

# Living-Wage JOBS



*The emphasis on “good” jobs loses focus when unemployment rates are low.*

FINDING COST-EFFECTIVE WAYS to increase economic opportunities for disadvantaged individuals and to lower poverty rates has been a public-policy priority for the past thirty years. Employment policy is increasingly concerned not only with placing disadvantaged individuals in jobs, but with keeping them in the workforce over the long term and helping them move into “good” jobs. In a national survey commissioned by the Pew Partnership for Civic Change, Americans listed the lack of living-wage jobs as the number one problem in their communities (*Ready, Willing, and Able*, 2001).

The emphasis on “good” jobs loses focus when unemployment rates are low. As Dewar and Scheie (1995) point out, “. . . it matters a great deal what kinds of jobs people are able to find and hold. Jobs with a future and with incremental income are particularly important. This is even more true for those who have few skills and have experienced dead-end jobs” (p. 6).

The sense of urgency has increased in the wake of welfare-reform legislation, which seeks to move welfare recipients quickly into work and limits the amount of time families can receive federal aid. The concentration of unemployment and poverty in inner-city neighborhoods has drawn attention to finding solutions that are rooted in the community, built on community assets, and sustainable.

### ***Two basic philosophies dominate:***

- Work-first programs tend to focus on moving individuals fairly quickly into the workforce, believing that early work experience is the best foundation for building work skills and habits.
- Human resource development models focus on more intensive preparation before moving individuals into the workforce and seek to provide the supports people need to retain jobs before launching them into the workforce.



Programs that seek to increase employment among disadvantaged populations or in persistently poor neighborhoods typically concentrate on one or more of the following strategies to alleviate conditions that are thought to contribute to high unemployment rates:

- Preparing people for jobs by developing the skills they will need in the workplace.
- Providing greater access to jobs and connecting job applicants with employers.
- Keeping people in jobs after a placement by providing necessary supports.
- Helping people move out of entry-level jobs into better jobs.

Not everyone needs intensive job-preparation services, and it is not cost effective to provide them. The difficulty lies in targeting the people who need and can benefit from intensive interventions.

Rigorous research shows several job-preparation models to be effective in increasing employment and earnings among a variety of disadvantaged groups—all are intensive programs that package vocational training or work experience with basic education and soft skills training, job development, and placement assistance, and have strong case management.

- Job-search programs can increase employment rates among female welfare recipients over the longer term, but they do not move participants into better-paying jobs.
- There is growing interest in the potential for packaging quick job-placement strategies at the front end with post-program supports aimed at retention, re-employment, and advancement. However, there is no evidence supporting the effectiveness of the strategy.
- Some job-brokering programs run by community-based organizations show promise in placing job-ready applicants into basic jobs and placing more disadvantaged workers into temporary jobs with the potential to move into permanent positions.
- Job-brokering organizations and training providers that develop strong ties with employers and find ways to meet employer needs as well as those of disadvantaged job seekers tend to be more effective (Cave; Harrison & Weiss; McGill).

- Increasing participant retention is an issue in programs that offer longer-term, intensive preparation. Offering a variety of supports (including financial assistance or paid part-time work) and rewards and incentives are typical strategies (Cave; Wolf, et al.; Osterman). There is some evidence to suggest that shorter, more intensive programs may be more effective than sequencing several components over a longer period (Cave).

## **YOUTH EMPLOYMENT PROGRAMS**

***Years of research suggest that the following components are vital to the success of employment programs that serve older, out-of-school youth:***

- The integration of skills training and/or paid work experience with opportunities for improving basic education skills in alternative education settings and developing “job readiness skills.” Occupational training and work experience should be intensive, involve hands-on experiential learning, and be linked to real-world employment opportunities and employers.
- Opportunities for youth to have sustained involvement with, and support from, caring adults.
- Ongoing support that can continue after an initial placement in a job and, if needed, through several jobs (Walker; Ivry).

