

# Employment and Training Strategies to Reduce Family Poverty

**The Policy Institute for Family Impact Seminars**



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# Employment and Training Strategies to Reduce Family Poverty

Background Briefing Report  
by Theodora Ooms and Jennifer Weinreb

and highlights of the Seminar held on February 3, 1993,  
at Room 902 Hart Senate Office Building, Washington, DC

<b>Panelists:</b>	<b>Gordon Berlin</b>	Senior Vice President, Manpower Demonstration Research Corporation
	<b>Donald Sykes</b>	Executive Director, New Hope Project, Inc.
	<b>Robert Lerman</b>	Chairman, Department of Economics, American University
<b>Moderator:</b>	<b>Theodora Ooms</b>	Director, Family Impact Seminar

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# Employment and Training Strategies to Reduce Family Poverty

## Highlights of the Seminar

Held on February 5, 1993, in 902 Hart Senate Office Building, Washington, DC.

**Theodora Ooms** welcomed participants to the fourth in a series of seminars on family poverty. This seminar, she said, would focus on employment and training strategies to help poor parents get jobs, stay in jobs, and earn higher wages. The panel will weave together two themes that are generally treated separately: remediation strategies for parents who are working poor, unemployed, and possibly on welfare; and preventive strategies targeting young people to help them make the transition from school to work, so that when they become parents—and some already are parents—they will be able to better support their families.

Ooms introduced the first panelist, **Gordon Berlin**, senior vice president of the Manpower Demonstration Research Corporation (MDRC). He previously spent three years in the New York City Human Resources Administration, worked for the Ford Foundation in its poverty division, and also worked with the U.S. Department of Labor in the seventies.

Berlin began by noting that in contrast to other policy areas, welfare reform policymakers can draw upon rigorous random assignment evaluation studies conducted on welfare-to-work programs and referred to the summary of these findings he had prepared in handouts (see Tables I and 11). His charge was to address how effective these programs have been in increasing self-sufficiency, decreasing welfare dependency, and reducing family poverty. “The short answer,” Berlin said, “is that with the exception of programs addressing male youth, a wide range of such strategies have been shown to increase employment and earnings and reduce welfare dependency while also saving tax payers money. The benefits of such programs have usually exceeded the costs. But it is also true that they have not been very effective in lifting people out of poverty, nor have they helped the most disadvantaged.”

**Program designs.** Administrators of employment programs are faced with a number of design choices, according to Berlin. But they must first define their goal, whether it is increasing income, decreasing dependency, maximizing welfare savings, or some combination of these. Different strategies achieve different goals; limited resources require that choices be made among both strategies and goals.

Berlin outlined three basic options for program design:

1. To increase employment and earnings, reduce welfare dependency, and save taxpayers' money, programs that emphasize low-cost job search assistance and apply it to the entire caseload are effective.
2. To lift people out of poverty, a program should concentrate resources on a smaller number of people and make bigger investments.
3. To maximize outcomes for both goals, a mixed strategy should be employed, with low-cost services for certain groups and higher-cost services for others.

He highlighted key findings from various 1980s welfare-to-work programs, referring to Table 11. Broad coverage, short-term, low-cost job search and work experience programs were shown to be feasible to operate on a large scale with substantial participation, with modest earnings impacts (\$400 a year increase on average per participant) and modest welfare savings (\$200-300 a year). Impacts were sustained over a three-year follow-up, with a rapid payoff (i.e., relatively large welfare savings per dollar spent). However, there were only modest increases in total income, with many remaining in poverty and on welfare, and there were no consistent earnings impacts among the more disadvantaged.

### **Mixed strategies**

Berlin then discussed the findings of three of the mixed strategy programs. **Baltimore Options** was a somewhat more intensive and expensive mixed-strategy program. It began with front-end assessment and included a mix of possible services, such as job search, work experience, and education and training. Earnings grew over time, by the third year of follow up the program was achieving average annual earnings gains of \$511. The program's shortcoming, however, was that there were no welfare savings. In contrast to the low-cost job search programs of the 1980s, which helped get jobs quicker, but got them the same kinds of jobs they would have gotten anyway, the Baltimore Options program it didn't get more people jobs, but got better jobs for the same people who would have left welfare anyway.

Another mixed-strategy program, **San Diego SWIM**, emphasized saturation participation. It had a strong, sequenced job search, followed by three months of work experience, and then, for those who remained, education and training components. Saturation—services for all those eligible—and an ongoing participation segment required effective monitoring systems to keep track of where people are in the program. By the second year, this program had very large gains in employment, earnings (\$658), and welfare savings (\$553).

**California GAIN** is a statewide welfare-to-work program and the nation's largest JOBS program. MDRC is conducting an evaluation in six counties. This program uniquely administered a test at the front end and, based on the results, determined who was in need of basic education and who was not. Those deemed in need of basic educations were enrolled in adult basic education programs while those deemed not in need were enrolled in job search.

On average, second year impacts statewide were about the same as other mixed-strategy programs' results (\$519 increase in earnings and \$347 in welfare savings), even though many of the participants went to education first, a component that may take longer to payoff. Berlin pointed out that the results in Riverside County were notable, where a very intensive labor force attachment program was run. Average annual gains in the second year were very high (\$1,179 per year), and welfare savings averaged \$700. These are the largest gains ever for a statewide program.

### **Reasons for Modest Gains**

Many people wonder why the gains are not bigger. That is, why average earnings gains and welfare savings are only a few hundred dollars per year. Berlin cited several reasons. First, all programs are operating in an environment in which average wages for those with limited skills and education are declining, so it is not realistic to expect large gains, unless we sent everybody to college. Second, most of the results are for low-cost job search programs, and in this case the positive results are quite remarkable given the low levels of investment. Third, in all studies, random assignment was utilized with a control group but these controls could still go out and get other kinds of employment, education, and training services. Therefore, they were not comparing the intervention with no program at all. Lastly, these results

are averages which include outcomes for all those people who enrolled, including those who do not complete the program. Some dropped out right after enrollment, others along the way. This means that the relatively small group who participated in the program and took jobs have earnings large enough to carry the average for all of the nonparticipants and those who did not find jobs.

**Next steps.** Berlin concluded by saying that, compared with two decades ago, we now know these programs work. The issue is how to build on these very credible research results and improve the programs. The first question is whether an education and training emphasis will strengthen the outcomes—both the third year GAIN findings and the upcoming JOBS program evaluation will help us learn more about this.

A second issue is the need to focus more on complementary policies. Many people are going to work even though it doesn't pay to work. We need to reexamine the Earned Income Tax Credit, looking at projects like New Hope in Milwaukee, the Canada Self-Sufficiency project, and in Minnesota where they are changing the earned income disregard within the AFDC program. And increasing the minimum wage could be considered. In the Canadian project, which MDRC is studying, a generous wage subsidy will be given for three years to men and women who had received public assistance for at least one year, and agreed to work for 30 hours per week or more (see p. 16). Lastly, we need to focus more on men and men's earnings, since we don't have a body of evidence on what programs work for men. Related to that is the issue of child support enforcement and the fact that many of the men who are not paying support have some of the same disadvantages in the job market as their children's mothers.

Berlin did not have time to discuss the experiences with guaranteed public service jobs, but referred to Table 10.

The next panelist was **Donald Sykes**, executive director of the New Hope Project in Milwaukee. He has worked for over twenty years in a number of anti-poverty projects. Sykes stated that the program was based on a simple concept: "The New Hope project is not an employment and training program but a work-based program." He said that the program is well described on p. 17 and that he planned to speak about how the project was started and why it is unique.

In the 1980s, according to Sykes, a group of committed community leaders in Milwaukee founded the **Congress for Working America**. They became frustrated with the barriers to people's being placed in employment, and began to examine ways to address this problem. When asking themselves if there were really enough jobs in the first place, they found that between the mid-1970s and mid-1980s, Milwaukee lost approximately 50,000 industrial jobs with average earnings of about \$27,000 per year. In the same period, there was an increase of about 24,000 service jobs with average earnings of about \$13,000 per year. In other words, the industrial jobs lost were only partially replaced with service jobs with half the income, and which often had no benefits (see Reimer, *Prisoners of Welfare*, 1988).

These leaders set out to establish a program which would serve as a national model and designed it to address the following barriers:

- **Access to a job.** The program provides initial assistance with a job search. Then, if an individual cannot get a job, a community service job is provided for 26 weeks, along with a continuous job search for private sector employment.
- **A decent wage.** The Earned Income Tax Credit (EITC) is helpful, but is not sufficient to lift everyone from poverty. If it is not, the project provides a direct income supplement to full-time working

participants. The supplement, based on family size, is designed to supplement earnings and federal and state EITC. This is designed to make sure that the more hours you work the more pay you receive.

- **Day care and health care.** Participants are provided with a supplement for day care and are included in an HMO consortium. (These benefits are provided for those who are within 200% of the poverty line and are employed full-time.)

This three-year demonstration aims to show that people will choose work if there are jobs at a decent income with benefits.

Sykes emphasized various unique aspects of this project. First, the project board of New Hope includes people from the business sector, program participants, welfare agency representatives, and other service providers. A task force developed the New Hope design with input from policy analysts around the country. The experts agreed that the package of benefits they had put together was indeed unique, although the individual elements were being tried separately elsewhere.

New Hope is a nonprofit corporation seeking to raise \$18 million for the demonstration. The business community has already kicked in \$2 million with a long-term commitment. A second unique feature is that participation is not limited to welfare recipients or families, and includes unemployed individuals and working families whose incomes are below 150% of the poverty line.

The proposed demonstration, once funded, will be located in two neighborhoods and evaluated using random assignment with an experimental group of 600 and a control group of 600. Sykes would also like to examine additional factors such as family stability, rate of incarceration, abuse, etc. MDRC has recently been awarded the contract to do the evaluation of New Hope.

**Early six-month findings.** New Hope has been running a 50-family pre-pilot demonstration since March of last year. Benefits began in May-June. Of the 50-family group, 40% are welfare families, 40% are working families, and 20% are single people. Sykes reported that the preliminary six-month analysis shows the following:

- The wage supplement has been adjusted over time, based on family size, taking into account the EITC, and may be further adjusted to increase the amount for smaller families and decrease it for larger families.
- The program did not originally provide a wage supplement to single people because a minimum wage job was already adequate to lift a single person above the poverty line and, therefore, the only thing offered was the health insurance. However, a basic supplement is now provided directly to the worker. Additional supplements based on family size are also provided.
- Although participants frequently have initial success finding jobs through the program, they often end up losing them later. Another problem is that full-time jobs are difficult to find, so the program has been modified to provide community service jobs part time for those with less than full-time jobs.
- Many of the families included in the 50-family pre-pilot already had some means for child care assistance. Welfare recipients, for example, have a one-year transitional period when support is provided by the welfare department. Currently, there is no assistance provided by New Hope to two-parent, two-earner families, nor to families where one of the parents is in school full time. So the program is considering providing some assistance in these cases.
- Sykes said they have a monthly meeting—initially gripe sessions—for participants. It also provides them with valuable feedback as to how the project is working and what modifications need to be

made. While there was initial concern among participants that the project would not be able to live up to its promises, the focus of these meetings has now shifted to how to get better jobs.

- Most participants stay in community service jobs for 5-15 weeks and then find employment. If it takes longer, the situation is evaluated for problems. The program used to allow paid time for education and job search. Paid time for job search has since been eliminated, but there is still paid time off for educational purposes.

Ooms mentioned that the originally scheduled third panelist, **Alina Walker**, Chief of Program and Technical Assistance of the Women's Bureau, was unable to be present due to illness. Her comments would have addressed the issue of helping women earn higher wages through training in nontraditional occupations (for information see p. 17).

The final panelist was **Robert Lerman**, chairman of American University's Department of Economics. Lerman was formerly with Brandeis University's Heller School, and also worked in the Carter Administration in the Department of Labor on both welfare reform and youth employment. (He has also co-edited, with Ooms, a soon-to-be-published book, *Young Unwed Fathers: Changing Roles and Emerging Policies*.) Ooms commented that there is much interest from the current administration in issues of youth unemployment, the transition into work for noncollege bound youth, and youth apprenticeship programs.

Lerman began by saying he would structure the problem from a different perspective and include an emphasis on men as well as women. He would discuss what we have learned from the preventive field, present an alternative that he believes could have a really fundamental affect, youth apprenticeship, and outline what the role of the federal government is in these programs.

Lerman asserted that, "very often, the youth problem and the poverty problem are dealt with in totally different agencies and through different frameworks: youth employment in the Department of Labor and anti-poverty efforts in the Department of Health and Human Services." This concept seems to be increasingly wrong headed to him since a growing number of those entering poverty are young families.

From 1973 to 1989, nearly all the increase in poverty among children has been associated with the reduction in the share of children in two-parent families. There has been a dramatic increase in the number of children born to never-married women, two-thirds of whom are poor, and this is the group which spends the longest time on welfare.

In Lerman's view, if we focus only on what happens after the birth of a child, then we are not adequately addressing the problem. Currently, the greatest emphasis is placed on women on AFDC, and society continues to marginalize low-income men, only giving attention to fathers as objects of child support enforcement.

## Poverty Prevention

Preventive strategies have been around for a while. In the mid-sixties, the Great Society did implement some preventive programs for disadvantaged youth, such as the Neighborhood Youth Corps or Job Corps, but the results were not particularly positive. By 1977, when the overall unemployment rate was 6.3%, youth unemployment was 18% and the unemployment rate for black youth was 40%. Today, the black teenage unemployment rates are virtually the same. But since the overall rate is even higher at 7.3%, in a relative sense, perhaps they are doing somewhat better.



**The record of youth employment programs.** In 1977, a youth initiative, Youth Incentive Entitlement Pilot Program (YIEPP), in certain cities guaranteed a job to every young person who stayed in high school or returned to school. Unfortunately, this entitlement program did not work to prevent poverty. While it did provide jobs, the impacts were quite small and essentially did nothing to improve poverty. Only 47% of eligible black 19-20 year olds graduated from high school. About half of eligible black women had given birth, almost all out-of-wedlock. In other words, new poor families continued to be generated.

Lerman stated that most existing training programs haven't worked well either. The best evidence from the JTPA program, which utilized random assignment, actually showed negative effects for young males. Even much-touted programs like the Job Corps, which is now being replicated in cities, have shown disappointing results. In Lerman's view, we need to think more broadly, and think more about preventive strategies that recognize the importance of family structure.

**Youth Apprenticeship.** Lerman favors efforts to develop youth apprenticeship programs. Young people, he said, want good jobs which are nonstigmatized and are not simply minimum wage jobs. How can this be achieved for low-income communities?

He defined youth apprenticeship as a structured, school-linked training system, beginning in about the 11th grade, which takes place mainly at work sites in a range of occupational fields. (There is a related academic component in schools.) Firms provide the pay to apprentices, some of the cost of which is offset by the work performed. Although there is no guarantee of a job in the end, the incentives for employers to get involved suggests there will be jobs for most of those who complete the program.

