

# IMPLEMENTING TRANSITIONAL JOBS UNDER THE WORKFORCE INNOVATION & OPPORTUNITY ACT

## Why & How Workforce Investment Boards Should Leverage WIOA Dollars for Transitional Jobs

February 2016, Policy Advocacy Brief

Under the Workforce Innovation and Opportunity Act (WIOA), the public workforce system aims to increase employment and economic opportunity for jobseekers facing barriers to employment.

WIOA allows local Workforce Investment Boards (WIBs) to use up to 10 percent of Title I Adult and Dislocated Worker funds to implement Transitional Jobs (TJ) programming for individuals facing barriers to employment. Leveraging available funds to implement TJ is a key way communities can help ensure that a greater share of jobseekers facing barriers to employment have access to employment programming that meets their needs and interests and prepares them for success in work.

This brief provides an overview of the TJ model, makes the case for why WIBs should implement TJ, and offers strategies for how communities can implement TJ in an environment of limited resources.

**HEARTLAND ALLIANCE**  
NATIONAL INITIATIVES



**WIOA PLANNING & IMPLEMENTATION  
TOOLKIT**

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## **National Initiatives on Poverty & Economic Opportunity**

Heartland Alliance's National Initiatives on Poverty & Economic Opportunity is dedicated to ending chronic unemployment and poverty. We believe that every person deserves the opportunity to succeed in work and support themselves and their families. Through our field building, we provide support and guidance that fosters more effective and sustainable employment efforts. Our policy and advocacy work advances solutions to the systemic issues that drive chronic unemployment.

### **Our national initiatives include:**

The National Transitional Jobs Network (NTJN)

The National Center on Employment & Homelessness (NCEH)

Black Men Overcoming Barriers & Realizing Employment (B.MORE) Initiative

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# Introduction

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The Workforce Innovation and Opportunity Act (WIOA) modernizes the federal framework that guides America's public workforce system. The statute prioritizes and acknowledges the need for workforce services and supports for jobseekers facing barriers to employment to a greater degree than its predecessor, the Workforce Investment Act. WIOA also requires that states articulate in their workforce development plans how they will better serve jobseekers who face barriers to employment.

Transitional Jobs (TJ) is an evidence-based workforce development strategy for helping jobseekers facing barriers to employment or experiencing chronic unemployment succeed in work. Under WIOA, local Workforce Investment Boards (WIBs) can now leverage up to 10 percent of Title I Adult and Dislocated Worker funds to implement TJ, which combines wage-paid work, job skills training, and supportive services. TJ workers earn a much-needed paycheck, learn skills, and receive intensive mentoring and support to prepare them for success in the unsubsidized labor market. TJ is cost-effective and has been shown to have positive social and economic impacts for individuals, families, and communities.

As communities implement WIOA, WIBs are encouraged to leverage the TJ strategy to help meet the statute's goals of increasing employment and economic opportunity for jobseekers facing barriers to employment. By implementing TJ their communities, WIBs can help ensure that a greater share of adult and youth jobseekers facing barriers to employment can succeed in the workforce.

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# I. WIOA, Jobseekers Facing Barriers to Employment, and Transitional Jobs

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Transitional Jobs (TJ), an allowable use of funds under the Workforce Innovation and Opportunity Act (WIOA), is an evidence-based workforce development strategy for helping to prepare jobseekers facing barriers to employment to succeed in the labor market. This section gives an overview of TJ that includes its definition under WIOA along with TJ's goals and populations served.

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The Workforce Innovation and Opportunity Act (WIOA) supersedes the Workforce Investment Act and modernizes the federal framework that guides America's public workforce system. Under WIOA, the public workforce system places a greater emphasis on increasing employment and economic opportunity for adult and youth jobseekers facing barriers to employment.<sup>1</sup>

WIOA requires the local public workforce system to identify and promote evidence-based strategies for meeting the needs of jobseekers facing barriers to employment. Transitional Jobs (TJ) is one such evidence-based strategy for helping to meet this requirement. Under WIOA, local Workforce Investment Boards (WIBs) can leverage up to 10 percent of Title I Adult and Dislocated Worker funds to implement TJ programs for jobseekers who face barriers to employment and who are at-risk of or experiencing chronic unemployment.<sup>1</sup>

As defined by the National Transitional Jobs Network (NTJN), an initiative of Heartland Alliance's National Initiatives on Poverty & Economic Opportunity, TJ combines wage-paid work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce.