***Programs that work with older youth who are very disconnected from mainstream society can benefit from the following components:***

- Motivational strategies that recognize and encourage individual achievement (e.g., financial incentives and penalties) and that offer peer-group support.
- Connections to outside providers who can help meet a youth's basic needs for housing, food, clothing, and medical care and can help solve family and personal problems.
- Opportunities for leadership development and civic participation.
- Work-experience programs that attempt to develop basic job skills in a work setting rather than in the classroom. Work-experience programs that integrate work and education and are based on a service-corps model (which uses small work teams on community-service projects and incorporates youth-development principles) have



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shown promising short-term results for disadvantaged youths in carefully designed evaluations, but there is no evidence of their long-term effects (Wolf, et al.; Jasztrab).

- School-to-work programs, now funded and authorized through federal legislation, provide opportunities for high school students to participate in school-based learning about work and careers, work-based learning opportunities, and “connecting activities” that link experiences in schools and workplaces. An implementation study of 16 pioneering school-to-work programs concluded that these programs can improve preparation for work, as well as increase opportunities to attend college and other postsecondary educational options.
- Research has shown that job-search or pre-employment programs for youth initially increased employment rates, but the effects disappeared by the end of two years (Betsey, et al.).



## **PREPARING ADULTS FOR LIVING-WAGE JOBS**

According to the skills-mismatch theory, many disadvantaged individuals have trouble in the job market because they lack the basic skills and education that employers require and, therefore, are not prepared to meet the demands of the workplace. It is argued that, as a result of structural changes in the United States economy, more entry-level jobs now require higher-skill levels than before, yet do not pay as well. It is also argued that many individuals who grow up in consistently poor neighborhoods, where large numbers of residents are unemployed, may lack knowledge of job opportunities and an understanding of appropriate workplace behavior.

***Successful strategies to address these problems include a combination of the following:***

- Vocational skills training to prepare job seekers for work by developing technical skills in a classroom setting have demonstrated results.

Two rigorous experimental evaluations have shown that a vocational-skills training program operated by the Center for Employment Training (CET) in California is highly effective in increasing employment and earnings among older male youths, who are high school dropouts, and minority single mothers. The CET model, which is being replicated in a number of locations, provides hands-on training or experiential learning in a classroom setting using a self-paced curriculum with flexible starting and ending dates; integrates basic-education training and pre-employment training into the skills-training curriculum; and maintains strong ties with local employers who are involved in helping to design and deliver the training (Cave; Zambrowski & Gordon).



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- Supported work programs that offer a closely supervised, intensive work experience, become increasingly demanding over time, and provide opportunities to develop peer supports in small work crews show promise. Rigorous experimental research showed that supported work raised employment and earnings and reduced welfare receipt among long-term Aid to Families with Dependent Children (AFDC) recipients and had some positive outcomes among the target group of former drug addicts (MDRC Board of Directors). Several programs that work with special-needs populations (e.g., substance abusers and ex-offenders) are based on the supported work model.
- Basic education to develop literacy skills and increase General Education Diploma (GED) receipt among those who lack a high school diploma appears to work best when it is offered in an alternative education setting and when it is integrated with skills training rather than offered as the first segment in a sequence of services (Cave). Using creative forms of learning is also stressed (Smith). There is no evidence on the effectiveness of offering basic education as a stand-alone treatment to increasing employment among adults. There is some debate about whether it should be the initial component in a sequence of activities for adult welfare recipients (Herr & Halpern).
- Pre-employment training/career-exploration training designed to familiarize individuals with little work experience about the world of work is considered important. But there is little evidence about its effectiveness as a stand-alone treatment. More typically, it is offered in conjunction with skills training or job-search training. A new trend is to couple it with placement assistance and post-employment supports.