Such a program requires trainers, a well-defined set of occupational competencies, a contract between young workers and employers, a system for testing apprentices, technical assistance, a joint program for small employers, indeed, a whole infrastructure. It also requires that training be long-term, firms' involvement intensive, and the program not be stigmatized, and ideally it would provide a large range of occupational options.

Lerman clarified that youth apprenticeship is not the same as the current apprenticeship system typically seen in building and manufacturing occupations, and offered to somewhat older adults. (This is not a dynamic program and has stayed at a level of only about 300,000.) A youth apprenticeship program would attempt to broaden apprenticeship to professions not traditionally utilizing such a system.

Youth apprenticeship has worked well in other countries, particularly in central European countries like Germany, where 60-70% of youth go through these programs, and it is considered to be a "high-value" option for these young people.

Lerman added that there is no doubt that private employers have to be closely involved in this program. It is not stigmatized because it is seen as a mainstream program offering a whole variety of options for youth with varying levels of skill and ability.

It would be particularly effective in his view for low-income communities because:

- It is long-term training, which creates a natural mentoring process found to be greatly needed for disadvantaged youth.
- It provides entry into a formal job network for those from environments where the informal networks in which jobs are typically found seldom exist.

- It emphasizes alternative, hands-on methods of learning (not just school-based learning). Something concrete is accomplished. Young people who are bored with school start getting excited about what they are learning and doing.
- It provides expectations that young people can be responsible and mature, and it expands the young person's peer structure to include adult workers.

Until now, there have been only a few modest demonstrations of youth apprenticeship in the U.S., but results have been promising. For example, a group of metalworking manufacturers in Pennsylvania wanted to encourage young entrants into the field. And other demonstrations in Binghamton, New York, and Portland, Maine. The Governor of Maine is trying to get such programs going in 20% of the state's high schools. These demonstrations show that it is possible to put these programs into place and that young people can get excited about such a program.

Regarding the federal government's role, Lerman feels that it can be a catalyst in developing the infrastructure needed to make these programs successful. He described three elements which could be provided by the federal government.

1. A **National Institute for Youth Apprenticeship** could convene groups of employers, schools, and student and labor groups, to help create the competencies in particular occupational areas and disseminate curricular and competency development. It can then disseminate information from successful programs to other states or locales. The institute can also serve as a research and development center, sponsoring research and development and evaluations. He suggested that it might also play a technical assistance role and perhaps provide grants for training trainers.
2. A set of **major-city demonstrations**, where cities would submit proposals to "win" demonstrations, could be funded. The competitive aspect would prepare numerous cities to set up programs and get a lot in place, and ultimately this would be a good way to leverage federal money.
3. **Federal government's own employment policies** could be modified to include youth apprenticeship in a wide range of occupations in the government. The federal government is a very large employer and when it creates jobs, such as when expanding Head Start, it could build in a youth apprenticeship component to the program.

In closing, Lerman reiterated that, "we should be cautious about overemphasizing programs that deal with after-the-fact problems and symptoms, and begin to emphasize these preventive programs that can really make a fundamental difference."

### Points Raised During Discussion

- Two questions asked for more information on the New Hope evaluation. Sykes responded that the evaluation was not yet funded and, therefore, the random design process was not yet final. But they expected the selection to be from two Milwaukee neighborhoods with a broad cross section of residents with respect to welfare receipt, working poor, diversity in family structure, etc. He also agreed with the suggestion that it would be important to try to collect information on what types of services the control group received.
- A participant from California pointed out that from the state perspective it would be helpful if the federal labor and education agencies funding similar programs would talk together and work together—which they currently do not.

Lerman commented that the U.S. Department of Labor has an Office of Work-Based Learning which has helped to promote these demonstrations, and the Department of Education has promoted a program known as Tech Prep. These and other initiatives by federal and state agencies tend to be school-based alternatives. However, he felt that for youth apprenticeship to succeed, the programs must be employer driven, with funds and apprenticeship slots provided by employers. He added that there is some interest now in providing tax incentives for employers to help them promote apprenticeships, which is being tried in France.

- A participant from the Department of Health and Human Services pointed out that many apprenticeship programs are currently sponsored by unions and asked how Lerman saw the youth apprenticeship programs being implemented within that context.

Lerman stated that the question is a political one. Many unions are reluctant to endorse youth apprenticeship, possibly because they feel it might dilute the quality of current apprenticeships and even their own power, even though the programs are quite different. However, the reality is that unions only account for something like 13% of the workforce, so he does not see their role as such a critical one. Moreover, many existing apprenticeship programs are designed for more-skilled people who are older, rather than those first entering the labor force.

- A University of Arizona faculty member asked Lerman about the costs associated with such programs and how the programs would be monitored, given that they are employer driven?

Regarding monitoring, Lerman repeated his earlier comments that an infrastructure is required, involving a serious national program of standards, competencies, and testing, as well as competencies for trainers to qualify. If these are set up appropriately, then monitoring shouldn't be difficult.

Regarding cost, Lerman estimated that in Germany the costs are roughly \$20-25 billion, almost completely borne by employers, but keeping in mind that there are some returns to employers for the work done.

- A participant from Policy Studies Associates asked about the relationship between these youth apprenticeships and programs such as Tech Prep?

Lerman does not see Tech Prep as having a strong work-based learning component. It can work for some people, but he personally believed that, especially for the disadvantaged group, the work-based component is very important. He clarified that these programs are not easy to put in place. Youth apprenticeship is a longer-term strategy which might be in place over 5-7 years, but he sees it as having at least a potential for a large impact on young people's development, and possibly on such things as early childbearing and marriage.

- Another participant from the Administration for Children and Families asked if programs which focus on job search (as opposed to investment in education and training) have evidenced improvement in occupational level over time, and also asked Berlin to comment on the option that states have to continue follow-up services for 90 days, versus a longer-term approach.

Berlin stated that MDRC is about to complete an analysis of a five-year follow-up on job search programs. It is not yet clear if initial jobs necessarily lead to better ones. Preliminarily, it appears that some job search programs have done better than others in this respect.

Regarding post-placement follow-up, it appears that more needs to be done in this area. Others, for example in Project Match in Chicago, have some evidence that follow-up work is where the largest impacts appear to be made, e.g., after someone has gotten their first job and has lost it, progress is really made when they get their second job. Berlin agrees that more attention should be paid to this component.

- A participant from the Center on Budget and Policy Priorities asked panelists to address the apparent dichotomy between getting people jobs quickly versus getting them education and training. Will any of the ongoing research projects look at effective ways to get beyond that dichotomy, and combine work with education and job training?

Berlin responded that the JOBS evaluation being conducted in three sites will involve a differential impact study in which programs emphasizing job search will be compared to those with a human capital emphasis. Thus far, it is not clear that a big investment in human capital yields great results. Many hope that the current investments in education and training in JOBS will pay off down the road in lifting people out of poverty. Participation and retention is the major problem in adult education programs. Dropout rates are high and public assistance recipients cannot benefit if no one completes.

- Ooms asked the panelists to comment on the proposed two-year limit on welfare for the long-term welfare population.

Berlin agreed that we have to do more to learn what works for the long-term dependent. The only program which worked with the group of very disadvantaged, long-term welfare recipients and had positive effects was the **Supported Work** program, and cost about \$20,000 per participant. The program was a very structured work program for people who had been on welfare an average of eight years. They were given subsidized work experience and then required to transition off after 18 months. After 36 months, more of the experimentals were employed than controls. Berlin did point out that some of the job search programs did have positive effects on “long-termers,” particularly on those who were getting ready to leave welfare anyway, as it helped them to leave welfare more quickly than they might otherwise have done. In addition, the Riverside GAIN program has had positive impacts on long-termers. Berlin noted that the key question for time-limited welfare is what happens for those left behind.

- A participant from the National Institute on Alcoholism asked whose responsibility it is to address alcohol and drug abuse problems in these employment programs.

There is not much information on this issue, stated Berlin, and it is a very complicated issue which needs to be addressed. This question does keep coming up in many of the programs in which MDRC is involved. Education and training programs are not really equipped to address these problems, so there has to be some mechanism for referral to other services. However, this may be a cop out. Perhaps other supportive programs such as Narcotics Anonymous could be integrated somehow into these work/training programs. He added that there should be a distinction made between those that sometimes use drugs and alcohol and are able to function in a job, and those who have a more serious problem.

Sykes stated that there have been some drug and alcohol problems among the 50 families in New Hope’s pre-pilot. The program’s health insurance provides some drug and alcohol treatment, but he also feels that the support groups will be helpful people to manage their problems.

- A participant from the Office of Child Support asked for more detail on New Hope’s monthly meetings for participants, such as what is addressed and what kind of impact do they have on the program.

Sykes stated that the client’s feedback has, for example, affected budgetary decisions such as adjusting the income supplement for small families. In addition, one-third of the board is made up of participants. The biggest advantage is their own support of each other and they are now planning their own programs. He noted that the meetings will continue to be a part of the program when implemented for the group of 600, although the groups might be organized differently.

- A participant from the National Association of State Boards of Education asked if there is a concern that providing wage subsidies will encourage employers to continue to pay low wages?

Sykes said that this was an issue debated in planning for the project, with some seeing the supplement as subsidizing business in some respects. He noted that supplements go directly to recipients, so the employers are often unaware of who is receiving supplements. Additionally, the health insurance provided through the program actually helps small businesses to get started and to hire participants when they may not be able to do so otherwise.

- A University of Wisconsin faculty member wondered if welfare-to-work programs like MFIP or the Self-Sufficiency Project—programs that make work pay for welfare recipients—have actually encouraged some people to leave their own work to get the program’s benefits to help them re-enter the labor market? Is there a down side?

Berlin agreed that this is a potential dilemma. There are huge horizontal inequities between benefits to welfare recipients and those who are working. Programs such as New Hope that provide benefits to a wider population, try to address this problem, but then scarce resources must be spread over a much larger group of people. It is this tradeoff, this conundrum that is the key problem for welfare reformers. Berlin noted that there was little evidence that JOBS education and training programs lured people onto the welfare rolls.

Lerman commented that the Carter administration explicitly intended to provide better jobs and income for **all** families, and did not intend for such programs to be limited to welfare recipients. He reiterated that by targeting funding only on one-parent families, headed almost entirely by women, “you are going to have a differential affect, not just the entry effects but also the family structure effects.”

Sykes added that they had to initially talk about the welfare program to get the attention. But New Hope is still struggling with issues of equity with respect to a single-parent family which gets an income subsidy of \$115 and a two-parent family getting a subsidy of \$105. “There is a good rationale for this differential but we continue to watch it.”

# Employment and Training Strategies to Reduce Family Poverty

*A Background Briefing Report  
by Theodora Ooms and Jennifer Weinreb*

## Introduction

Federal employment policy can help reduce family poverty and dependency in two ways. First, if more poor parents can get stable jobs that pay a decent wage, they will support their children and reduce their dependence on public sources of assistance. “Ending welfare as we know it” and “making work pay” are two of the clarion calls of the new Clinton Administration that link proposals for welfare reform to a wide range of employment, training, tax, and jobs creation initiatives.

The second approach is less well recognized. Increased public investment in aiding the transition of noncollege-bound youth into the labor force is usually justified in terms of improving the productivity of the nation’s workers. However, youth employment policy needs to be viewed as a promising preventive tool in a comprehensive strategy to reduce family poverty. Young people ages 16-24 are the future workers of America, but they are also the future parents—indeed, many are already parents. If they can acquire the training, skills, experience, and motivation needed to get good jobs, they will be better parents.

This growing intersection of employment policy with family welfare policy is new. It forces new working relationships at federal, state, and local levels between government departments, congressional committees, and constituencies who have not worked together much in the past—labor and education, welfare and child support, and child care and child development. There is a great deal each group needs to learn about each others’ orientation, experience, and expertise.

The new Administration and 103rd Congress are expected to put forward a wide range of employment-related proposals, including: strengthening the ongoing 1988 welfare reform; creating public service jobs; investing more in adult and youth training and employment; and expanding the scope of youth apprenticeship.

If these proposals are to succeed they need to be based upon a growing body of knowledge about family poverty and the lessons of past and ongoing welfare-to-work and employment programs. In the past decade, research has illuminated the diverse characteristics, behavior patterns, and contexts of subgroups within the poverty population and the complex causes and consequences of family poverty. (These are summarized in the background briefing report of the first seminar in this series—see Ooms, July 1992.) Further, the results of major, experimentally designed evaluations that report on the effectiveness of the dozens of welfare-to-work and adult and youth training and employment programs that the federal and state governments have funded over the past two decades are becoming available.

Part I of this background briefing report identifies several goals guiding these new proposals. As background to understanding current developments, we then very briefly review the main themes and legislative vehicles that have shaped federal employment and training programs over the last three decades.

Part II reviews what has been learned from the experience of the welfare-to-work programs in light of the characteristics of AFDC families. We then highlight several new policy directions: public service employment; two-generation, family-focused programs; and three strategies that are centered on making work pay; the New Hope Project in Milwaukee, WI, training women for nontraditional occupations, and the Self-Sufficiency Project in Canada.

Part III reviews what has been learned from employment and training programs targeted on youth. We then discuss a new approach to helping youth make the transition to the labor force—youth apprenticeship—which is gaining national attention.

The economic context. This report's focus on employment and training policy needs to be set in the context of a broader range of economic policies designed to affect the labor market. First and foremost, macroeconomic policies are needed to support a strongly growing economy which is an essential foundation for the success of all of the approaches to be discussed in this report. The resulting increased demand for labor will reduce levels of unemployment and raise incomes. Increased revenues will help to adequately fund existing programs such as Job Opportunities and Basic Skills (JOBS) as well as new approaches.

In addition, several microeconomic proposals designed to address structural problems of the economy are underway or may need to be considered. These include expanding the retraining of dislocated workers and addressing the so-called jobs "spatial mismatch" through housing or transportation policies that bring workers to where the jobs are located. Finally, there may be a role for tax policy that creates enterprise zones in undeveloped/depressed urban or rural areas. All these approaches can be considered an integral part of a national employment policy and should make an important contribution to reducing the levels of family poverty.

Nevertheless, there are serious limitations to what can be accomplished by policies which aim to expand the demand for labor and restructure the labor market. In recent decades, rates of family poverty and youth unemployment—especially for minorities—have remained unacceptably high, even in times of economic recovery. Increasing internationalization of the U.S. economy and technological change, among other factors, have resulted in fewer jobs and declining wages for less-skilled workers, primarily men. Even in a growing economy, poor and low-income individuals may still be unable to find steady jobs paying sufficiently to support a family because they lack the requisite education, job skills, and work experience needed for the jobs that are available.

This report thus focuses on supply-side strategies that enhance human capital—public policies and programs designed to increase parents' and youths' work and earnings through improving incentives, skills, and capacities needed to meet with success in today's changing labor market.

It is generally agreed that these employment strategies, even if highly successful, cannot be the sole solution to family poverty. Policymakers need to carefully consider the ways in which welfare-to-work and youth employment policies need to complement and coordinate with tax, child support, and education strategies, many of which were discussed in the third seminar in this series (see Ooms & Weinreb, December, 1992).