Aligned with NTJN's definition of TJ, WIOA statute defines transitional jobs as:

- time-limited work experiences that are subsidized and are in the public, private, or nonprofit sectors for individuals with barriers to employment who are chronically unemployed or have an inconsistent work history;
- combined with comprehensive employment and supportive services; and
- designed to assist the individuals...to establish a work history, demonstrate success in the workplace, and develop the skills that lead to entry into and retention in unsubsidized employment.<sup>2</sup>

By implementing TJ their communities, WIBs can help ensure that a greater share of adult and youth jobseekers facing barriers to employment can succeed in the workforce.

i. At the time of publication, the U.S. Department of Labor has not released its final rules on WIOA. Through [comments](#) submitted to U.S. Departments of Labor and Education, the NTJN has encouraged that allowable use of funds include wages paid to TJ program participants, employment-related case management and supports, job retention services, the integration of adult basic education and career advancement resources within the program model, and other best and promising TJ program practices.

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***Our Transitional Jobs Toolkit offers resources to inform TJ programming. WIBs can use the toolkit to plan and design TJ programming, select vendors to deliver TJ, and make sure that TJ programs reflect the latest evidence-based and promising practices.***

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***In addition to helping jobseekers facing barriers to employment succeed in work, TJ has a number of other goals aimed at benefiting individuals, families, and communities.***

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### **Overview of Transitional Jobs:**

Research evidence demonstrates that TJ works best for jobseekers facing the most significant barriers to employment.<sup>3</sup> TJ is often deployed as a workforce development strategy to help build skills and secure employment for people exiting incarceration, people experiencing or at-risk of homelessness, long-term recipients of public benefits, individuals with very limited or no work history, and opportunity youth who are not working or in school, among other populations facing barriers to employment.

TJ workers earn a paycheck, learn skills, may become eligible for the Earned Income Tax Credit, and receive intensive mentoring and support to prepare them for success in the unsubsidized labor market. TJ has also been referred to as public service jobs, community service jobs, and publicly funded employment.

TJ employment can take place in work crews, in social enterprises that combine a revenue-generating business and mission-driven employment services, or with employer partners in the community. In addition to paid work, supportive services, and skill development, TJ provides job development and retention services to help jobseekers find and keep unsubsidized employment.

### **Goals of Transitional Jobs:**

TJ's primary goal is to help jobseekers facing barriers to employment get, keep, and advance in work. TJ also has a variety of other goals aimed at benefiting individuals, families, and communities, including:

- providing immediate earned income for people who would otherwise not have access to employment;
- stabilizing individuals and families through earned income and supports;
- allowing participants to access income supports for working people such as the Earned Income Tax Credit, Unemployment Insurance, and Social Security;
- providing an opportunity for participants to learn workplace expectations experientially and address barriers to work in real time;
- helping chronically unemployed individuals build a work history, references, and the skills and experience necessary to transition into unsubsidized employment;
- reducing recidivism among returning citizens;
- generating cost savings to states and localities;
- benefiting employers through more work-ready candidates, better-matched candidates, increased capacity, and incentives.

## II. Why Workforce Investment Boards Should Implement Transitional Jobs

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Although Transitional Jobs (TJ) is an allowable use of funds under the Workforce Innovation and Opportunity Act, local Workforce Investment Boards (WIBs) will need to choose whether to implement the strategy. This section makes the case for why local WIBs should implement TJ to serve jobseekers facing barriers to employment in their communities.

