluated for effectiveness. Moreover, because the programs are often run by small community-based organizations, the most rigorous evaluation methods are probably not feasible or appropriate in many cases. The result is a gap between the strongly held
views of practitioners who believe they know what constitutes “best practice” in youth programming, on the one hand, and the knowledge base from rigorous evaluations, on the other.”

Given the lack of empirical information and data on what aspects and structures of youth employment programming yield the most promising results for disconnected youth, we strongly encourage a process evaluation for the P3 project.

We strongly encourage that state and local partners in a pilot demonstrate, through data sharing agreements for example, that pilots will have access to administrative data that can be used to manage the services and activities and track progress and outcomes over time for the target population, using secure and up-to-date methods for linking data and protecting individual privacy.

We encourage State and local entities that participate in P3 to collect, measure, and report on the following employment and education data indicators:

- Number of youth served over the course of the year in employment;
- Number of youth served through subsidized employment, transitional jobs, or other wage paid employment intervention;
- Number of youth who entered into unsubsidized employment;
- Number of youth who were employed at key times such as 90, 180, and 365 days;
- The average hourly wage of youth when they entered into unsubsidized employment;
- The average hourly wage of youth at key times such as 90, 180, and 365 days;
- Number of youth participants who received their GED and/or completed adult basic education coursework;
- Number of youth who earned quarters toward a GED or adult basic education coursework;
- Number of youth who completed training or earned an employer recognized certificate;
- Number of youth who earned quarters toward training or an employer recognized certificate; and
- Additional outcomes that reflect the success of the program such as total family income gains, reductions in recidivism, literacy gains, adult basic education achievement, housing stability, child support payments, and family reunification.

Question 11
What external organizations and experts are most knowledgeable and can offer solutions to address these needs and challenges?

Heartland Alliance’s National Initiatives on Poverty & Economic Opportunity focus on ensuring that everyone who wants to work has the tools and opportunities to do so. These initiatives are designed to address chronic unemployment though the capturing and dissemination of best practices, seeding of research on promising practices, field building activities and policy change. We are strategically aligned and frequently collaborate with thousands of employment, training and service providers, anti-poverty, workforce, reentry, and homelessness advocates, researchers, and government officials.

One of our national initiatives is the National Transitional Jobs Network (NTJN). The NTJN is a national coalition dedicated to getting chronically unemployed Americans back to work. The NTJN advances employment solutions including Transitional Jobs that combine wage-paid
work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce. The NTJN opens doors to work through Transitional Jobs programs, research and evaluation, education and training, and policy advocacy.

The NTJN frequently provides technical assistance and consultation to localities and states to develop and strengthen transitional and subsidized employment interventions for low-income adults and youth with barriers to employment.

Expert: Chris Warland, Associate Director of Field Building
APPENDIX A

BACKGROUND: TRANSITIONAL JOBS PROGRAMS.

Transitional Jobs and subsidized employment can be a critical step in building pathways out of poverty and connecting disconnected youth with employment.

- Workers earn income in order to meet their basic needs as well as earn quarters toward wage-based tax incentives such as the Earned Income Tax Credit. In the Put Illinois to Work (PITW) and Chicago Neighborhood JobStart programs nearly 50% of participants were under the age of 25. The overwhelming majority of participants reported that the program allowed them to support their family or pay their bills when they might not otherwise have been able to do so. This signals that for many disconnected youth these programs directly benefit youth and their families financially.
- The Economic Mobility evaluation of ARRA funded subsidized employment programs found that participants in all of the study sites experienced substantial increases in annual earnings from the year before to the year after participation in the programs.

Transitional jobs and subsidized employment programs can stabilize youth and help them weather transitions.

- Particularly among young men recently released from prison who are most at risk of reoffending, transitional jobs programs can be a stabilizing intervention – allowing participants time to get back on their feet, manage familial relationships, get acclimated to their community and work place, and earn income to meet their basic needs. Demonstrating the stabilizing effects of these strategies, transitional jobs programs have been shown to contribute to decreasing recidivism for those who have been released from incarceration up to 50 percent – a rare statistically significant finding in the field of reentry.
- Subsidized employment and transitional jobs are also emerging as a critical piece of youth-violence reduction approaches. For example, initial findings of a City of Chicago youth employment program combining a part-time summer job with cognitive behavioral therapy-based programming decreased violent-crime arrests by 51 percent. In addition, we know that transitional jobs and other paid work experience for youth is linked to future employment success in adulthood and often supports transitions from school to work and transitions out of the child welfare system.
- Employment and economic stability are critical for healthy relationships and families too. Noncustodial fathers who are stably employed contribute more often to the financial and emotional needs of their children. Subsidized employment and transitional jobs programs support parental engagement by noncustodial parents and the earned income generated through these programs positively benefits children and families. For many young noncustodial parents, engagement in wage-paid, real work opportunities is critical for advancing a two-generational approach to poverty reduction.
- Finally, transitional jobs programs positively affect the lives of children as evidenced by better long-term educational outcomes of children whose parents participate in a transitional jobs program.
Transitional jobs and subsidized employment programs can have economic benefits to communities and employers.