# I. Goals and History of Federal Employment Policy

(Sources: Barrow, 1989; Blank, 1992; Burtless, 1989; Harlan & Steinberg, 1989; Nightingale, 1985; Sawhill, 1989, 1992)

## Policy Goals

There is a remarkable confluence of political and expert opinion about the appropriate goals for public policies designed to help poor families. Until quite recently it could be said that Republicans' main concern was to reduce welfare dependency through requiring work, irrespective of whether working increased families' incomes. On the other hand, Democrats primarily favored policies that increased poor people's incomes and resisted the imposition of work mandates.

These generalizations no longer hold true. Many Democrats are now supporting proposals for time-limited welfare and required work, and Republicans are supporting increases in tax benefits and other subsidies for the working poor (see Shaw, Johnson, & Grundy, 1992). Disagreements between them are now more likely to center on how best to accomplish the goals and on the respective role of the federal government and private sector.

We identify at least six separate but related goals that underlie the current debate and discussion.

1. **To increase parental employment in order to reduce their long-term dependency on public programs**—through providing training, employment, job placement, public service jobs, and supportive services on a mandated or voluntary basis.
2. **To raise the earnings/income of those parents who do work**—through subsidizing private sector jobs, increasing earned income tax credits, and training to improve skills and capacities for higher paying jobs. [Increasing the minimum wage is another strategy for raising incomes of the poor which is favored by some. However, most economists believe it is a very inefficient way of raising low incomes since the majority of minimum wage earners are second or third earners in middle-income households (Horrigan & Mincy, 1992).]
3. **To reduce government outlays**—through the cost savings realized eventually from a reduction in welfare benefits when more of the poor work.  
  
(These first three goals are closely intertwined and when combined, reinforce each other. Obviously, if earnings can be increased there is greater incentive to work and less need for public benefits.)
4. **To gain a more productive labor force**—through the increased economic contribution made by parents who have improved their job-related skills and capacities.
5. **To improve the economic, physical, and psychological well-being of children.** This goal is usually approached indirectly through the benefits that accrue to children from their parents' improved economic situation and new self-esteem gained once they join the economic mainstream. Since these children will become the next generation's labor force, current investment in parent employment can be viewed as indirectly having a long-term effect on the well-being of the next generation. However, some advocate a more direct approach: a two-generation, family-centered strategy in which parenting education and support and services provided directly to children are added components of work/welfare programs (see Smith, Blank, & Collins, 1992).



6. **To promote stable, two-parent families**—through strategies that increase earnings and income, and by removing marriage disincentives in welfare and tax policy. Promoting stable marriage as a public policy goal is seldom made explicit. Yet studies confirm that poverty, economic stress, and unemployment are linked with the high rates of separation, divorce, and nonmarriage among the poor. As declared in the recent National Commission on Children (NCC) report, *Beyond Rhetoric*, “Children do best when they have the personal involvement and material support of a father and a mother, and when both parents fulfill their responsibilities to be loving providers” (NCC, 1992: xix).

Most policymakers and analysts generally subscribe to all these goals, which appear to be complementary. But in practice, in the “real” world, tradeoffs often need to be made between them. For example, as pointed out by Judith Gueron and Edward Pauly in their book, *From Welfare to Work*, there is ample evidence from the state welfare/work demonstrations of conflicts between maximizing benefits to the tax payers in welfare savings and maximizing earnings gains for individual program participants.

Further, maximizing parents’ work hours, especially single parents’, may not be in the best interests of the family as a whole if it means less parental time with children and less good child care (see Blank, 1992). Finally, increasing women’s capacity to earn good wages may increase the so-called “independence” effect and make marriage less likely and divorce more likely.

## **The Federal Employment and Training System**

(Sources: Levitan, 1990; Greenberg & Wiseman, 1992; Nightingale, 1985; Osterman, 1989)

As Osterman (1989) points out, there are three main components of the federal employment and training system:

- The U.S. Employment Service (ES) was founded in 1935, originally to register the unemployed for work relief programs, and now serves as an employment information and exchange service.
- The system of vocational education and community colleges which serve to train broad masses of the population at secondary and post-secondary levels.
- The remedial system which, through numerous categorical programs, provides training and job-related activities for the disadvantaged who are having difficulties with the labor market.

These three components, Osterman comments, have no consistent or regular relations with each other, report to different federal agencies and divisions, and are poorly coordinated at state and local levels. Most recent policy discussions focus on the third component, federal employment and training activities targeted on the poor.

Employment and training programs taken as a whole can provide a wide variety of services, although enrollees seldom receive more than one form of assistance at a time, and often only receive one type of service after the initial screening. These services and activities can include skills and needs assessments, career counseling, job search, basic education, classroom occupation training, on-the-job training, public sector jobs, subsidized jobs or stipends in the private sector, and supportive services such as child care and transportation assistance.

## History

There are three main strands to the story of the evolution of federal employment and training programs over the past four decades. First, the sixties saw the creation of the federal employment and training system which funded programs originally geared to meet the needs of disadvantaged adult males. Second, in the seventies, there was a growing emphasis on designing programs specifically to serve disadvantaged youth, primarily young men.

Third, also in the seventies, increasing pressure on employment programs to enforce equal opportunity laws resulted in their beginning to serve more women. This trend was then reinforced in the early eighties by new programs targeted on AFDC mothers as part of the new welfare policies to require or encourage work.

The first federal employment programs were created in the Great Depression and provided at least part-time jobs to millions of the unemployed, but they did not offer training. The major programs of this period included the Civilian Conservation Corps (largely for youth) and the Public Works and the Works Progress Administrations. At its peaks in 1934 and 1938, the New Deal directly employed 4.6 million people, but these still only represented one out of three of the jobless. When full employment was achieved during the second World War these public works programs were disbanded.

The list of employment and training programs funded over the last three decades is long, and for the uninitiated constitutes a quite bewildering list of acronyms. The first major wave of employment and training programs for the disadvantaged were initiated under the **Manpower Development and Training Act (MDTA) of 1962**, which became a primary vehicle for the War on Poverty. Programs funded initially under MDTA included Community Action Programs, the Jobs Corps, Neighborhood Youth Corps, Adult Basic Education, Work Experience Program, Public Service Career Program, etc. These led to the growth of many community organizations created to deliver the job search, basic and remedial education, and on-the-job skills training these programs provided. By 1972, the overall federal budget for employment and training was \$2.7 billion.

In 1973, MDTA was replaced with the **Comprehensive Employment and Training Act (CETA)**, which greatly expanded federal investment in this area. Since unemployment was a serious concern in the early seventies, the law added funds for public service employment to the array of services. An original intent of CETA was to consolidate the many categorical programs and to devolve administration of the services through block grants to state and local government “prime sponsors.” However, almost inevitably a plethora of separate categorical programs were created, including many targeted specifically on youth under the Youth Employment Demonstration Projects Act 1977 (YEDPA). This program represented a substantial and rapid increase of federal expenditures on youth employment and training programs and included several publicly supported jobs programs such as the Supported Work Project, the Summer Youth Employment Program, (SYEP) and the Youth Incentive Entitlement Pilot Projects (YIEPP).

CETA initially experienced many management difficulties and came into bad repute for excessive waste, fraud, and abuse. Federal control was tightened again when the program was reauthorized in 1978 and several changes lead to marked improvements. The peak year for CETA was FY 1978 when its budget was around \$10 billion and nearly 4 million were served, about a quarter of them were youth and included those funded under the YEDPA Act.

For the third time in the post war period, the federal training and employment program underwent another major revision when in 1982 CETA failed to be reauthorized and was replaced with the new **Job**

**Training Partnership Act (JTPA).** Programs supported by the legislation included training under Title II-A for economically disadvantaged youths and adults who were eligible on the basis of low family income or receiving welfare benefits. Title II-B funded a summer jobs program for disadvantaged youth, Title III was a training program for dislocated workers, and Title IV funded a series of national programs that served migrant and seasonal farm workers, Native Americans, Veterans, and other groups. Nearly 30 different activities can be provided under Title II-A and, as under CETA, participants in on-the-job training receive wages from their employer which are typically subsidized at a rate of 50%.

The JTPA program is permanently authorized and never needs formal extension. This was done to avoid the constant change that had characterized CETA.

JTPA represented a major shift in program philosophy and responsibility. First, the private sector is heavily involved in administering the program through local Private Industry Councils (PIC) working in partnership with local government. A majority of PIC members must be from private businesses. Second, JTPA increased the emphasis on performance standards and limited the resources that could be used for supportive services such as child care and training stipends. Third, the Act prohibited funds being used for public service employment. Levitan and Gallo comment that “ironically the federal government abolished public service employment as the nation entered the worst recession since the Great Depression” (Levitan & Gallo, Feb. 1992, p. 10). The authors additionally comment that the “jobs creation programs that survived the Reagan years did so because of their small size, potent constituencies, or because they were not labeled jobs programs” (for example, the senior community service program). According to them, the JTPA OJT (on-the-job training) programs are mislabeled as training, as they serve essentially as subsidized employment.

JTPA has been criticized for “creaming,” that is serving from among the eligible disadvantaged those who were most likely to succeed. By 1986, more than half of the JTPA participants were women and 42% were welfare clients. In 1992, several amendments to JTPA added a new emphasis on targeting services to the disadvantaged (see p. 25).

Although public jobs creation programs were still officially frowned upon in the Bush Administration, in 1991 the President approved an expanded transportation bill. This bill increased spending over six years on roads and mass transit, and is, effectively, a public jobs program.

The third major strand in this history is the development of employment and training programs specifically targeted on women, initially on welfare recipients. Beginning in the sixties, the approach to welfare had begun to shift. As noted in Greenberg and Wiseman (1992), the political and academic discussions on welfare and employment evolved along two very different paths. The first tried to encourage work through a voluntary approach and emphasized enhancement of financial incentives to work, along with providing supportive services—such as Nixon’s Family Assistance Plan and Carter’s Program for Better Jobs and Income. Neither of these proposals were enacted. The second approach, which evolved gradually out of the first, placed greater emphasis on making work and work-related activity obligatory, again also providing supportive services to facilitate the transition.

The **Work Incentive Program (WIN)**, enacted in 1967, was jointly administered by the U.S. Departments of Labor and Health and Human Services. The program initially allowed clients to retain a portion of their earnings if they went to work, without cutting their welfare benefit. It also required all AFDC recipients with no child under age 6 to register for work and participate in employment and training activities. However, because of limited funding and numerous exemptions, only a minority of welfare recipients actually participated in work programs.

President Reagan proposed terminating WIN and enacting “workfare,” based on the California Work Experience Program, in which clients would be required to work at unpaid jobs in return for their benefits. His proposal for national mandatory workfare was rejected by the Congress but the Omnibus Budget Reconciliation Act of 1981 permitted states to establish voluntary workfare under the new **Community Work Experience Program and WIN demonstration waivers**. However, at the same time, federal WIN funding was severely reduced. By 1985, 22 states were mounting work/welfare programs, many on a demonstration basis, but only a few were statewide.

Drawing upon the early findings from some of these state demonstration programs, the work-related provisions of the 1988 Family Support Act established a national mandate for work/welfare programs by requiring JOBS programs to be set up in all states. This infused new funding into existing state welfare programs, added new work requirements, and strengthened enforcement of child support from the noncustodial parent. The FSA also provided states with funds to provide supportive services, most notably child care, which together with the Medicaid benefit were to be extended for one transitional year after the participant became employed.

The FSA represents a changed perspective on the meaning of work obligation (Greenberg and Wiseman, 1992). The traditional concept of “workfare”—dating back to the original poor laws—was a static concept and emphasized the obligation of working in low-level community service jobs simply to justify receiving public assistance. The new concept is more dynamic and emphasizes an obligation upon the recipient of public aid to enhance his or her employability in order to eventually become self-supporting.

It is important to note, however, that the “obligation” is being gradually phased in. The federally mandated participation rate is 7% for 1990 and 1991, rising to 20% in 1995. The Act recognizes that state resources may be sufficient to serve only a fraction of nonexempt recipients and permits them to set priorities for participation. A study of state JOBS implementation found that in some states participation is essentially voluntary, and the majority of states give high priority to volunteers or to volunteers within the target groups (Hagen & Lurie, 1992).

**Programs for fathers.** Since employment and training programs typically do not collect data on the family status or obligations of their male participants, it is not known how many married or unmarried fathers have been served by them. However, a few fathers did participate in the work/welfare demonstration programs as members of two-parent families receiving AFDC-UP, and a few are doing so in JOBS.

One of the questions being raised about the Family Support Act is whether its requirements and services should also apply to non-custodial fathers. As a first step to test this idea the FSA has funded the **Fair Shares Demonstration program**, launched in 1992 in nine sites across the country. This program represents the first time the federal government has supported training and employment services specifically to help noncustodial fathers improve their earnings, meet their child support obligations, and improve other aspects of their parenting. (The program offers peer support, training in parenting skills and mediation services between the child’s mother and father.) This program is being evaluated by the Manpower Demonstration Research Corporation (see Furstenberg, Sherwood, & Sullivan, 1992).

Overall, federal support of employment and training programs declined drastically during the eighties. From a peak of \$23.4 billion in 1978, they decline to \$8.0 billion in 1989 (Levitan, p. 138). Discounting the CETA public service employment component, in 1985 the JTPA client level was about half CETA’s (Nightingale, 1985).

## Evaluation

In brief, what can be said about the overall effectiveness of CETA and the JTPA programs for adults? Evaluations of various programs funded under CETA are of only limited value as they generally did not employ experimental designs using random assignment (see Betsey and Hollister, 1985). However, the first interim report of the National JTPA evaluation, conducted by MDRC and Abt. Associates, was recently published. Because of its rigorous experimental design, this report provides the first fully reliable estimates of the impacts of the largest employment and training program sponsored by the federal government.

In the National JTPA study, over 20,000 JTPA applicants in 16 service delivery areas across the country were randomly assigned to either the treatment or control group in 1987-89. Follow-up data were collected after 18 months on four target groups: adult men and women, and male and female out-of-school youths. The executive summary concludes that, "Overall, JTPA appears to have had modest positive effects on the earnings and employment of adult women and men, little or no effect on the earnings and employment of female youths, and substantial negative effects on the earnings and employment of male youths" (Bloom, et al., 1992). Since the JTPA is playing a major role in the JOBS implementation, these findings have important implications for the current welfare reform initiatives.

The negative impact on young men apparently reflected mainly the fact that they worked fewer hours during the follow-up period than their counterparts in the control group did, not that they were paid less. These findings are consistent with the results of two other experimental studies—the youth component of the National Supported Work Demonstration (an intensive subsidized work experience) and JOBSTART (an intensive youth employment and training service, essentially a nonresidential Job Corps). The Supported Work study found negligible post-program impact on the earnings of youth participants, most of them male. And JOBSTART found negligible short-term impacts for female youth and large, negative short-term impacts for male youth.

The two-year results for JOBSTART were not surprising because participants are enrolled in a long-term education and training program while their control group counterparts who are not enrolled are available to work. Thus, the key question for the four-year results which will be released in Spring, 1993, is whether the JOBSTART group shows signs of catching up to and exceeding the employment and earnings averages achieved by the control group. In fact, the two-year results for women suggest that they are likely to catch up, while the trend among young men is less clear.