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As communities implement the Workforce Innovation and Opportunity Act (WIOA), public workforce systems will need to make deliberate decisions about resource allocation and the set of employment programming that should be implemented to meet the needs and interests of jobseekers facing barriers to employment. Implementing Transitional Jobs (TJ), an evidence-based strategy, will help workforce boards meaningfully respond to WIOA's requirement to better serve jobseekers facing barriers to employment. Implementing TJ can also yield a positive return on investment, benefit employers, spur positive economic ripple effects in communities, and help ensure the public workforce system works for all jobseekers.

### **WIOA Requires that Workforce Boards Articulate How They Will Better Serve Jobseekers Facing Barriers to Employment:**

To respond meaningfully to changes to the public workforce system under WIOA, communities must leverage cost-effective and evidence-based workforce development strategies for people facing barriers to employment. TJ is among the most promising ways to help jobseekers facing significant barriers gain employment, and there is a robust evidence base for the model. The TJ strategy also provides a positive return on investment of public dollars. For example, when targeted toward returning citizens who are at high risk of recidivism, experimental research has shown that TJ has a positive return on investment of nearly \$4 for every \$1 spent.<sup>4</sup>

As discussed in depth in Appendix I on [page 13](#), evaluations of TJ programs show that the strategy has many demonstrable positive effects, including:

- TJ gets people working who would not otherwise be employed, even in very weak labor markets;<sup>5</sup>
- TJ can promote pro-social behavior and orient jobseekers around work;<sup>6</sup>
- TJ can contribute to the long-term success of children and strengthen families;<sup>7,8</sup>
- TJ fosters economic independence by decreasing reliance on public benefits such as Temporary Assistance to Needy Families (TANF, or welfare);<sup>9</sup>
- TJ programs can significantly reduce recidivism, especially among those at highest risk of reincarceration. TJ has also been shown to make communities safer and help high-risk youth avoid justice system involvement;<sup>10,11</sup>

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***Our Employer Engagement Toolkit draws from employer survey data, program evaluation evidence, and other research to show how TJ benefits the business community and local economy.***

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- TJ positively contributes to the economic health of employers by lowering the cost of hiring new employees and increasing business productivity, financial well-being, and customer satisfaction;<sup>12</sup>
- TJ spurs local economic growth by generating additional demand for goods and services;<sup>13</sup>
- TJ can increase state and federal revenues.<sup>14</sup>

#### **TJ Benefits Employers and Has Positive Economic Ripple Effects in Communities:**

In addition to saying how they will serve jobseekers facing barriers to employment, WIOA tasks workforce boards with identifying and promoting proven and promising strategies for meeting the needs of employers and with ensuring that workforce investment activities support regional economic growth.<sup>15</sup> TJ has been shown to do both. TJ offers employers a low-risk opportunity to “try out” employees prior to hiring, can enhance the skills of the local labor pool, and may reduce the cost associated with hiring qualified workers. As noted above, employer survey data consistently show that employers attribute increased business productivity, financial well-being, and customer satisfaction to offering employment opportunities to subsidized TJ workers, and the overwhelming majority of employers would participate in TJ again if given the opportunity to do so.<sup>16</sup> What more, TJ spurs local economic growth by increasing local demand for goods and services. For example, a Chicago-based TJ program that placed over 1,500 people in TJ over four months grew regional demand by over \$5 million.<sup>17</sup>

#### **Many People Seeking Services From the Public Workforce Could Benefit From TJ:**

It is likely that a substantial portion of the jobseekers who use public workforce system services face barriers to employment that cannot be addressed effectively with the standard menu of employment services. These individuals may be recently returning from incarceration and seeking employment, be unstably housed, or have very limited work histories and could benefit from intensive employment interventions such as TJ. Because individuals facing barriers to employment are seeking services through the public workforce, American Job Centers need to have effective strategies in place for meeting these jobseekers’ employment needs and interests.