- Transitional jobs programs can positively contribute to the economic health of communities. The wages paid to workers are immediately spent in local communities by individuals who must provide for their basic needs. For a transitional jobs program in select Chicago neighborhoods that placed over 1,500 people in transitional jobs over four months, demand for goods and services increased by over $5 million because of the Transitional Jobs program. In addition, transitional jobs programs have shown to positively benefit private participating employers by lowering the cost of hiring new employees, increasing business productivity, financial well-being, and customer satisfaction.

The Transitional Jobs strategy is highly adaptable to different delivery models, including subsidized jobs in work crews, in-house placements, or in scattered employment sites. Regardless of the structure, it is important that the core elements of the strategy be present to maximize outcomes. Lessons from the field indicate that a comprehensive package of wage-paid employment with ongoing support services throughout the TJ program is essential for participant success. P3 should support all components of a comprehensive Transitional Jobs program. State or local entities participating in the project should demonstrate that they can provide, either directly or through partnerships, the following core components of Transitional Jobs programs:

- Targeting and assessment
- Job readiness and skill development
- Employment-focused case management and supportive services
- Subsidized, wage-paid temporary employment
- Unsubsidized job placement
- Job retention support
- Linkages to literacy/education/training
- Protections against displacement of non-transitional workers

Targeting and Assessment:
Research indicates that Transitional Jobs programs are most successful and best targeted at people with severe and multiple barriers to employment. We recommend that proposals submitted for P3 and include transitional jobs programs are targeted at youth that typically demonstrate multiple employment barriers. State and local entities participating in P3 should demonstrate that they can provide a thorough assessment of participants entering the program in all areas related to assessing barriers to employment, including but not limited to substance abuse and mental health challenges, disability, criminal history, housing, transportation, literacy and adult basic education as well as a thorough assessment of academic skills, vocational skill development, employment experience, vocational and/or educational goals and interests.

Job Readiness and Skill Development:
In order to reinforce the real work experience of the program, access to in-program support, peer-learning experiences, and class work to reinforce learning done on the worksite, support
participant skill building, and future educational attainment is important prior to the start of the subsidized employment as well as ongoing throughout and following the program. State and local entities participating in P3 should demonstrate how they will implement job readiness and advancement efforts that:

- Address, at minimum, soft job skills, family support issues, and personal barriers such as anger management, stress reduction, conflict resolution, and other life skills to support the work of the real work experience and employment-focused case management. Other life skills and job readiness activities should include instruction on how to write a resume, filling out an employment application, how to conduct a job search and interview, computer literacy, financial literacy, learning how to dress for the job, explanations of appropriate workplace behaviors, contextualized learning and opportunities to learn how to engage in education, training, and career planning and their benefits.
- Are flexible enough to address conditions of probation, parole, child support, substance abuse or mental health counseling, and/or housing.
- Structure internal programs or strong collaborations with literacy and educational programming including ABE, ESL, GED, college and vocational training as well as address continuing education leading to an employer-recognized credential or degree and/or skills training.

**Employment-Focused Case Management and Supportive Services:**
Support services geared toward assisting participants in managing barriers that hinder their ability to be consistently productive workers are critical as they learn and take steps towards unsubsidized employment. State and local entities participating in P3 should be asked to demonstrate how they will implement:

- Ongoing supervision and coaching of Transitional Jobs employees by the designated workplace supervisors/work-crew leaders, balancing the goals of barrier management work-readiness of the participants and the goals of the employers frequently in the initial few weeks and on a regular basis based on the needs of the participants.
- Clear communication between the subsidized employer or work-site supervisor, the participant and the case management staff to ensure a consistent flow of information and ongoing assessment of participant needs and progress, based on agreed-upon and codified measures of job-readiness such as punctuality, cooperation with supervisors and coworkers, appropriate dress and personal presentation, following workplace rules, and work effort.
- Case management and support services associated with participant success, including but not limited to, transportation, clothing allowances, substance abuse and mental health counseling, anger management, communications, literacy and financial literacy, fatherhood programming, obtaining accurate identification, and other support services as needed.

**Subsidized Transitional Job Placements:**
Subsidized employment is the vehicle through which participants gain work experience while earning a wage and developing an employer reference while receiving support and guidance. The subsidized employment experience is an essential aspect of the Transitional Jobs program and critical for participant success. State and local entities participating in P3 delivering transitional jobs programs should be asked to demonstrate how they will:
Identify and create subsidized employment slots in the community or within the program that are temporary employment opportunities at nonprofits, governmental agencies, or for-profit employers.