Women participants in the JTPA study who received welfare did significantly less well than other women in the program. Of the three different service strategies available, both young and adult women were more often assigned to classroom training than the men, however, only those women assigned to the on-the-job-training enjoyed consistently positive impacts on earnings over the period.

## II. Getting Parents Employed and Making Work Pay: Lessons Learned and New Directions

It is generally believed that there are two large groups of families that are poor—those that work and those that do not. The largest group, two-thirds of all poor families, includes families in which at least one person is employed for at least part of the year. Most of these are two-parent families. The group that has received the most public attention, however, is those families, most of them headed by women, who are basically totally dependent on public welfare programs and work little or not at all.

Recent studies reveal that this two-part categorization of the poverty population is a gross oversimplification. Over time, many parents fall in and out of poverty and go on and off welfare.

Many of the working poor receive some public assistance (such as food stamps) and many welfare mothers work at least part of the year (see Ooms, July 1992). However, for policy purposes it is useful to make the distinction between programs designed to help those who are not working get jobs and remain in them and programs designed to raise the earnings (or income) of those who are employed. For working poor families, the tax and child support strategies discussed in the third seminar in this series, hold the most promise in terms of remediation (see Ooms & Weinreb, December, 1992). For those who are long-term welfare recipients, welfare-to-work programs and other job creation strategies are the most relevant and will be discussed in this section.

### Challenges Involved in Helping Welfare Parents Get and Keep Jobs

(Sources: Blank, 1992; Greenberg & Wiseman, 1992; Nightingale, et al., 1992; Sawhill, 1992; U.S. GAO, April, 1991; Zill, et al., 1991)

The public's dislike of welfare has intensified in recent years. As noted recently, welfare is "alleged to be antiwork and antifamily, to be a "narcotic" which produces long-term dependency, and to be the "life support system" that sustains an isolated ghetto culture (Sawhill, 1992, p. 1). During the sixties and seventies, much energy was directed to finding ways to fine tune the system to make it more acceptable. Nowadays the discussion focuses on radically reforming the system and even replacing it.

**Disincentives in the AFDC program and tax code.** The criticisms of welfare have centered on the provisions of the AFDC program and the tax system that create serious disincentives to work (and to a lesser extent to marry), such as when benefits are reduced dollar for dollar as earnings increase, and noncash, medical benefits are jeopardized if a client leaves the program for work (although the 1988 reforms continued them for a transitional year). A great deal of research and policy discussion has focused on assessing the effect of these rules on work effort and trying to find ways to eliminate these disincentives (through earned income work disregards, generous allowances for work related expenses, and so forth). However, several developments over the past two decades have weakened the power of the work disincentives inherent in the welfare system, these included a steady reduction in benefit rates in real terms and tightened eligibility. Many believe, however, that the continued linkage of the Medicaid benefit to welfare receipt remains a major work disincentive.

One of the issues that is beginning to get more discussion is how tax policy reinforces (or undermines) the goals of employment policy (see Blank, 1992). The steady rise of social security taxes has placed a rising tax burden on low income earners. These were somewhat offset for families with children by the 1981

changes in the tax code which raised the standard deduction and personal exemption. In addition, the expansion of the earned income tax credit (EITC) in 1990 increased the returns to work for low-income families with children (it acts essentially as a wage subsidy). However, the EITC retains a substantial marriage penalty for low-income workers (see Steuerle quoted in Ooms & Weinreb, December 1992).

There is very little research available on the effect of the EITC on work effort. Some are concerned that lack of information about its benefits among employment and training staff and the public may dull its potential positive effect on work effort.

The Family Support Act of 1988 launched a national effort to reform welfare with a strong emphasis on work and enforcing child support obligations. The approach used was not to change incentives, but to impose new requirements and provide the supportive assistance needed for welfare parents to fulfill them. Although the program is still not yet fully implemented, in the past two years several states have initiated additional reforms, usually under a federal waiver authority. These add new requirements and incentives to get parents, usually mothers, into the workplace.

Some have added additional goals such as requiring welfare mothers to get basic health services for their children.

President Clinton has proposed in outline a more radical reform which would provide welfare recipients with “the education, training, job placement assistance, and child care they need for two years—so that they can break the cycle of dependency. After two years, those who can work will be required to go to work, either in the private sector or in meaningful community service jobs.” (The details of Clinton’s proposal are being fleshed out as we write.) Others, such as Mickey Kaus (1992), propose to replace the welfare system entirely with a large-scale public jobs program. Senator David Boren and other Democratic members have proposed an updated version of the Works Progress Administration of the thirties and forties, S. 239, The Community Works Progress Act, 1993, in which welfare recipients would be required to enroll in a community service job if they could not find a job elsewhere (see p. 26).

Some of the questions that will need to be asked about any new proposals over the coming year are:

- What do we know about the characteristics of welfare families and how they have fared in current welfare-to-work programs? Have they been able to find jobs and leave welfare? Have their incomes improved?
- What do we know about which types of services are most effective for different subgroups in the population?
- What are some of the difficulties program administrators must face as they try to help these mothers fulfill these mandates to join the mainstream?
- What are the benefits and problems inherent in the creation of large-scale public jobs programs?
- What have we learned about how much these new initiatives will cost?
- What is meant by President Clinton’s phrase “those who **can** work?” How will those who are deemed unable to work be supported?

This report can not attempt to answer all these questions. However, as background we will highlight some of the better known facts about the characteristics of welfare families which illustrate the nature of the disadvantages that have to be overcome if they are all expected to rejoin the mainstream.

**Profile of welfare families.** Researchers at Child Trends recently analyzed several national data bases and compiled a profile of AFDC recipients, comparing them with other poor and nonpoor women on a wide variety of characteristics (see Zill, et al., 1991). (This profile complements a profile of mother-only

families conducted by GAO and published in April 1991.) On most of these characteristics Child Trends found that welfare mothers as a group are not very different from poor mothers who have not received welfare, except that they are more likely to be single. This fact suggests that work-based reforms should meet with success for substantial numbers of current welfare recipients. By contrast, the data shows that the sub-group of long-term welfare recipients are worse off than the non-AFDC poor mothers on most measures of “human capital” and employment history. It will clearly be much more difficult, and much more expensive to get this group of parents to be self-supporting.

Highlights of their findings are summarized below:

- **Long-term recipients.** Although the majority of welfare mothers only receive welfare for short periods of time, almost half of the mothers receiving welfare at any one point in time are long-term recipients (defined as receiving welfare for more than three out of the preceding five years). On almost every indicator, long-term recipients are more disadvantaged than short-term recipients.
- **Origins in adolescence.** A majority of welfare families began with a teen birth (59%) and more than half of all welfare children were born out-of-wedlock. Mothers who give birth as teens are more likely to score low on achievement tests, fail in school, have poor relationships with parents, and engage in other types of problem behavior. They are also much more likely to be long-term welfare recipients.
- **Young and minority.** Most welfare mothers are young, but only about 6% at any one point in time are teenagers. A majority of welfare mothers (56%) are from minority groups, 40% are black, 16% are Hispanic.
- **Education problems.** At least 40% of welfare mothers need additional schooling to become “employable,” i.e., a high school diploma or equivalent, and score lower on tests of verbal and math skills than women who hold jobs in any of the major occupational categories. A recent study examining the linkage between functional illiteracy and learning disabilities estimates that 25-40% of all AFDC adults may be learning disabled (Nightingale, et al., 1991).
- **Health problems.** Nearly one-fifth of welfare mothers have a health limitation that would interfere with their ability to work. (This is more than twice the prevalence among nonpoor mothers.) One-third report frequent feelings of depression. There is very limited national data available on alcohol and drug use, but anecdotal reports from JOBS case managers and other sources suggest that substance abuse is a major problem for substantial numbers of welfare mothers. It is not clear to what extent poor health is a cause or a consequence of poverty and dependency. The data on the status of children of welfare mothers is sparse, but we know that poor children in general are in worse health and have more developmental and learning difficulties than children on average.
- **Little work experience.** While most welfare mothers report that they are not currently working and have had little work experience, at least a third report that they did some paid work over the year. This is confirmed in another national study which showed that some alternate between periods of work and periods of welfare, and others combine income from work and welfare at the same time (Spalter-Roth, Hartmann, & Andrews, 1992). A small in-depth study of fifty welfare families, conducted in Chicago, found that every welfare mother supplemented her welfare check in some way, usually through unreported employment and/or illegal earnings (Edin & Jencks, 1992).
- **Child care responsibilities.** Substantial proportions of AFDC mothers have children under school age and need to have some other person care for their children if they are to engage in training or employment outside the home. The latest data on the characteristics of AFDC recipients show that the average age of the children in AFDC families is 7.5 years. Almost half (46%) of the children are under age six and 16.2% are under age 2.



- **Traditional gender role attitudes.** A majority of welfare mothers hold traditional views about the role of mothers. In 1987, 32% of AFDC mothers between 22-30 held negative attitudes about women with children being employed outside the home, and another 29% leaned towards that view. There is some evidence that Latina mothers are even more likely to hold this view and, as a corollary, are very reluctant to have strangers care for their children (see studies reported on in the seminar on Latino poverty, Ooms & Figueroa, September 1992).

In addition to the disadvantages and problems experienced by mothers on welfare documented in these national studies, other smaller studies suggest that welfare recipients are much more likely to have been victims of child abuse and of domestic violence themselves, and, in turn, are at risk of neglecting and abusing their own children.

- **Workplace difficulties.** Another major problem for many long-term recipients is that they have had limited prior exposure to mainstream work worlds and the basic rules of the workplace (Berg, Olson, & Conrad, 1991). Important insights have been gleaned from the experience of **Project Match** about some of the difficulties in helping the most disadvantaged welfare recipients become “self-sufficient.” Project Match provided employment assistance for residents of a public housing development in Chicago. The participants were mostly placed in service jobs which required low technical skills but relatively high social skills.

This study found very high rates of job loss—nearly 60% within six months of being hired. In seeking to explain this problem of job retention (which, for the most part, has not been well studied in work-welfare demonstrations), the researchers found that those factors most often cited as barriers to sustained work—inadequate technical skills, loss of benefits, child care—did not seem to be as important as problems encountered in the workplace. These welfare recipients had problems with absenteeism and punctuality, lines of authority, and relationships with supervisors and customers. Importantly, in several cases, the fact that they did not get support from their family for working—in fact some families were opposed—appeared to be the most important explanation for the job loss.

Researchers in Project Match argue that key elements in the JOBS program (and presumably in President Clinton’s new proposal) are based on an unrealistic conception of what it will take to move the most disadvantaged welfare recipients into mainstream work and social worlds (Herr, Halpern, & Conrad, 1991).

**Implications for future reform initiatives.** As the profile of welfare mothers suggests, a considerable proportion of the long-term recipients have serious and multiple education, health, and behavioral problems, and responsibilities which make it very difficult for them to get jobs, to get jobs that pay well, and to keep on working. This raises questions about the feasibility of requiring all welfare mothers to become self-supporting, especially within two years.

Some propose that such women should be regarded as “not able to work,” perhaps labeled as “disabled” so they can receive SSI. But it is difficult to know where to draw the line and this seems to be a defeatist and costly strategy. With appropriate, intensive, family/child-focused services—such as those discussed below on page 15—experience suggests that these women may eventually be able to become somewhat more independent, more effective parents and make a contribution to society. But this is likely to take longer than two years.

It does seem appropriate, however, to require that whatever public benefits they receive be contingent on participation in programs that offer medical treatment, social services, and remedial education, perhaps, as Besharov suggests (Jan. 1993), centered around an enriched, intensive Head Start program. This linkage

of JOBS programs with Head Start Family Service Centers and the Comprehensive Child Development Programs is already taking place in Kentucky, Philadelphia, and several other sites around the country (see Smith, Blank, & Collins, 1992). However, intensive, long-term, two-generation, family-centered service programs are not cheap.

## **Lessons Learned from the Pre-JOBS Welfare-to-Work Demonstrations**

(Sources: Greenberg & Wiseman, 1992; Gueron & Pauly, 1992; Porter, 1990; Hagen & Lurie, 1992)

What do we know about the success of recent state and local programs designed to help welfare mothers gain employment? Fortunately, as these initiatives got underway in the seventies, researchers at the Manpower Demonstration Research Corporation, Mathematica, and other research organizations began to conduct carefully designed, rigorous field experiments using random assignment to determine the impact of a wide range of programs on participants' employment and earnings. Most of these evaluations also conducted cost effectiveness studies to determine their payoff to the tax payer. The impact and cost-effectiveness findings of 45 completed and in-progress studies are synthesized in a book, *From Welfare to Work* (Gueron & Pauly, 1992). Additional reports focus on the implementation findings.

Overall, the principal findings as summarized in the report's Executive Summary were that welfare-to-work programs do produce positive results. "A range of programs—those that emphasize immediate job placement as well as those that provide some more intensive services—were able to produce sustained increases in employment and earnings for single parents on welfare and a clear payoff on the public's investment" (p. 11). Participants who gained the least were the most job-ready. Those who experienced the greatest increase in earnings were in the middle group. Most of the welfare savings came from the more disadvantaged. Regarding the impact of these programs on long-term welfare recipients, the results were mixed. As noted, one clear finding is that these different program goals point in different directions. Administrators, the report points out, have to make hard choices about which goals have priority—raising incomes or reducing welfare costs.

However, the authors caution that expectations of these programs should be modest. Caseload reductions were not dramatic, nor were the increases in participants' income. In addition, although a great deal was learned, many questions remain unanswered. For example, the review was unable to compare the relative impacts of voluntary versus mandated programs. And none of the studies examined the impact on children or on parent/child relations (which the JOBS evaluation is doing).

Many of the lessons learned will be found useful to administrators implementing JOBS and to the evaluators of JOBS. But they are not directly transferable. The JOBS program differs in several very important respects from the programs reviewed in this study. Most of them were voluntary, they did not for the most part offer education services, did not enroll mothers with children under age 6, and did not operate under mandated participation rates as the JOBS programs do. In addition, the JOBS program is being implemented on a much more massive scale and there are questions about whether it can meet participation standards and still maintain the successes of the smaller and simpler pre-JOBS model. Finally, a very important question is to what extent does the success of JOBS depend upon favorable conditions in the states' economies and the strength of local labor markets.

## **New Directions for Policy Reform**

There are several conclusions to be drawn from the experience of recent efforts to help welfare recipients get jobs and become self supporting. Not enough low-skill jobs exist in the private sector. Some poor and

dependent families need more than short-term education and training assistance to be ready to work. Work obligations, and work itself, are not enough to achieve economic independence. Working at low-wage jobs does not help families become self-sufficient in the long run nor does it lift them out of poverty. In response to these realizations, some creative new directions are evolving and there is renewed interest in using public subsidies to help create jobs. Five examples of these new directions will be briefly described below. They are generally designed to supplement or complement present welfare-to-work approaches, not as alternatives.