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***The public workforce system must work for all jobseekers, including those who need intensive interventions such as TJ to succeed in employment.***

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#### **The Public Workforce System Should Work for All Jobseekers—Including Those Who Face Barriers to Employment:**

Employment fulfills individuals, strengthens families, builds communities, and is fundamental to a prosperous America. When given the opportunity to work, the vast majority of people facing barriers to employment do so.<sup>18</sup> To ensure that everyone has the opportunity to succeed in work and support themselves and their families, the public workforce system must work for all jobseekers, including those who need intensive employment programming such as TJ to get, keep, and advance in work.

# III. How Communities Can Implement Transitional Jobs in an Environment of Limited Resources

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Many communities have limited resources available through the public workforce system under the Workforce Innovation and Opportunity Act to implement Transitional Jobs (TJ) programs. This section provides a number of strategies communities can draw on to implement TJ effectively even in a constrained-resource environment.

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The Workforce Innovation and Opportunity Act (WIOA) prioritizes serving populations facing barriers to employment but does not increase public workforce development resources. As a result, communities are likely to have limited resources available through WIOA to implement Transitional Jobs (TJ) programs. That being said, a number of strategies can help communities implement TJ effectively. These strategies include proper targeting, contracting and building partnerships, designing TJ programs based on best practices, minimizing implementation pitfalls by drawing from available expertise and lessons learned from other TJ initiatives, leveraging resources and expertise from other systems, and drawing from other workforce funding streams.

## **Make the Best Use of Resources by Targeting TJ to the Jobseekers Who Can Benefit the Most:**

TJ works best for jobseekers facing the most significant barriers to employment.<sup>19</sup> To control costs and make sure that TJ is provided to jobseekers who are most likely to benefit from program participation, TJ “slots” available in communities should be provided to participants who would be unlikely to get, keep, and advance in work with lower-intensity services such as resume preparation or job search assistance. To determine if a jobseeker is a match for TJ, individuals seeking services from the public workforce system who appear to be good candidates for intensive services should be thoroughly assessed for barriers to employment, work experience and history, and educational and career interests and goals. WIBs may also want to consider recruiting people facing significant barriers to employment for TJ programs. Providing TJ to carefully-selected participants who are most likely to benefit from the strategy will help ensure the effective and efficient use of public workforce resources.

## ***Barriers to Employment to Consider Among TJ Candidates***

TJ works best for individuals facing significant barriers to employment and who struggle to get, keep, and advance in work even when the labor market is strong. When determining if an individual is a good fit for TJ programming, consider the barriers to employment that individual faces and remember that the best TJ candidates likely face multiple of these barriers. Barriers to employment include: having little or no work experience or a sporadic work history, low educational attainment, limited literacy and numeracy skills, experiencing or being at-risk of homelessness, having a criminal record, lacking affordable child care and reliable transportation, having an undiagnosed or untreated mental health condition, or having a substance abuse issue, among others.

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***Because WIOA funds can be used to pay for all core components of TJ, contracts between WIBs and local service providers who are equipped to deliver TJ should reflect a high-level of flexibility when it comes to individualized supportive services and length of engagement.***

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### **Leverage Local Expertise and Avoid Duplication of Services by Contracting and Partnering to Deliver TJ Services:**

Contracting and partnerships can leverage local expertise and experience in delivering the TJ model while avoiding duplication of services or “reinventing the wheel.” There are likely community-based service providers with the reputation, knowledge, and capacity to deliver TJ to targeted individuals facing barriers to employment. These local providers are likely to have a presence in the communities that WIBs need to serve, established relationships with employer partners, and a trusted reputation in the communities they serve. Conducting community asset mapping processes to assess existing workforce services and supports available for jobseekers facing barriers can help identify the availability and capacity of TJ programs as well as unmet need. By aligning public workforce strategies with existing community assets, WIBs can tap into local expertise, experience, and existing knowledge to deliver TJ to the jobseekers who need it most.

### **Design and Implement TJ Programs Based on Best and Promising Practices:**

For communities where TJ will be a new strategy, it’s critical to design and implement programs that align with best and promising practices in the field. Designing and implementing programs well saves money in the short and long terms and better meets the needs of jobseekers facing barriers to employment. To maximize success early on, communities and stakeholders need to answer key questions about TJ program design and implementation, including making decisions such as who will be served by the program, the program’s scale, and the services and supports TJ workers will receive. As the national expert on the TJ model, the National Transitional Jobs Network (NTJN) has produced a Transitional Jobs Toolkit that provides resources to help communities ensure that a TJ program reflects the latest best and promising practices.