Orient the subsidized employment site so they have a clear understanding of the program rules/regulations and know who to contact should issues arise.

Act as the employer of record - that is, pay participants’ hourly wages at or above the state or federal minimum wage and comply with all the legal and regulatory requirements of the employer-employee relationship, such as withholding payroll taxes and participating in unemployment and worker compensation insurance.

Offer subsidized employment to participants for no fewer than 20 hours per week and allow them to remain in the subsidized employment position until it is determined that the participant is ready and unsubsidized employment slots are available for the participant to transition into.

Provide personal contact and consistent follow-up between program staff, participants and employment supervisors and provide an immediate opportunity for the participant to work with a case manager for the participant to address serious issues if they arise.

Job Development and Unsubsidized Job Placements:
Transitioning TJ participants into unsubsidized jobs is among the most challenging aspects of TJ program operation, especially in times of high unemployment when TJ participants are competing for entry-level jobs with many candidates who do not face the same barriers to employment. State and local entities participating in P3 should be asked to demonstrate how they will:

- Dedicate adequate resources to job development, by fully funding and staffing job development efforts, and investing in professional development for job developers.
- Build and leverage relationships in the community that can provide exposure to potential employer partners, through chambers of commerce, philanthropic and professional societies such as Rotary, and informal networks.
- Emphasize the advantages that TJ participants have over other entry-level candidates, such as soft skills training, access to job coaches, and ongoing retention support.
- Educate employers about incentives such as the Work Opportunity Tax Credit, for which most populations served by TJ are eligible.
- When applicable, target appropriate industries that do not prohibit hiring people with criminal records and dispel stereotypes and myths about this population.
- Identify and build long-term relationships with employer partners that understand not only the business case for hiring TJ graduates, but also believe in the social mission and community benefits of TJ.
- Take a "dual customer" approach that actively addresses both the skills needs of employers and the career interests of participants.
- Transition participants into unsubsidized employment in the community with non-profit, government, or for-profit employers with minimal time between subsidized and unsubsidized employment.
- Reengage participants in subsidized employment if the participant loses the unsubsidized job.
**Job Retention Support:**
Employment retention support is critical for the success of participants. Retention in unsubsidized work should be a priority of programming from the first day a participant enters a TJ program. Case management, job readiness training, soft- and hard-skills training, and job coaching should all focus on ultimately helping participants stay and advance in unsubsidized jobs. It is also critical that retention activities receive the same amount of planning, resources, and staff time as any other component of the TJ model. Research has indicated that retention services lasting no fewer than six months and programs conducting three or more participant contacts per month are associated with positive outcomes such as working more months, working full time, and higher earnings.

- Monitor participants and provide retention services for no fewer than 6 months ongoing following unsubsidized job placement.
- Provide regular, frequent follow-up contacts by retention specialists with both employees and employers.
- Conduct ongoing retention-focused activities such as workshops, peer learning groups, and support groups.
- Offer retention incentives, which can take the form of monetary bonuses or nonmonetary incentives such as child care services.
- Provide reemployment services.

Core retention services such as follow-up contacts should begin as soon as a participant enters unsubsidized employment. Research from P/PV indicates that the length of time in a retention/advancement program—receiving services for at least six months—was associated with working more months, working full time and having higher annual earnings. The intensity of program retention/advancement services—averaging three or more contacts with program staff per month—has been associated with having an increase in wages of $1 or more per hour, working full time and having health benefits.
APPENDIX B.

Wage Stepping, Graduated Stress and Triaged Employment Strategies.

Subsidized Employer Wage Stepping

- External employer partners initially receive a full wage subsidy for each participant they host, with the subsidy being reduced over time.
- Allows employers to “test out” a worker while also necessitating that the employer invest in the worker, which may encourage post-subsidy retention.
- Useful strategy for engaging first-time employer partners who are hesitant but curious about subsidized employment.
- Employment programs that place participants with external employer partners are best positioned to implement this strategy.

Graduated Stress for Subsidized Employment Participants

- Workplace responsibility and performance goals for participants increase over the course of program participation.
- Strategy is well-suited to difficult-to-engage individuals with limited work experience and low job readiness.
- Programs that use this strategy should be prepared to engage with participants for a number of months.
- Employment programs that run a social enterprise or work-crew model where they can easily provide feedback to participants and modify workloads over time may be best positioned to implement this strategy.

Triaged Subsidized Employment Placements

- Based on a holistic assessment, participants are assigned or “triaged” into a subsidized job position that meets them where they are in terms of job readiness and employment interests.
- Strategy allows a program to serve participants who are at varying levels of job readiness and face different barriers to employment.
- Employment programs that place clients with scattered site, external employer partners or that operate several social enterprises that demand different levels of work readiness may be best suited to implement this strategy.

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