## **Publicly Funded Jobs**

(Sources: Lerman, 1992; Levitan & Gallo, 1992; Sawhill, 1992)

Using public monies to create new jobs is an old strategy that appears to be making a comeback. There are several different ways in which jobs can be directly funded with public monies. Public subsidies can be paid directly to private employers such as was done in the Supported Work Program. Or jobs can be subsidized through the tax system such as in the Targeted Jobs Tax Credit program. But when people think of government-created jobs, they usually think about public service jobs and public works jobs such as were launched so massively in the Depression. Many such programs were funded during earlier Democratic administrations. Public jobs creation of this type has for some time been in disrepute, unfairly so in the eyes of many. The reason may lie in the fact that mounting such an effort poses a massive administrative challenge and many such past efforts were rife with inefficiency, waste, and corruption.

To date only a small fraction of AFDC recipients—about 5%—have reportedly obtained jobs as a result of enrollment in the JOBS program. This is alleged to be in part because jobs for low-skilled workers are in short supply. Some argue that if President Clinton is to make good on his commitment to get all welfare recipients to work after only two years of education and training, he will need to launch a public service employment program to guarantee jobs to those who cannot find them in the private sector. Without such a program, “the danger exists that in the absence of jobs, the nation will give up on reforming welfare” (see Levitan & Gallo, 1992, p. 12).

This is one of at least three arguments supporting the case for launching a large jobs creation/or subsidy program. A second argument, such as the one made by Senator Boren in introducing the Community Works Progress Act legislation (see p. 26), is that a public service employment program would help meet a variety of neglected community service needs ranging from maintenance of public parks to delivery of meals to the elderly. A third argument is that jobs creation serves as an additional tool in combating unemployment in times of recession. However, it has proven very difficult in the past to respond to downturns in the economy in a timely fashion, and this seems to be inevitable unless there were some automatic triggering mechanism built in (Levitan & Gallo, 1992).

Isabel Sawhill (1992), Lerman (1992), and others point out that one of the dangers inherent in such programs is a possible displacement effect, namely that publicly funded jobs take jobs away from other workers, and that they simply “cream” from the unemployed the best skilled and most motivated, and do little to help the most disadvantaged. Moreover, although a jobs program may help create and sustain a work ethic among welfare recipients and perform some useful services, it may do little to raise the incomes of poor families without supplementary assistance from the EITC and increased child support for the single parents.

Nevertheless, Sawhill recommends enacting a new jobs creation program consisting of both public service jobs in the community and subsidized jobs in the private sector, but only as a complement to other more basic reforms in the welfare system. It should not be regarded as the centerpiece, she writes (1992).

In Sawhill's proposal, participants in subsidized jobs would be paid the minimum wage and receive free health insurance and child care and be able to keep the job for a maximum of two years. In order to create an incentive for people to move into unsubsidized positions, the EITC rate should be substantially higher for nonsubsidized than subsidized jobs.

Bearing in mind the goal of directly improving the lives of children, Sawhill also proposes that an integral part of this ambitious welfare reform package should be an expansion of Head Start to a full-day, full-year program serving more children, including two year olds. She costs out this package at around \$36 billion, with possible welfare savings reducing the net costs to around \$24 billion and suggests that it should be started on a demonstration basis.

Lerman (1992) reviews the record of jobs creation programs for youth and is skeptical about their value in terms of improving long-term earnings and productivity. In addition, while they clearly can create jobs, not all these jobs resulted in increased employment overall because some of the publicly funded workers would have found jobs anyway. He points out that these programs have placed too little emphasis on highlighting and measuring the value of the output of public works and service jobs. It is likely that the added output offset a high proportion of their costs.

### **Family-Centered, Two-Generation Welfare/Work Strategies**

Policies to combat the poverty of families with children have traditionally taken one of two paths. They have either have funded interventions targeted on poor children themselves—of which the premier example is Head Start—or they have been concerned with providing cash or services to poor parents. Increasingly, welfare reform discussions and research are including a concern with outcomes for children and the family more broadly. Thus, these two approaches are being linked together in a new framework or paradigm which some have called “two-generation” (Blank, Smith, & Collins, 1992) and others “family-centered” (Bruner, Berryhill, & Lambert, 1992). This approach seems especially needed for young welfare families who, due to their multiple disadvantages and problems, are not ready to meet the new work obligations.

**Two-generation programs.** Although this new approach has been evolving over many years, several provisions in the Family Support Act have served as a catalyst for the two-generation approach to be adopted much more widely. First, the new emphasis in the legislation on helping welfare mothers find and pay for appropriate child care services focused the welfare system, for the first time, on the needs of the children in the family. Second, all welfare parents referred to the JOBS program require an initial assessment of their needs and those family circumstances that may affect their ability to work. This assessment “may include” a review of the needs of the child. Third, the case manager assigned by the welfare agency must be responsible for “assisting the family to obtain any services which may be needed to assure effective participation” (Title II, Part F, sec. 482 (b) (3)).

In several sites throughout the country, program administrators are developing agreements with JOBS administrators so they will refer many of their welfare families to two-generation programs. Programs based on this model generally provide themselves or through referral six basic components: (a) Assessment of the child's and family's needs; (b) High quality child care and early childhood education; (c) Services that strengthen parenting—parent education and peer support; (d) Preventive health services for parent and child—accessing the EPSDT system; (e) Education, training, and employment-related services leading to self-sufficiency; and (f) Case management to help access and coordinate all the services the family needs.

A report sponsored by the Foundation for Child Development outlines the key features of these two-generation programs and presents profiles of eight programs that illustrate different approaches to integrating welfare-to-work services with other supports for the parent and child (Smith, Blank, and Collins, 1992).

**Family-Centered Welfare Reform Programs.** An example of a growing number of demonstration projects which focus on members of the welfare family as a system is The **Iowa Family Development and Self-Sufficiency Demonstration (FaDSS)** projects. This statewide program is based on a philosophy similar to the two-generation programs, but uses a more tightly designed and family-centered program model. These 10 programs were created by legislation in 1988 and are located throughout Iowa. They are designed specifically to work with long-term AFDC clients and operate in collaboration with local JOBS programs. The basic premise of FaDSS is that welfare families have many needs that must be attended to before the parent(s) can successfully move into a steady job (Bruner, Berryhill, & Lambert, 1992). The Institute for Social and Economic Development is conducting an evaluation of the FaDSS program based on in-depth interviews with both treatment and control group families.

At the core of the Iowa FaDSS program are a new kind of professional called “family development specialists.” Their first task is to develop a long-term, trusting relationship with women who are very often highly distrustful of social service agencies and are themselves very isolated socially. Contacts with the family can take place in the home, office, or community.

The workers usually address the families’ needs in sequence, beginning with the most basic needs for housing and health care, which are often acute. They then move on to focus on the mother’s emotional and social needs, and her role as a parent. Finally, they address her needs to improve her education and work skills, and make plans to move toward employment. For many of these women, moving towards a job is only possible when they begin to feel their life has some stability and they feel more in control and better about themselves and their children.

A unique feature of this Iowa family-centered model, as compared with the two-generation models, is that the family development specialists are prepared to help the welfare mother deal directly with her relationships with the men in her life (men are usually present). And these relationships are frequently highly stressful, if not destructive.

## **Making Work Pay**

### **(a) The Self-Sufficiency Project, Canada**

This newly launched demonstration project being conducted in two sites in New Brunswick and British Columbia provides an earnings supplement to former welfare recipients who work full time. The project is designed to overcome the present situation where a recipient of Income Assistance, by taking a job, may well lose in cash assistance and in-kind benefits nearly what is gained from working.

Key features of the model are that the earnings supplement is provided to single parents who have been on Income Assistance for at least 12 out of 13 of the previous months and who work full time in a job that pays at least the minimum wage. The participant, who volunteers for the program, agrees to discontinue receipt of both income and shelter assistance. The amount of the earnings supplement is based on a formula of 50% of the difference between her earnings and an earnings benchmark. The supplement is available for up to three years. Additional information and referral services are provided.

The Self-Sufficiency Project is a unique partnership of Canadian public officials and the Manpower Demonstration Research Corporation who will work with a Canadian firm, the Social Research and Demonstration Corporation (SRDC), to operate and evaluate the project. The evaluation, which uses an experimental design, will be large. Random assignment of approximately 8000 individuals began in New Brunswick in late 1992 and is scheduled for early 1993 in British Columbia. It will be conducted over a period of 8 years.

**(b) New Hope Project, Inc.**

(Sources: Reimer, 1988; and program memoranda)

The New Hope project, located in Milwaukee, Wisconsin, is a three-year demonstration program designed to test whether subsidizing work for individuals and families who are currently poor will help them gain stable, good jobs that lift them out of poverty. It is not a welfare-to-work program and its main goal is to reduce poverty, not dependency per se. The model is built around three key components.

- Wage supplements—in the form of a check from the agency.
- Work supports— job search assistance, employment counseling, child care, health insurance, and service referrals.
- Subsidized community service jobs.

Individuals and families are eligible for these services whether they are working or unemployed, and whether they receive welfare or not. The sole eligibility criterion is having an income which is at or below 150% of the poverty level. Participation is voluntary.

If unemployed, the participant will first receive job search assistance for up to 8 weeks. Once employed, the wage supplement will kick in. The amount of the supplement varies and is calculated based on the amount needed to fill the gap between the combination of earnings, state and federal earned income tax credit, and the poverty level.

Health insurance and child care assistance is made available until earnings reach 200% of the poverty level.

If the participant cannot get a job in the private sector, s/he is assigned to work in a community service job in a local nonprofit agency for up to 26 weeks. The search for a private sector job must continue, as this is the ultimate goal. However, the participant can recycle through the public service employment (PSE) job up to three times.

The project's expectation is that with stronger guarantees about employment and income, and with consistent support services, low-income persons will be better able to gain and maintain stability in their lives. The model was initially tested, and somewhat modified, in a prepilot phase where 50 individuals participated. The initial results were encouraging.

Funding for the project and for evaluation is coming from multiple sources. The goal is to match the monies already raised from local corporate and foundation sources with state and federal dollars (1:1:1). MDRC has been awarded the contract to conduct the evaluation which will use both randomly assigned control groups and comparison groups.

For further information contact: Donald Sykes, Executive Director or Julie Kerksick, Associate Director, New Hope Project, Inc., 623 North 35th St., Milwaukee, WI 53208. (414) 342-3338.

### **(c) Training women for nontraditional occupations**

(Source: Haignere & Steinberg, 1989; Harlan & Steinberg, 1989; Sorensen, 1991)

A growing number, and proportion, of women are heading families and are the sole wage earner. Increasingly, in two-parent families the mother's earnings are a critical component of the family's income. In both types of families the level of women's earnings is important to discussions about family poverty. It is generally acknowledged that the wages earned by a low-skill worker are not sufficient to lift a family out of poverty. However, if a welfare mother receives training in a high-paying, traditionally male field, she is much more likely to earn enough to allow her to become self-supporting. Thus, some policymakers are beginning to be interested in strategies that help women earn higher wages.

The male-female pay differential has declined dramatically in the past decade (Sorensen, 1991). In the sixties and seventies, the female-male pay ratio hovered around 59%. By the end of the eighties it was around 66% and is predicted to reach 74% by the year 2000. Nevertheless, it remains true that over 50% of black and Hispanic working mothers and nearly 37% of white working mothers earn below what Roberta Spalter-Roth and Heidi Hartmann (1992) have deemed to be a "sufficiency wage," \$5.80 per hour (in 1988 dollars). And it is still true that women workers are highly concentrated in traditionally female occupations in which wages and salaries are low.

**Nontraditional training programs.** As pressure grew to include more women in federally funded training and apprenticeship programs, it became clear that to get them both to enter the training and then succeed on the job in the skilled trades, women would generally need special kinds of outreach and assistance. Since the 1970s, the federal government, prodded by the interest groups, has funded under the CETA program a few demonstration programs designed to train women to enter the skilled trades that have traditionally been dominated by men. Nontraditional occupations (NTOs) are defined as those in which less than 25% of the workers in that occupation or field are women. For example, construction, public utilities, plumbing, and electromechanics are but a few of the dozens of jobs classified by the government as nontraditional for women.

NTO programs include many special activities that are designed to overcome past and future barriers to women's successfully entering skilled trades. These include recruitment and outreach; career counseling; pretraining and preapprenticeship; support services during training; employer outreach and education; and follow-up services. The content of the training dealing with past barriers includes learning how to deal with attitudes towards women's entering traditionally male dominated trades; strengthening weak abilities and knowledge (for example, strengthening math background or physical skills needed for the job); supporting life circumstances (e.g., balancing work and responsibilities for care or illness of child or elderly/sick relative). Curriculum components dealing with future barriers include sexual harassment, ostracism, and tokenism that women trainees can expect to meet in the training and on the job.

For a number of years, the Women's Bureau has been working to provide information and education to employers and the public to increase women's access to training and employment programs. Another strong emphasis was the recruitment of women to nontraditional jobs. Currently, the Bureau funds a number of NTO programs. This number is expected to increase as a result of the passage of the Nontraditional Employment for Women Act which amends the JTPA to add program requirements relating to the training, placing, and retraining of women in nontraditional employment. The Act also provides funds for NTO demonstration programs. The findings preamble to the Act states that "the long-term economic security of women is served by increasing nontraditional employment opportunities for women."

### III. Enhancing Earnings of Future Parents

#### Challenges Involved in Helping Youth Get Good Jobs

(Sources: Betsey & Hollister, 1985; Hahn & Lerman, 1985; Lerman, 1986, 1992)

The numbers, and proportion, of youth who have jobs increased substantially between 1960-80. But the job growth has not kept up with the increased share of young people wanting jobs. There has been a steady upward trend in youth unemployment in the past few decades, and the gap between white and nonwhite youth and between adult and youth joblessness has widened. The unemployment rate of young (16-24 year olds) out-of-school workers has generally been twice as high as the national average. Unemployment is concentrated among certain subgroups. School dropouts and black youth face rates of joblessness in the 30-46% range, over three times the rates of white high school graduates (Lerman, 1992).

Indeed, these figures may understate the problem since many young people have stopped looking for jobs. They may also overstate the problem since a certain percentage is frictional—many young people are looking for work between jobs or between schooling and jobs. Nevertheless, high turnover among youth only accounts for about 30% of their unemployment. Those employed in the armed forces are not counted in employment figures. If they were, the gap between white and black youth unemployment would be much narrower.

Persistent joblessness among youth is associated with a number of other social problems such as school drop out, illiteracy, out-of-wedlock childbearing, and crime and delinquency.

Youth unemployment is highly sensitive to the state of the economy, and it is not surprising that in periods of recession they have more difficulty finding work than adults do. However, people are struggling to understand why youth joblessness among at-risk youth has remained high even during good economic times—especially among inner-city youth. Among the various factors cited in the research include:

- Declining demand for low-skill workers;
- Concentration of youth unemployment in areas of high local unemployment;
- Minimum wage restrictions which have lowered demand for youth;
- Declining share of youth overall hired by the military, but among those hired, a higher proportion are black;
- Changing attitudes towards low-status, low-wage work (and the pull of alternative, albeit illegal, sources of income from drug activity on the streets);
- Those young people looking for work are less educated (since many educated blacks were now going into the military or on to college);
- The influence of family factors and responsibilities associated with joblessness, such as teen parenthood;
- Many youth live with parents on welfare who have very limited connections to jobs and the world of work.
- High proportions of youth, especially black youth, have criminal records and/or have experienced periods of incarceration, which causes serious difficulties when they try to get employment.