## ***What Should WIBs Look For in a Community-Based TJ Provider?***

***WIBs seeking to partner or contract with a community-based service provider to implement TJ need to make sure that provider will deliver services effectively. WIBs are encouraged to seek out partners and contractors with the following characteristics: prior experience delivering the model, capacity to serve additional referrals, diversified funding support for employment services, general adherence to best practices in service design and delivery as recommended by the NTJN, demonstrated employer relationships, demonstrated connections to all necessary supportive services, and, where possible, the ability to act as employer of record for TJ workers.***

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***There's no need to reinvent the wheel when it comes to TJ design and delivery. Communities can and should leverage the field's existing expertise.***

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**Avoid Pitfalls and Minimize Costs by Drawing from Available Expertise and Lessons Learned:**

Launching a TJ program from scratch takes up staff time and administrative dollars that local WIBs can likely put toward other uses, and troubleshooting TJ implementation processes can be challenging. There's no need for WIBs to reinvent the wheel or "go it alone" when it comes to TJ design and implementation. In addition to basing TJ service design and delivery on best and promising practices, communities can and should leverage the field's existing expertise and lessons learned to avoid common pitfalls. The NTJN has nearly 20 years of experience helping to develop, implement, and troubleshoot TJ programs across the country, and can serve as a sounding board or advisor for new or expanded TJ initiatives. The NTJN can also help WIBs broker relationships with other states and communities that have expertise running TJ programs to foster peer-to-peer learning and knowledge exchange.

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***Our TANF and Transitional Jobs Toolkit can help support the design and implementation of TJ programs using TANF resources.***

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**Maximize Systems-Level Resources and Expertise by Leveraging WIOA-Mandated Partnerships:**

WIOA-mandated partnerships such as those with Temporary Assistance to Needy Families (TANF, or welfare) and Second Chance Act projects can help mitigate costs for TJ programming for some populations, such as for long-term recipients of public assistance or people returning home from incarceration. In particular, the TANF system has recent experience using funding through the American Recovery and Reinvestment Act (ARRA) to successfully implement and scale TJ and subsidized employment programming for jobseekers facing barriers.<sup>20</sup> By drawing from lessons learned under ARRA, a partnership between the public workforce and TANF systems could maximize TJ implementation expertise in addition to maximizing resources.

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***Local WIBS serving areas of concentrated poverty and unemployment are encouraged to appeal to the Governor to use discretionary resources for TJ programming to help jobseekers earn immediate income while preparing for unsubsidized employment.***

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**Grow Resources for TJ by Blending and Braiding Funding Sources:**

In addition to leveraging up to 10 percent of allocated WIOA training funds for TJ implementation, local WIBs can and should seek additional funding streams to implement TJ. Under WIOA, the Governor's Discretionary Fund reserves WIOA dollars for state-funded projects. As discussed in our resource, Maximizing Discretionary Dollars: How the Governor's WIOA Discretionary Fund Can Serve Adults & Youth Facing Barriers to Employment, these discretionary dollars can be used to implement TJ. WIOA dollars alone, however, may not be an adequate source of funding to sustain and scale TJ in communities. In many states and localities, TJ programs have operated with a patchwork of funds that make creative use of different funding streams' allowable uses. Two of our other resources, Where's the Money?: Federal Employment and Training Funding Sources and Innovative City and State Funding Approaches to Supporting Subsidized Employment and Transitional Jobs, give an overview of the funding sources local WIBs can explore to support and scale TJ programs.

# Conclusion

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Major revisions to America's public laws happen rarely. Now is the time for communities to make deliberate choices to help ensure that the public workforce system under the Workforce Innovation and Opportunity Act (WIOA) achieves its goals of increasing employment and economic opportunity for adult and youth jobseekers facing barriers to employment.