## **JOB-ACCESS AND JOB-PLACEMENT STRATEGIES**

Another explanation of why people who may have the appropriate skills fail to get jobs is that they live in communities where jobs are scarce and they lack transportation to areas where jobs are available. In addition, they may lack the social connections that can provide information about job openings and supply references to employers.

### ***A variety of strategies to address these problems are being used:***

- Job-search/job-club programs typically teach disadvantaged individuals how to look for a job, prepare an application or resume, act in an interview, and monitor their progress in contacting employers.
- Group job-search programs that move adult women welfare recipients into employment have proven effective through rigorous experimental research but they have not been effective in increasing earnings levels, moving them into better jobs, or reducing poverty levels. The group interaction appears, however, to provide support and motivation (Bloom).



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- Job brokering done through community-based organizations, which function like employment agencies for certain neighborhoods or disadvantaged groups, has had success. The brokering organization develops contacts with employers, identifies job openings and hiring criteria, and recruits and screens applicants for specific job openings. Some may provide short-term, pre-employment training or refer applicants to occupational-training programs before referring them to employers. Case studies of job-brokering programs identify a number of promising models that place disadvantaged and minority workers from poor neighborhoods into mainstream economic jobs. Available data suggest that these programs are primarily working with the more-advantaged among their disadvantaged clientele (i.e., those with more education or work experience than is typical of the group as a whole). No data are available to assess the long-term effects of the programs (Ma & Proscio; Molina).

Some job-brokering programs have been successful, however, in placing very disadvantaged individuals (homeless persons, former convicts, individuals with serious substance-abuse histories, high school dropouts, welfare recipients, and disabled persons) into temporary jobs that are expected to lead to permanent hires. As yet there are no data to indicate whether workers are able to transition from temporary jobs into permanent jobs, to measure long-term retention, or to assess which placement practices are most effective (Seavey).

Generally, a job or employment brokerage initiative can bridge some of the obstacles job seekers face.

*It helps low-income people access jobs and be qualified to fill them; it helps employers find more capable employees in communities where*

*Students accomplish goals of the program when they complete five of the following seven objectives:*

- *Obtained a GED or high school diploma*
- *Obtained a valid driver's license*
- *Remained crime free for one year*
- *Mastered basic computer skills*
- *Opened and used a bank account*
- *Registered to vote*
- *Obtained a job at better than minimum wage*

*Taller San Jose  
Santa Ana, CA*

*poverty and unemployment are highest. Such a program must also be realistic about discrimination and other barriers that keep good applicants from ever being considered, much less chosen, for some of the good jobs that are available. It works best in tandem with forceful and effective anti-discrimination efforts (Dewar & Scheie, 1995, p. 82).*

Transportation linkage programs address the problem of spatial mismatch by providing inexpensive ways for inner-city workers to commute to jobs in outlying areas, under the assumption that jobs are more plentiful and better paying outside the inner city. Community-based organizations in several cities have successfully created a system of mini-buses and vans to transport disadvantaged inner-city workers to jobs in the suburbs and within the city; in another location, a suburban transport authority worked with employers to establish two new bus routes to transport inner-city residents between the train station and suburban businesses. A multi-city demonstration to test the effectiveness of programs that provide job-placement assistance, transportation, and support services to inner-city residents who work in suburban jobs is currently underway (Stillman; Harrison & Weiss; Palubinsky).

*Many of the entry-level jobs are second and third shifts, when traditional public transportation is not available. In the final analysis, people can't get or keep a job without dependable transportation.*

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## MOVING UP THE LADDER

There is mounting evidence that many disadvantaged and minority workers get stuck in low-level entry jobs that do not pay well and offer no opportunities for advancement. Several strategies are designed to deal with this issue:

- Helping entry-level workers plan and implement a progressive series of steps to achieve a “better” job. The developmental philosophy inherent in this approach is best articulated by Project Match, which argues that reaching the ultimate goal may take years and require a progression of employment and educational experiences that build on each other and are supported by post-placement services (Herr & Halpern).
- Brokering temporary jobs that are designed to develop into permanent placements for very disadvantaged job applicants (Seavey).
- Targeting job-brokering efforts to industries or occupations that have built-in potential for advancement and higher pay (Ma & Proscio; Stillman).
- Using customized training programs as upgrade programs for disadvantaged workers who already have work experience. An intermediary organization identifies local industries or occupations that have difficulty filling higher-level jobs from the local labor pool and works with employers and other local groups to develop programs to train disadvantaged workers for those positions (Osterman; Ma & Proscio).