As noted by Hahn and Lerman (1985), many of these factors causing employment difficulties for disadvantaged youth are the result of complex social problems that are not easily addressed through employment policies alone.



## Lessons Learned from Youth Employment and Training Programs

(Sources: Betsey & Hollister, 1985; Hahn & Lerman, 1985; Lerman & Ooms, 1988; Simms, 1985)

The growth in federal funding for youth employment and training programs that began in the sixties but escalated in the seventies reflected both a desire to improve the skills, capacities, and work habits of the labor force, and a concern about the social effects of youth idleness. Hence, the programs have been divided between those that created jobs for young people, year round or in the summer time, and those that focused more on remediation of education deficits and training. Spending for these programs were at their peak in 1978-1980 and have since declined dramatically.

The Commission on Work, Family and Citizenship put forth a strong, compelling case for devoting substantial increased resources to programs designed to support the transition from school to work (W.T. Grant, 1988). The final report commented on the major disparity in the U.S. between its levels of support and encouragement for young people who go to college compared with the “Forgotten Half,” the 20 million or so who are noncollege bound. According to the Commission:

“Each student enrolled in an institution of higher learning typically expects to receive a combined public and private subsidy of about \$5,000 per year ...whereas youth not going on to college are starved for support. Only about 5% of those eligible for federally supported job training receive it, then usually for only about four months, at a level of \$1,800-\$2,300 per student—not enough training to adequately prepare for a career or overcome a prior lifetime of neglect and deprivation” (W.T. Grant, 1988, p. 3-4).

If the nation is indeed ready to invest more in jobs, education, and training, what has been learned about what works for youth?

The two largest programs initiated for youth in the sixties were the Neighborhood Youth Corps—providing part-time and summer jobs to low-income high school students and full-time jobs to out-of-school youth—and the Job Corps—a residential program targeted on the most disadvantaged, problem youth, where they received a range of intensive remedial and other services. In 1977, Congress still convinced of the urgency of the problem of youth unemployment, enacted the Youth Employment and Demonstration Projects Act (YEDPA) administered by the Department of Labor’s Office of Youth Programs which spent over \$2 billion in many separate programs over the next four years. A determined effort was made to carry out a research agenda and find out what programs worked best.

A review of the experience of these programs was carried out between 1983-85 by the Committee on Youth Employment Programs at the National Research Council at the request of the Department of Labor. After sifting through over 400 program reports, the Committee selected the 28 projects that met their standard for in-depth review. The final report summarizes the findings from this review (Betsey & Hollister, 1985). It begins with the comment that expectations on the YEDPA program to implement multiple and complex programs so quickly, and at the same time obtain research results, put too much pressure on an understaffed office in the Department of Labor.

One of the major conclusions of the report was that so few of the evaluations used an experimental design that it was very difficult to reach any firm conclusions about the effectiveness of these programs given the quality of the available evidence. “With the exception of two programs (Job Corps and Supported Work), we could not find sufficient, reliable evidence to assess the efficiency, in terms of social benefits and social costs, with which youth programs achieved their effects” (Betsey & Hollister, 1985, p. 16). The report cautions that the absence of evidence of effectiveness in these studies does not mean that the programs were ineffective, but simply means that the research was not of sufficient quality to be able to prove effectiveness one way or the other.

The National Supported Work Experiment—one of the two quality evaluations—showed that participation failed to raise post-program employment and earnings of young dropouts. On the other hand, the remedial education and skills training provided by the Job Corps—the other quality study—did have a statistically significant positive impact on participants in terms of employment and reduction in commitment of serious crimes, which were sustained for at least four years. However, the Job Corps evaluation was conducted in the seventies and used comparison and not control groups.

Apart from these two rigorously designed studies, any overall assessment of effectiveness of the YEDPA programs in terms of impact on employment and earnings is largely elusive. However, a good deal was learned about program implementation and service provision.

The recent findings of the JTPA 18-month interim report, however, were much more discouraging. The program was found to have little or no effect on the earnings and employment of female youth and substantial negative effects on the earnings and employment of male youth (Bloom, et al., 1992). An evaluation of JOBSTART, a community-based version of the Job Corps, was found to raise education levels but not earnings.

It remains very unclear why the results from these studies are so disappointing. Clearly, much still needs to be learned about how to design and implement programs that will effectively overcome the barriers that prevent young, disadvantaged men and women from being successful in the labor market. As in the discussion above, with respect to the welfare-to-work situation, future policy can focus on jobs creation, on improving skills and future earnings, or both. Unlike the welfare population however, youth programs will generally remain voluntary, except for the subset of youth who, as parents, do receive welfare and are being required to participate in the JOBS program.

**Young women.** In reviewing the distinctive experience of young women in employment and training programs for the National Academy Study, Margaret Simms raises some interesting questions that undoubtedly need further attention (Simms, 1988). She points out that most of these programs were initially tailored to meet the needs of young men, but, with the exception of the Job Corps and the Youth Conservation Corps, female participation quickly climbed to approach 50% or higher. There are several studies that find that young women have benefited more from these programs than their male counterparts, even though there is evidence of sex-role stereotyping in assigning more women to classroom training than on-the-job training. The experience of young mothers in these programs also needs more careful examination since, for the most part, except for special demonstration programs like New Chance and New Directions specifically designed for young mothers, youth employment programs provide few supportive services for those who have child care and other family responsibilities.

**Young unwed fathers.** There is a growing interest in research and programs for young unwed fathers and in developing policies that help promote and reward their acting responsibly—establishing paternity, paying child support, visiting their children, and so forth (see Lerman & Ooms, in press). Since as a group they are generally disadvantaged in terms of education and employment, and their children are at high risk of being poor, some initiatives have focused on helping improve their employability and, hence, their capacity to be responsible fathers.

The most ambitious of these initiatives is **Public/Private Ventures Young Unwed Fathers Pilot Project**, launched in late 1991. This six-site demonstration project (Cleveland, Ohio; Racine, Wisconsin; Fresno, California; Annapolis, Maryland; and Philadelphia, Pennsylvania) is providing a range of services over a period of 18 months to young unwed fathers including:

education, training through JTPA, a fatherhood development curriculum encouraging responsible parenting behavior, and counseling and other ongoing support to help fathers achieve employment, parenting, and personal goals. Three-quarters of the young men are African American. This pilot phase of the project will be used to try to determine elements of the most promising model and whether an impact analysis of one model would be useful.

Early findings reported on in an interim report provide an in-depth portrait of the characteristics, behavior, and circumstances of these young fathers. The projects found that recruitment was difficult and resource intensive, and that even those programs which had the strongest relationship with the local public employment/training agency identified a number of barriers to their being able to provide these young fathers with promising jobs or skills training. In Some Communities, for example, local eligibility criteria or practices screen out many needy fathers, there is a lack of viable skills training options and lack of in-program financial support that forces fathers to take jobs before they improve their job-related skills (Watson, 1992).

**Family context issues.** The neglect of young peoples' family context in youth employment discussions shall be mentioned briefly here. There is a great deal of evidence that family factors influence youths' successful transition to the labor market. A review of this research (Lerman & Ooms, 1988) points out that young people ages 18-24 are generally in a state of semi-independence. They are often still economically, socially, and psychologically dependent on their parents, even though their parents no longer have legal, or even de facto, control over their decisions and behavior.

Young, disadvantaged minority youth are more likely than white youth to be living with relatives, and high proportions of them do so. In 1986, almost three out of four jobless black and Hispanic youth lived with their parent(s) or some other relative. This raises complex questions about family members' economic interdependence, which very little is known about, and whether and how family income should be taken into account in assessing program eligibility for youth programs.

Often parents and other adult family friends can be very helpful and supportive in advising and guiding young people about jobs and how to apply for them. Through their own networks they help them make the initial contacts in the work world that so often result in finding a job. Also, when parents are employed themselves, they model good work habits for their teenage children. But for many disadvantaged youth, their parents are often not employed and receive welfare, and they are often very socially isolated from other adults, church, community, and other institutions. In addition, many young people may have heavy responsibilities in the family that make it difficult for them to participate in programs—such as caring for younger siblings, other relatives, or even their own children.

Lerman and Ooms suggest that public policies and programs aimed at improving the transition of noncollege bound youth to the adult job market should take into account the influence of their family context. For example:

- Since the large majority of unemployed youth are living at home and do not have to support themselves, policy should focus more on strategies to raise their long-term earnings capacity rather than on providing low-paying jobs.
- In those families where the adult(s) are also among the long-term unemployed, two-generation programming strategies in which the parent(s) and the young man or woman are enrolled in training and employment activities should be considered.
- Youth training and employment programs should routinely conduct outreach, education, and offer opportunities for involvement to the youth's parents to ensure that they understand, support, and reinforce the goals of the program. And the program counselors should assess the nature of any

family-related barriers that impede participation or identify family resources that could be tapped to facilitate and encourage it. (For example, the desire to be a good parent can provide strong motivation for training and work.)

## **New Directions: The Case for Youth Apprenticeship**

(Sources: Apling, 1992; Glover, 1989; Kazis, 1992; Kolderie, Lerman, & Moskos, 1992; Lerman et al., 1992; Lerman & Pouncy, 1990; National Alliance for Business, 1992; Rosenbaum, et al., 1992; Shenon, 1992; U.S. GAO, May 1990, August 1991)

Youth apprenticeship is suddenly emerging as a “hot” new idea, designed to solve the many problems of school-to-work transition of the so-called “forgotten half”—those young people who do not go straight from school to college. Youth apprenticeships link learning in school with work experience by integrating academic instruction with work-based learning and work experience. For a number of years other kinds of programs have tried to address the school-to-work transition, such as Tech-Prep in vocational education, high school Career Academies, and Project Youth Build. However, the concept of youth apprenticeship is bolder in scope and includes some unique features.

Within the last year, President Bush and more recently President Clinton embraced the concept of a national youth apprenticeship system. Several bills were introduced in the U.S. Congress to expand the number and scope of youth apprenticeship programs (see p. 26), and numerous reports on the subject are appearing. What is all this excitement about? Can youth apprenticeship really help young people get good jobs? Or is it just another short-lived fad?

While apprenticeship programs have existed for some time in the U.S., they have been limited in number, targeted on adults in their late twenties, and concentrated in a narrow range of occupations, usually construction-related (see U.S. GAO, March 1992; U.S. DOL, 1992). Within the last few years, a number of demonstration programs to support youth apprenticeship have been set up; sponsored by organizations like the National Alliance of Business, the Council of Chief State School Officers, and Jobs for the Future (see p. 27), and by the federal government.

These programs have drawn upon and adapted the European model of youth apprenticeship, especially the model widespread in Germany which has been successfully in place for decades. In Germany, about 70% of young people pass through the apprenticeship system and the vast majority (68%) work in the occupation they were trained in.

While each program differs, some of the key features of the model (Lerman & Pouncy, 1990) are:

- In 9th and 10th grades students are given exposure to a range of occupations.
- By the 11th grade, students who are not planning to go on to college sign contracts with employers.
- Students receive on-the-job training for three years, for which they receive a stipend, but this is contingent on their attending school part-time. Their school curriculum is dovetailed to provide the academic foundations for the job.
- Students take interim and final examinations that provide them with the credential certificate for their trade based on nationally approved performance/knowledge standards.

Youth apprenticeships, unlike adult apprenticeships, would be available in a wide range of occupations—such as in the health field, banks, business, as well as more technical occupations.

They could also be established in the public sector—in the military or civil service. While one of the advantages is that apprenticeships would not be targeted, and hence stigmatized, there is no reason why in setting up such a system the government could not give special tax incentives to employers in school districts with high proportions of low-income students.

To make such a system work there has to be close cooperation between schools, employers, and labor. Some businesses have become quite interested and supportive of apprenticeship (see NAB, 1992). Unions, however, have a number of misgivings, in part because of concerns that youth apprenticeships will undermine and displace jobs for adults and compete with adult apprenticeship programs (see Shenon, 1992). Some believe that if the program were retitled, it would be more acceptable to the union movement.

Teenagers involved in apprenticeship programs begin to see clear links between their school learning and future success and income. They are exposed to the adult work environment and to experts who become their mentors, in contrast to youth who have jobs in food or retail stores who mostly consort with their unattached, and often alienated, peers. At completion, they gain a certificate which assures them mobility, but they also have a good chance of getting a job which pays a decent wage in the business or organization they have been working in. Apprenticeships would also benefit the economy as a whole since they would help to increase the supply of skilled workers.

Finally, Lerman and Pouncy have suggested that apprenticeship may also have some indirect, positive family effects. “If apprenticeship drew large numbers of young people, especially disadvantaged minority youth, into serious training as early as eleventh grade, early parenting would become less attractive and marriage more attractive” (p. 76).

Whereas apprenticeship has proved to be very successful in several European countries, it remains unproven in the U.S. The few small demonstrations to date show promise, but long-term results are not yet available. As various proposals are put forward and assessed, several overarching issues and questions will need to be kept in mind (Apling, 1992).

- Should the federal government initiate a national youth apprenticeship program or simply fund a few more demonstrations? What should the federal role be?
- Should a national youth apprenticeship system be integrated into current federal programs—such as Tech-Prep or Vocational Education—or should a new, separate program be authorized?
- What kinds of incentives can be given to employers to become involved in an apprenticeship program, especially those in communities with large proportions of disadvantaged minority youth?

## IV. Selected Legislation—Recent and Proposed

### Enacted In 1990-1992

**CIVILIAN COMMUNITY CORPS (CCC)**, which was originally part of the Community Works Progress Act of 1992, was accepted as an amendment to the 1992 Defense Authorization Bill. For FY 1993, \$20 million was appropriated. The program was established to determine whether federally-funded residential service programs would increase support for national community service in the United States and whether such programs can expand opportunities for young people to participate in community service projects to enhance their own and others' lives. A CCC Demonstration program will be established within the Commission on National and Community Service. The Commission's Board will establish a residential service demonstration program and will appoint a director to run the demonstration.

The CCC will include both a National Service and a Summer National Service Program. The summer program will give young people (between the ages of 14-18) from disadvantaged backgrounds the opportunity to work for a few months on projects that will benefit the community. It pays all expenses and will give an education credit of up to \$1,000 or half that amount in a postservice cash benefit. The national, year-round program will have a more diverse group of participants and also give an education credit of up to \$5,500. Both will carry out service projects with an identifiable public need.

**JOB TRAINING PARTNERSHIP ACT (JTPA) AMENDMENTS 1992.** The Congress had three goals in mind in drafting the amendments to this permanently authorized law: (i) To improve the quality of services and increase the extent to which they are targeted to very disadvantaged individuals; (ii) To prevent waste, fraud, and abuse by assuring JTPA's fiscal accountability; and (iii) to expand and strengthen assistance to dislocated workers (see Lordeman and Spar, 1993). These amendments will become effective July 1, 1993. With respect to the first goal, a new Title II-C was created to provide year-round services to economically disadvantaged youth, services that are currently provided under Title II-A. It also created a new Title IV-H demonstration program, the Youth Fair Chance Program, to provide up to 25 grants to high-poverty communities to provide comprehensive services to low-income youth. The NEW Act, see below, also amended the JTPA program.