By leveraging available WIOA funds to implement Transitional Jobs (TJ) in their communities, local Workforce Investment Boards (WIBs) can meet their obligation under the law to serve jobseekers facing barriers with evidence-based employment strategies. More importantly, local WIBs can help ensure that the public workforce system works for all jobseekers, regardless of the barriers they may face.

Every person deserves the opportunity to succeed in work and support themselves and their families. By implementing TJ, WIBs can help a greater share of jobseekers facing barriers to employment get, keep, and advance in work.

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# Appendix I: Evidence Supporting Transitional Jobs

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Evaluations of Transitional Jobs (TJ) programs show that the strategy has many demonstrable positive effects for individuals, families, communities, and states.

## **TJ gets people working who would not otherwise be employed.**

TJ programs are targeted at individuals who, if it were not for the strategy, would not be working. TJ programs keep individuals who face significant barriers to employment working and earning a paycheck to meet their basic needs such as food, housing, and healthcare. TJ gets people to work even in very weak labor markets.<sup>21</sup>

## **TJ can promote pro-social behavior and orient jobseekers around work.**

There is evidence that TJ help workers make positive changes in their choices and behavior, as demonstrated by reductions in recidivism among TJ participants who have recently been released from incarceration.<sup>22</sup>

## **TJ can contribute to the success of children and strengthen families.**

Parental participation in TJ positively impacts the lives of children as evidenced by improvements in children's long-term educational outcomes, pro-social behavior, and attitudes toward work.<sup>23</sup> TJ can also support parental engagement by non-custodial parents, and earned income generated through TJ can support positive outcomes for children by improving relationships between co-parents as well as among parents and their children.<sup>24</sup>

## **TJ can reduce poverty.**

Because wage-paid, real work is at the core of the TJ strategy, workers earn quarters toward wage-based tax incentives such as the Earned Income Tax Credit, which is proven to lift individuals and families out of poverty. TJ workers also pay into social insurance programs and become eligible to receive Unemployment Insurance and Social Security. Taken together, earned income, tax-based credits, and access to the work-based social safety net can mitigate poverty's harshest impacts.

## **TJ fosters economic independence.**

TJ can play a role in fostering economic independence by decreasing reliance on public benefits such as Temporary Assistance to Needy Families (TANF, or welfare). An evaluation of a Philadelphia-based TJ program found that 62 percent of participants sustained unsubsidized employment for at least six to nine months following program completion, allowing them to support themselves without public assistance.<sup>25</sup>

## **TJ programs can reduce recidivism and make communities safer.**

TJ participation among individuals recently released from incarceration has been shown to significantly reduce recidivism and generate cost-savings to society of up to \$8,300 per participant. Among the same group, TJ participation has also been found to significantly reduce reincarceration rates for committing a new crime, indicating that TJ programs can increase safety in communities.<sup>26</sup> Similarly, new evidence shows that TJ participation can reduce violent crime arrests by 43 percent among young people from highly disadvantaged neighborhoods—even more than a year after the TJ has ended.<sup>27</sup>

# Appendix I, Continued: Evidence Supporting Transitional Jobs

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## **TJ positively contributes to the economic health of employers.**

TJ programs have been shown to positively benefit participating private sector employers by lowering the cost of hiring new employees and increasing business productivity, financial well-being, and customer satisfaction.<sup>28</sup>

## **TJ spurs local economic growth.**

The wages paid to TJ workers tend to be spent immediately in local communities so that TJ workers can meet their basic needs. This spending, in turn, increases local demand for goods and services. For a Chicago-based TJ program that placed over 1,500 people in TJ over four months, demand for goods and services is estimated to have increased by over \$5 million because of the TJ program.<sup>29</sup>

## **TJ can increase state and federal revenues.**

A program that placed over 27,000 individuals in TJ over a six month period generated nearly \$13.6 million in federal income, Medicare, and Social Security taxes and over \$2.7 million in state income tax.<sup>30</sup>

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