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Although all these strategies are considered promising, and programs that use them have been successful in placing disadvantaged workers in good jobs, there are no evaluations to indicate whether they are more successful than traditional strategies in moving disadvantaged workers with few skills from temporary jobs into permanent jobs, or from entry-level jobs into better jobs, or increasing job retention. There is also no evidence of particular practices that are most effective.

Finally, mounting evidence about high job-turnover rates among welfare recipients and youths in entry-level jobs has created interest in the potential for providing post-placement supports to help entry-level workers maintain their jobs or quickly get new ones. Research suggests that the main problems new workers experience are adapting to the demands of the workplace and getting along with supervisors and co-workers; coping with the additional pressures that work places on family life and personal

relations; and—for welfare recipients—adapting to the financial costs associated with working (Haimson, et al.). Strategies that are being used to address these issues include a menu of post-placement supports, including individual counseling or case-management assistance; peer-group support sessions; mentoring; staff intervention with an employer; help in arranging childcare, transportation, accessing benefits, medical insurance, and other supports; and assistance in getting another job.

A rigorous evaluation (Rangarajan, Meckstroth, & Novack) of a demonstration that provided job-acquiring AFDC recipients with post-placement services (counseling and moral support, help with accessing benefits and financial budgeting, and re-employment assistance) found that after one year, the program had small or modest effects on job retention and employment, increasing earnings, or reducing welfare receipt at three of the four sites. The service most used and most valued was the counseling and support provided by staff.

Living-wage jobs are critical for building self-sufficient individuals and families. Unemployment rates, no matter how small, do not reflect the adequacy of good jobs or promising opportunities. Training, access, availability, and personal motivation are keys to improving the jobs outlook.



## LIVING-WAGE JOBS STARTING-POINT RESOURCES:

### Websites

Center for Community Change  
[www.communitychange.org](http://www.communitychange.org)

Department of Labor  
[www.dol.gov](http://www.dol.gov)

Jobs for the Future (JFF)  
[www.jff.org](http://www.jff.org)

Manpower Demonstration Research Corporation (MDRC)  
[www.mdrc.org](http://www.mdrc.org)

Public/Private Ventures (P/PV)  
[www.ppv.org](http://www.ppv.org)

The Urban Institute  
[www.urban.org](http://www.urban.org)

Welfare Information Network  
[www.welfareinfo.org](http://www.welfareinfo.org)



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### Publications

Bloom, D. (1997). *After AFDC: Welfare-to-work choices and challenges for states*. New York: Manpower Demonstration Research Corporation.

Dewar, T., & D. Scheie. (1995). *Promoting job opportunities: Towards a better future for low-income children and families*. Baltimore, MD: The Annie E. Casey Foundation.

Sar Levitan Center for Policy Studies. (1997). *A generation of challenge: Pathways of success for urban youth*. Baltimore, MD: Johns Hopkins University, Institute for Policy Studies.

Seavey, D. (1998). *New avenues into jobs: Early lessons from nonprofit temp agencies and employment brokers*. Washington, DC: Center for Community Change.

Trutko, J., D.S. Nightingale, & B.S. Barnow. (1999). *Post-employment education and training models in welfare-to-work grant programs*. Washington, DC: The Urban Institute.

Wilson, W.J. (1996). *When work disappears: The world of the new urban poor*. New York: Knopf.