**NATIONAL AFFORDABLE HOUSING REAUTHORIZATION ACT (P.L. 102-550)**, includes a Women in Homebuilding provision for eligible community-based organizations to help provide placement for low-income women in nontraditional jobs. Assistance would be provided through apprenticeship programs, support for women already employed in nontraditional professions, and education for businesses who employ women in nontraditional areas. This provision, combined with several others, was authorized for \$7 million in FY 1993.

**NATIONAL AND COMMUNITY SERVICE ACT OF 1990 (P.L. 101-610)** was enacted to encourage community service throughout the United States. There are 21 members of the *Commission on National and Community Service* which is authorized to administer most programs under the Act. The major new service components include Serve-America which authorizes grants for elementary, secondary, and post-secondary education service projects. This allows for projects to specifically include out-of-school youth, dropouts, and ones involving adult volunteers in schools and partnerships. In addition, the American Conservation and Youth Service Corps Act authorizes the creation or expansion of conservation and youth corps programs. These corps limit enrollment to youth between the ages of 15 and 25 and program must include educationally and economically disadvantaged youth.

**NONTRADITIONAL EMPLOYMENT FOR WOMEN ACT (NEW)** (P.L. 102-235) was signed into law by President Bush in November 1991, and went into effect in July 1992. NEW amends the JTPA by requiring all JTPA Service Delivery Areas (SDAs) to provide nontraditional training for women throughout the United States. Under NEW, SDAs must address women's employment and training needs. Mandatory, targeted goal setting is essential to NEW. Among other provisions, SDAs must report more thoroughly on JTPA successes and set specific goals for the training and placement of women in jobs. Under Title IV of the JTPA, NEW also authorizes the Department of Labor (DOL) to issue four-year grants to up to six states to establish demonstration projects. The grants are administered by the Women's Bureau at DOL.

**WOMEN IN APPRENTICESHIP AND NONTRADITIONAL OCCUPATIONS ACT** (P.L. 102-530) was signed into law in October 1992. It provides technical assistance to employers and unions to assist them in receiving women in apprenticeships (such as carpentry, painting, and welding) and nontraditional jobs (such as mechanics and maintenance engineers). The legislation provides DOL with \$1 million to conduct seminars and other outreach efforts toward realizing the goals of the Act. It also allows DOL to select 50 unions and employers to receive technical assistance, and encourages DOL to contract with community-based organizations which have already proven successful in providing technical assistance.

## Proposed Legislation

A number of federal legislative proposals which are relevant to youth apprenticeship and workbased learning programs were introduced during the 102nd Session of Congress. Most of the proposals target students in their last years of high school, but one sets eligibility at least 18 years and another affects elementary as well as secondary school students. Provisions within each proposal cover a broad range of initiatives. These include paid apprenticeships to students, demonstration programs to provide apprenticeship training, the establishment of committees to develop standards of job competency and efficiency, and links between state and federal departments of education and labor as well as between schools and training programs and employers. Hearings were held on many of the proposals, several bills were marked up by committees, and one went to House/Senate Conference, but none were enacted. There are plans for several to be reintroduced during the 103rd Session.

One of the most prominent proposals was S. 2059, the **YOUTH APPRENTICESHIP ACT OF 1991**, introduced by Senators Nunn and Breaux. S. 2059 is expected to be reintroduced. The purpose of the bill was to reduce the gap in skills, income, and opportunity between college-bound and noncollege bound youth, and to create a systematic school-to-work transition for students. The bill would: establish demonstration programs through partnerships between secondary and post-secondary schools and between labor and employers to provide training to students; establish the Institute for Youth Apprenticeship; develop competency standards for apprenticeships and trainers; enforce certain academic standards for students; and recognize successful completion of a program by awarding high school diplomas to participants.

**COMMUNITY WORKS PROGRESS ACT** (recently reintroduced by Senator Boren as S. 239) was passed by both the House and Senate as part of the tax bill (H.R. 11) in the 102nd Congress but was vetoed by the president. The bill was reintroduced as S. 239 on January 27, 1993. It is based on similar programs instituted by President Roosevelt and would provide employment and employment-related services to AFDC and AFDC-UP recipients and to unemployed noncustodial parents who are at least two years in arrears in child support payments. The project would serve needs in the areas of health, education, urban and rural development and redevelopment, welfare, public safety, child care, and others.

## Organizational Resources

Listed below are a number of national organizations that provide information and publications, and engage in research, evaluation, and advocacy in the area of employment and training, especially with respect to women and youth.

### Coalition on Women and Job Training

The Coalition on Women and Job Training represents women in need of employment and job training as well as professionals who have provided employment and training services for women. The *Women's Job Training Agenda*, developed by the Coalition, sets forth recommendations to assist policymakers in developing a national job training and job creation structure which will reflect the needs of women and men both. Among the issues stressed in the *Agenda* are apprenticeship, welfare-to-work strategies, job creation, and a self-sufficiency standard. The Coalition is represented by approximately 30 organizations, including the Association for Community-Based Education, the Black Women's Agenda, the Coalition of Labor Union Women, Jobs for Youth, National Displaced Homemakers Network, and Wider Opportunities for Women.

**Contact:** Jill Miller, Chair, Coalition on Women and Job Training, c/o National Displaced Homemakers Network, 1625 K Street NW, Suite 300, Washington, DC 20006. (202) 467-6346.

### Institute for Women's Policy Research

The Institute for Women's Policy Research (IWPR) is a nonprofit, scientific research organization founded in 1987 to meet the need for women-centered, policy-oriented research. In coordination with policymakers, advocacy groups, and scholars, IWPR conducts research and disseminates the results which are aimed at enhancing awareness of policy issues which effect women and families. The Institute works to build a network of individuals and organizations that conduct and use policy research of particular importance to women.

The Institute has recently published several reports related to women's wages and employment based on analyses of the Census Bureau Survey of Income and Program Participation (SIPP) including, *Mothers, Children and Low Wage Work: The Ability to Earn a Family Wage* and *Increasing Working Mothers' Earnings*.

**Contact:** Roberta Spalter-Roth, Institute for Women's Policy Research, 1400 20th Street NW, Suite 104, Washington, DC 20036. (202) 785-5100.

### Jobs for the Future

For more than a decade, Jobs for the Future (JFF) has been working with schools, state governments, and businesses to organize partnerships and design programs and policies to help prepare youth with the training and skills they will need upon completing high school and entering the work force. One of JFF's ongoing efforts is the National Youth Apprenticeship Initiative which enables students to combine their last years of high school and first post-high school years with "on-the-job," work-based learning. JFF has demonstration Youth Apprenticeship sites throughout the U.S. with anywhere from 12 to 700 enrollees.



The target occupations include manufacturing and engineering technology, teaching, metalworking, electronics, and biotechnology.

**Contact:** Richard Kazis, Jobs for the Future, 1815 Massachusetts Ave., Cambridge, MA 02140. (617) 661-3411.

### **Manpower Demonstration Research Corporation**

The Manpower Demonstration Research Corporation is a nonprofit social policy research organization. MDRC's primary aim is to "learn what kinds of social interventions work." It was founded in 1974 and focuses on designing and field-testing education and employment-related programs aimed at improving the well-being of disadvantaged adults and youth, and to provide policymakers and practitioners with reliable evidence on the effectiveness of social programs.

The organization currently is involved in over ten major projects which focus on a wide range of social policy issues. MDRC provides technical assistance and disseminates the results of its research through publications and interchanges with other groups and individuals. Among ongoing MDRC efforts are a National Job Training Partnership Act (JTPA) study; the national JOBS evaluation; and an evaluation of the Fair Shares Demonstration Project for noncustodial fathers. Another new project is the evaluation of the Canadian Self-Sufficiency Project, a demonstration program providing earnings supplements to former welfare recipients.

**Contact:** Gordon Berlin, Manpower Demonstration Research Corporation, 3 Park Avenue, New York, NY 10016. (212) 532-3200.

### **MII Publications, Inc. (Employment & Training Reporter/Welfare to Work)**

*The Employment & Training Reporter* (ETR) and *Welfare to Work* are produced by MII Publications Inc. Both publications provide extensive information on employment and training programs and issues such as JTPA, JOBS, and nontraditional employment for women. The ETR is published every week and is used primarily by the U.S. Department of Labor, state labor departments, and some Private Industry Councils. It includes legislative and conference updates as well as summaries of labor-related studies and relevant regulations published in the Federal Register, such as those for JTPA. It also contains in-depth coverage of individual job training and employment programs. *Welfare to Work* is a biweekly newsletter which reviews developments in the welfare job training and placement field. It analyzes and updates specific projects and initiatives serving welfare recipients and summarizes numerous other welfare-to-work programs. *Welfare to Work* is subscribed to mainly by researchers and state and local welfare administrators. Both publications are available on a subscription basis (1-800-524-8960).

**Contact:** Richard Sayre, Managing Editor, Employment & Training Reporter, MII Publications, Inc., 1211 Connecticut Avenue NW, Suite 402, Washington, DC 20036. (202) 293-1740.

### **The National Displaced Homemakers Network**

The National Displaced Homemakers Network is dedicated to empowering and assisting displaced homemakers achieve self-sufficiency. The Network operates at local, state, and national levels to help displaced homemakers become financially independent. It has over 1,000 member programs nationwide

which work to educate employers about the benefit of hiring displaced homemakers. It also serves as a resource for displaced homemaker programs as they develop their skills and services. The Network provides outreach through technical assistance (for programs including those under the Nontraditional Employment for Women Act), trainings, and video demonstrations, and holds annual conferences in each of its ten regions.

**Contact:** Jill Miller, Executive Director, National Displaced Homemakers Network, 1625 K Street NW, Suite 302, Washington, DC 20006. (202) 467-6346.

### **National Youth Employment Coalition**

Founded in 1979, the National Youth Employment Coalition (NYEC) is a nonprofit membership organization which represents over 50 agencies committed to increasing employment, education, and training programs and opportunities for United States youth, particularly disadvantaged youth. NYEC aims to improve the public's understanding of such programs and serves as a clearinghouse of relevant information. It also initiates cooperative ventures among NYEC members, voluntary organizations, the educational system, and the private sector. NYEC recently published a report, "*Making Sense of Federal Job Training Policy: 24 Expert Recommendations to Create A Comprehensive and Unified Federal Job Training System*," which analyzes the effectiveness of current job training programs and looks at future prospects for such programs.

**Contact:** Alan Zuckerman, Executive Director, National Youth Employment Coalition, 1001 Connecticut Avenue NW, Suite 301, Washington, DC 20036. (202) 659-1064.

### **Urban Institute**

The Urban Institute is a nonprofit policy research and educational organization which was established in 1968. It analyzes social and economic problems confronting the United States, and the policies and programs aimed at alleviating the problems. The Institute disseminates its findings to policymakers and provides information and analytical tools to help improve the government decision-making process. One of the Urban Institute's publications most relevant to employment and job opportunity is *Urban Labor Markets and Job Opportunity*. This publication analyzes several labor market "mismatches," including that between urban youth and employers and the actual skills of young, urban job applicants and the skills demanded of them by employers. A second group of publications examines issues of women's and youth employment in the reports *Exploring the Reasons behind the Narrowing Gender Gap in Earnings* and *Evaluation of the Massachusetts Employment and Training (ET) Choices Program*.

**Contact:** Demetra Nightingale, The Urban Institute, 2100 M Street NW, Suite 500, Washington, DC 20037. (202) 833-7200.

### **Wider Opportunities for Women, Inc.**

Wider Opportunities for Women (WOW) is a nonprofit women's employment organization which provides technical assistance—including on-site training and consulting—to states, SDAs, and JTPA service providers to help them better train and place women in nontraditional jobs. WOW's Nontraditional Employment Training (NET) Project is part of the ongoing effort to increase the number and improve the status of women in these positions. NET was created in 1990 and is funded by the Aetna

Foundation, the Rockefeller Family Fund, and the Women's Bureau in the U.S. Department of Labor. NET aims to assess the barriers to women in nontraditional employment in their communities, develop teams to overcome these barriers and enhance and expand training to service providers, employers, and unions to improve their ability to work successfully with women.

**Contact:** Donna Milgram, NET-Project Director, Wider Opportunities for Women, 1325 G Street NW, Washington, DC 20005. (202) 638-3143.

## **United States Department of Labor**

### **Office of Work-Based Learning**

The Office of Work-Based Learning (OWBL) is under the Department of Labor's Employment and Training Administration, Bureau of Apprenticeship and Training (BAT). OWBL was created in 1990 and primarily is responsible for three major DOL programs and initiatives to improve workforce quality. One of these, Youth Apprenticeship, targets 11th and 12th graders who do not plan to attend college. Through this program, OWBL aims to provide youth with the training and skills they need to make a smooth transition from school to work. Youth Apprenticeship uses demonstration projects of work-based learning, which includes paid work experiences for youth and coursework which relates to the work being performed. The National Youth Apprenticeship Act of 1992 was funded at \$100 million for state Youth Apprenticeship Programs.

**Contact:** James Van Erden, Administrator, Office of Worked-Based Learning, Bureau of Apprenticeship and Training, U.S. Department of Labor, Washington, DC 20210.

### **Women's Bureau**

The Department of Labor Women's Bureau was created by Congress in 1920 to promote women's role in the workplace and to improve working conditions for women. The Bureau continues to develop policies and procedures to better enable women to balance the responsibilities of work and family. It supports research in economic, social, and legislative areas which will particularly effect women, makes policy recommendations, and establishes demonstration projects. The Bureau instituted the Work and Family Clearinghouse and disseminates educational information through publications, public speaking, and media relations. Among the Bureau's publications are a series of fact sheets on Women in the Work Force, and Work and Family.

The Bureau has maintained a special interest in encouraging women's participation in training for the skilled trades and in nontraditional occupations. In 1982, the Bureau cooperated with the Bureau of Apprenticeship and Training (BAT) on several projects and initiatives. It also is responsible for administering the demonstration grants which are part of the Nontraditional Employment for Women Act (NEW) (see p. 25). In 1991, the Bureau published a directory of nontraditional training and employment programs.

**Contact:** Alina Walker, Women's Bureau, U.S. Department of Labor, Room S3311, 200 Constitution Avenue NW, Washington, DC 20210. (202) 219-8913.

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## Table 1. Welfare and Family Support

### I. AFDC Single-Parent and/or Two-Parent Families

#### MDRC Studies of Broad-Coverage Welfare-to-Work Programs (Job Search, Work Experience, Education, and Training)

##### 1980s Studies

Arkansas	FA*	}	(Mandatory) Job Search Mandatory Work Programs Participation Requirements/ Exemptions
Louisville 1 and 2	FA		
Cook County	FA		
West Virginia	FA		
Virginia	FA		
San Diego I	FA		
San Diego SWIM	FA	}	Above, plus some Education and Training
Baltimore Options	FA		

##### 1990s Studies

California GAIN	FA/IP**	}
Florida Project Independence	IP	
JOBS: CA, OH, MI, OR, OK, GA	IP	

#### MDRC Studies of Selective-Voluntary Welfare-to-Work Programs

Supported Work	FA
Maine On-the-Job Training	FA
New Jersey On-the-Job Training	FA

### II. Changes in Earnings Disregards and Incentives — Making Work Pay

Canadian Self-Sufficiency Project	IP	-	New Incentives
Minnesota Family Investment Program	IP	-	New Disregard, Decategorization
Milwaukee New Hope (and job creation)	IP	-	New Incentives, Job Creation, Services, Decategorization

### III. Case Management

Riverside, CA	FA/IP	}	Case Management
Columbus, OH	IP		

### IV. Teen Parents on Welfare

#### Studies on Broad-Coverage Programs

Ohio LEAP	IP	}	School Attendance Mandates/Incentives
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#### Studies of Selective-Voluntary Programs

Project Redirection	FA	-	Comprehensive Services
JOBSTART	FA/IP	-	Education and Training
New Chance	FA/IP	-	Education, Training, Childcare and Comprehensive Services

### V. Non-Custodial Fathers

Parents' Fair Share	IP	}	Paternity Establishment Child Support Enforcement
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\*FA = Findings Available

\*\*IP = In Progress



## **Table 10. Issues and Experience in Reforming Welfare with Guaranteed Jobs**

**How to categorize recipients as either employable or unemployable?** We know from current work requirement programs that employability is hard to determine, it changes repeatedly, and is not easily monitored.

**What wage to pay: minimum or prevailing?** Carter's PBJI proposed using the minimum but the unions demanded prevailing out of fear that low wage public service jobs would be used to displace regular public employees. But this change would have made the public jobs better than the private sector jobs many welfare recipients can obtain. Thus many fewer people would have left these public jobs than leave AFDC in a year, and many working for the minimum or less in the South would have been likely to leave their private jobs for public jobs.

**What would a guaranteed jobs program do to normal caseload dynamics?** Longitudinal studies using the PSID and other sources by Duncan, Levy, Ellwood, and Wiseman demonstrate that most people receive welfare for very short periods of time and then leave on their own due to marriage or employment. The point in Lime caseload is a function of the number who enter and the rate at which they leave. Given the instability of private sector jobs and the absence of medical coverage, many observers fear that recipients who cumulate in a guaranteed jobs program would have significantly slowed the rate at which recipients left the rolls. The cost implications would be overwhelming.

**What does the CETA PSE experience tell us about transitioning from public to private sector jobs?** Transitioning was generally perceived to be a problem. Although there were some studies suggesting that PSE participants did move into private sector jobs, these results were not convincing, especially after amendments required that the jobs be concentrated on the structurally unemployed and disadvantaged. They were much less likely to leave public jobs than more advantaged employees.

**What does the Supported Work experience tell us about subsidized employment programs?** Supported Work offered a fairly unique set of jobs in non-profit, often specially created agencies, to long-term welfare recipients. The jobs involved graduated stress, peer support, work in crews, opportunities to be promoted as well as fired in positions involving housing rehabilitation, tire recapping, furniture manufacturing, window manufacturing and other more traditional government jobs like making microfiche copies of government records. Participants were expected to participate for up to 18 months and then transition off the rolls. The program successfully increased employment and earnings and reduced welfare costs for AFDC recipients. It was not effective for ex-offenders or youth. An ethnographic study of participants titled, *After Supported Work*, identified a subgroup of deeply troubled participants who were able to participate in the program but who permanently required a sheltered workshop setting. They were unable to function on their own without continued support. This experience has relevance for targeting, for program design, and for transitioning in a time-limited welfare system.

**Are the jobs there or can they be created?** CETA PSE was creating 725,000 jobs when PBJI was being debated but no one was sure that another 675,000 jobs could be created. Moreover, this scenario assumed that the existing PSE jobs would all go to welfare recipients, an unlikely assumption.

*TABLE 10 (continued)*

**Could the pool of jobs be expanded by subsidizing private sector jobs?** OJT has always been the prince of employment services but it has remained very small because employers were generally unwilling to expand. For example, as part of the Youth Incentive Entitlement Pilot Program, private employees were paid a subsidy to hire youth. Only a small minority of businesses were interested. When MDRC tested their responsiveness to wage subsidies ranging from 50 percent to 100 percent to determine whether employers could be attracted to provide additional jobs for youth, only 18 percent of employers were interested even with a 100 percent subsidy.

**Are guaranteed jobs necessary?** Even when unemployment was in the 5 percent range in 1989, the rise of homelessness, and the growing number of young people without any work experience at all, seemed to confirm the emergence of a structural as opposed to a cyclical unemployment problem which might be susceptible to a public jobs program. Nevertheless, help wanted signs in many retail and service establishments in some states suggested that most people could find some work if they wanted it. But work might be part-time, without benefits and at very low wages. These two points suggest that a guaranteed job would have to be targeted narrowly, structured so that it didn't compete with the low wage, part-time work now available, and that complementary policies are necessary which would make currently available low wage work pay for women with family responsibilities.

**Would a guaranteed jobs program increase employment rates?** Probably yes. The Youth Incentive Entitlement Pilot Program guaranteed jobs to disadvantaged youth in 17 cities, some 76,000 youth participated. Employment to population ratios for minority youth doubled in the designated cities, equaling or exceeding the rates among non-minority youth, signaling a dramatic change for blacks relative to whites. While youth entitlement is not a welfare employment program, it is plausible but far from certain that a similar result would obtain if jobs were guaranteed for welfare recipients.

**How did the Minnesota Work Equity Program test a guaranteed jobs offer?** From 1978 to 1982 this project offered public jobs to welfare recipients in Minneapolis and seven other counties. The DOL expected the project to be a test of the jobs component in a welfare reform effort since all of those who were unable to find unsubsidized work were supposed to be placed in mandatory subsidized jobs. Project administrators didn't share DOL's goals. Instead, they used guaranteed job slots as a part of a larger set of employment and training options for welfare recipients. In fact, more than half of all jobs enrollees who completed their assignment transferred to another component, rather than to unsubsidized employment. Participants in OJT positions also failed to find unsubsidized employment. While the MWEP experience was always viewed as a fluke, its odd result cannot be easily ignored by those of us interested in a guaranteed job.

**Would there be a displacement effect, where local governments substitute guaranteed jobs participants for regular public employees?** Substitution was a major problem in the early days of Public Service Employment. As the program began to target the more disadvantaged, substitution probably declined. Some observers argue that when substitution is low, local governments are less likely to support the program.

**Would the jobs be make work?** Here the MDRC studies of the 1980s welfare-to-work programs which included unpaid work experience are relevant. Participants generally found the work fair and their supervisors indicated that they were doing work similar to that of regular employees. But participants did not generally feel that they learned any new skills. While these programs, when offered in conjunction with job search, were generally cost effective, the work experience alone did not appear to add much to overall rates of employment or earnings.

**Table 11. Broad Coverage AFDC Welfare-to-Work Programs:  
Characteristics, Costs, and Impacts**

Program (Ordered by Increasing Net Cost)	Program Activities and Study Characteristics	Coverage/ Mandato- riness	Net Cost per Experimental	Outcome	Annual Impacts for All Years of Follow-Up		
					Experimental- Control Difference	Percent Change Over Control Group Level	
<b>Broad-Coverage</b>							
Arkansas WORK Program	Sequence of group job search and (for a few) unpaid work experience; low-grant state; highly disadvantaged population; evaluation began in 1983.	Mandatory; targeted AFDC applicants and recipients with children 3 or older; few sanctions; 38% ever participated in job search or work experience during 9-month follow-up	\$118	Earnings Year 1 Year 2 Year 3	\$167** 223 337**	33% 23 31	
				AFDC Payments Year 1 Year 2 Year 3	-\$145*** -190*** -168***	-13% -19 -18	
Louisville WIN Laboratory Experi- ment-Individual Job Search	Individual job search; low-grant state; evaluation began in 1978	Mandatory and voluntary; targeted AFDC applicants and recipients with chil- dren of any age; 55% ever participated in individual job search during 8-month fol- low-up	\$136 <sup>a</sup>	Earnings Year 1 Year 2 Year 3	\$289**b 456**b 435**b	18% 20 18	
				AFDC Payments Year 1 Year 2 Year 3	-\$75 <sup>b</sup> -164**b -184**b	-3% -8 -10	
Cook County WIN Demonstration	Sequence of individual job search and unpaid work experience; program provided little direct assistance, mainly monitored and sanctioned those who did not participate; medium-grant state; highly disadvantaged population; evalu- ation began in 1985	Mandatory; targeted AFDC applicants and recipients with children 6 or older; many sanctions; 39% ever participated in any activity during 9-month follow-up	\$157	Earnings Year 1	\$10	1%	
				AFDC Payments Year 1	-\$40	-1%	

**Table 11. Broad Coverage AFDC Welfare-to-Work Programs:  
Characteristics, Costs, and Impacts**

Program (Ordered by Increasing Net Cost)	Program Activities and Study Characteristics	Coverage/ Mandato- riness	Net Cost per Experimental	Outcome	Annual Impacts for All Years of Follow-Up	
					Experimental- Control Difference	Percent Change Over Control Group Level
Louisville WIN Laboratory Experi- ment-Group Job Search	Group job search; low-grant state; evaluation began in 1980	Mandatory and volun- tary; targeted AFDC applicants and recipi- ents with children of any age; 65% ever participated in group job search during 6-month follow-up	\$230 <sup>a</sup>	Earnings Year 1	\$464 <sup>**c</sup>	43%
West Virginia Com- munity Work Ex- perience Program (CWEP)	Open-ended unpaid work experi- ence; rural labor market with very high unemployment; low-grant state; highly disadvantaged population; evaluation began in 1983	Mandatory; targeted AFDC applicants and recipients with children 6 or older; few sanctions; 24% ever participated in work experience during 9-month follow-up	\$260	Earnings Year 1	\$16	4%
Virginia Employ- ment Services Program (ESP)	Sequence of individual or group job search, unpaid work experience, and some education or job skills training (but only slightly more than controls received on their own); medium-grant state; disadvantaged population; evalu- ation began in 1983	Mandatory; targeted AFDC applicants and recipients with children 6 or older; few sanctions; 58% ever participated in any activity during 9-month follow-up	\$430	Earnings Year 1 Year 2 Year 3	\$69 280 <sup>**</sup> 268 <sup>*</sup>	5% 14 11
				AFDC Payments Year 1 Year 2 Year 3	-\$69 -36 -111 <sup>**</sup>	-3% -2 -9

**Table 11. Broad Coverage AFDC Welfare-to-Work Programs:  
Characteristics, Costs, and Impacts**

Program (Ordered by Increasing Net Cost)	Program Activities and Study Characteristics	Coverage/ Mandato- riness	Net Cost per Experimental	Outcome	Annual Impacts for All Years of Follow-Up	
					Experimental- Control Difference	Percent Change Over Control Group Level
San Diego I (Em- ployment Prepa- ration Program/ Experimental Work Experience Pro- gram - EPP/EWEP)	Sequence of group job search and unpaid work experience; substantial program assistance provided; high- grant state; less disadvantaged popula- tion; evaluation began in 1982	Mandatory; targeted AFDC applicants and recipients with children of 6 or older; many sanctions; 46% ever participated in job search or work experience during 9-month follow-up	\$636	Earnings Year 1	\$443**	23%
San Diego Satur- ation Work Initiative Model (SWIM)	Sequence of group job search, unpaid work experience, and education and job skills training; high participation and ongoing participation requirement; high-grant state; less disadvantaged population; evaluation began in 1985	Mandatory; targeted AFDC applicants and recipients with children 6 or older; many sanctions; 64% ever participated in any activity during 12- month follow-up	\$919	Earnings Year 1 Year 2	\$352** 658**	21% 29
Baltimore Options Program	Choice of services, including education, job skills training, individual or group job search, unpaid work experience, and on-the-job training; program constrained to serve 1,000 enrollees per year; medium-grant state; less disadvantaged population; evaluation began in 1982	Mandatory; targeted AFDC applicants and recipients with children 6 or older; few sanctions; 45% ever participated in any activity during 12- month follow-up	\$953	AFDC Payments Year 1 Year 2	-\$407** -553**	-8% -14
				Earnings Year 1 Year 2 Year 3	\$140 401** 511**	10% 17 17
				AFDC Payments Year 1 Year 2 Year 3	\$2 -34 -31	0% -2 -2

**Table 11. Broad Coverage AFDC Welfare-to-Work Programs:  
Characteristics, Costs, and Impacts**

Program (Ordered by Increasing Net Cost)	Program Activities and Study Characteristics	Coverage/ Mandato- riness	Net Cost per Experimental	Outcome	Annual Impacts for All Years of Follow-Up		
					Experimental- Control Difference	Percent Change Over Control Group Level	
<i>Selective-Voluntary</i>							
New Jersey On- the-Job Training (OJT) Program	Subsidized on-the-job training; enroll- ees quite disadvantaged in terms of prior welfare receipt and recent work histories, but had relatively high levels of GED attainment; medium-grant state; evaluation began in 1984	Voluntary; tar- geted selected AFDC recipients with children of any age; 40% participated in employment with OJT (84% ever partici- pated in any WIN or JTPA activity) during 12-month follow-up	\$787 [\$439] <sup>d</sup>	Earnings Year 1 Year 2	N/A <sup>e</sup> \$591 <sup>te</sup>	N/A 14%	
				AFDC Payments Year 1 Year 2	-\$190 <sup>**e</sup> -238 <sup>*</sup>	-6% -11	
Maine On-the-Job Training (OJT) Program	Sequence of employability training, un- paid work experience, and subsidized on-the-job training; enrollees quite disadvantaged in terms of prior welfare receipt and recent work histories, but had relatively high levels of GED attain- ment; medium-grant state; evaluation began in 1983	Voluntary; targeted selected unemployed AFDC recipients on rolls for at least prior 6 months, with children of any age; 90% ever participated in any activity during 12-month follow-up	\$2,019 [\$1,635] <sup>d</sup>	Earnings Year 1 Year 2 Year 3	\$104 871 <sup>**</sup> 941 <sup>*f</sup>	8% 38 34	
				AFDC Payments Year 1 Year 2 Year 3	\$64 29 80 <sup>f</sup>	2% 1 4	
AFDC Homemaker- Home Health Aide Demonstrations	Job skills training and subsidized em- ployment program; varied population; low-, medium-, and high-grant states; evaluation began in 1983	Mandatory; targeted AFDC applicants and recipients with children 6 or older; few sanctions; 45% ever participated in any activity during 12- month follow-up	\$9,505 (\$5,957-\$12,457 across states) [\$5,684] <sup>d</sup>	Earnings Year 1 Year 2 Year 3	\$2,026 <sup>g</sup> 1,347 <sup>g</sup> 1,121 <sup>g</sup>	N/A N/A N/A	
				AFDC Payments Year 1 Year 2 Year 3	-\$696 <sup>g</sup> -855 <sup>g</sup> -343 <sup>g</sup>	N/A N/A N/A	