

Brief 4

Creating Evidence-Based Jobs Programs: What Works? What Doesn't?

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Governments fund a wide variety of social programs, but many of them fall short. In this time of fiscal austerity, policymakers often turn to evidence of program effectiveness to guide their decisions. One of the main motivations for evidence-based policymaking is to build a foundation for economic prosperity. This brief covers several evidence-based jobs programs (career academies, preschool education, sector strategies) that help equip workers with the skills to meet current labor force needs and help businesses improve productivity (e.g., manufacturing extension programs). If policymakers use evidence to eliminate programs that do not work and expand programs that do, government will be more efficient, and individuals, families and the nation will be better off.

Both the federal government and state governments have enacted a host of social programs designed to make individuals, families and communities better off, but many of them fall short. Research shows that while a number of these programs are either ineffective or only marginally effective, there are several programs that have been shown by research to be effective. When implemented properly, they help make individuals, families and the communities where they are located better off.¹

In the current age of fiscal austerity, cuts in social programs are inevitable and opportunities for new programs are limited. It is far better if policymakers cut programs that have negligible or even negative impacts, and instead focus their efforts to save money on programs that either have been shown to be effective or show promise for producing successful outcomes.

In this brief, I will define evidence-based programs and give four examples of jobs programs that have been shown to work through rigorous evaluations. I will conclude with steps that the federal government has taken to implement evidence-based jobs programs, and will discuss the implications this approach may have for state policymakers.

What are Evidence-Based Programs?

Rigorous program evaluations have produced strong evidence of effectiveness for a range of social programs. The best evidence comes from programs studied in typical community settings using well-designed experiments. In experiments, subjects are randomly assigned to a condition that receives the treatment and then compared to a no-treatment condition. Experiments of this sort provide evidence of cause-and-effect, verifying that the social program actually causes a change in an important life outcome. Effective social programs show sizeable impacts on important life outcomes that are sustained over time.²

In the field of medicine, evidence-based programs have led to remarkable improvements in human health over the past 50 years and more. Evidence-based programs have overturned previously accepted practice. For example, stents to open clogged arteries have been shown to be no better than drugs for most heart patients. Randomized trials can be credited for most of the major medical advances of the past half century including vaccines for polio, measles and hepatitis B, as well as effective treatments for hypertension, high cholesterol and many cancers.³

Examples of proven effectiveness in social policy are less abundant than in medicine, in part because rigorous evaluations are still not common in most areas of social policy. If more evidence-based

programs are developed and used, they could improve the lives of millions of Americans.⁴

Examples of Evidence-Based Jobs Programs

Evidence-based jobs programs include those that have been shown to increase the quantity or quality of labor demand or labor supply. In this brief, I highlight four such programs:

- Manufacturing Extension Programs;
- Career Academies;
- Preschool Education; and
- Sector Strategies.

Evidence-based programs improve labor demand by helping businesses create jobs and improve their productivity. Evidence-based programs can improve labor supply by giving preschoolers a solid foundation and by helping prepare youth and disadvantaged workers to qualify for and fill available jobs.

Manufacturing Extension Programs

Manufacturing extension programs (MEPs) help small manufacturers find new markets and improve productivity or product design.⁵ Free or highly subsidized advice is provided on modern manufacturing technology, process improvement, employee training, information technology and so forth.⁶

These programs are funded, in part, by the U.S. Department of Commerce along with state government and business user fees.⁷ MEP staff provide consultation or serve as an honest broker to private firms or faculty at universities or local community colleges.⁸ Studies show that manufacturing extension programs help create jobs and improve business productivity.

MEPs seem to be more cost-effective in creating jobs than even the best-designed business tax incentive programs. Some studies suggest that for every dollar invested, manufacturing extension programs increase the present value of local per capita earnings by as much as \$30; this return on investment is much greater than the return on business tax incentives.⁹ Studies show that manufacturing extension programs produce these remarkable outcomes by helping businesses create jobs and improve their productivity. One rigorous study of eight extension centers in two states compared participating and nonparticipating businesses; the labor productivity of participating businesses grew between 3.4 percent and 16 percent from 1987 to 1992.¹⁰ Not surprisingly, business clients are satisfied with the program. In surveys of 4,891 businesses, almost two-thirds (64%) report that MEPs led to productivity improvements.¹¹

These services benefit small- and medium-size businesses that are less productive than larger businesses due to barriers of information, expertise and financing of needed services. By helping overcome these barriers, public policy can help the economy by having a high impact on smaller manufacturers who increasingly are serving as suppliers to larger manufacturers.^{12, 13}

Career Academies

Career Academies help high school students find a trade that leads to a decent job.¹⁴ In a gold standard study, Career Academies produced major impacts on male employment and earnings and, surprisingly, on marriage rates as well.¹⁵

Career Academies have three distinguishing features. First, to compensate for the disadvantage of attending a large high school, Career Academies operate as a school-within-a-school with 150 to 200 students who attend classes together, have the same teachers, and have the same counselors and administrators. Second, the curriculum combines regular academic courses and technical courses related to employment. Third, and perhaps most important, the Career Academies conduct employer-sponsored activities that help students better understand the world of work. Activities include field trips about careers, job shadowing (in which students have the opportunity to accompany an adult to his or her job for a day) and mentoring about personal and professional issues related to employment. In a study that followed participants for 8 years after leaving high school, males who participated in Career Academies earned an average of nearly \$3,700 more each year (or around \$30,000 more over the 8 years of the study) than their male peers who attended regular high schools. This earnings gain is even larger than the earnings increase from two years of enrollment in a community college. Despite predictions that enrollment in career-oriented high school programs would reduce the probability of college attendance, students enrolled in the Career Academies were just as likely to continue their education at postsecondary institutions as students in the control group.

Equally remarkable, boosting economic prospects promoted the transition of these young men into family roles. Males who participated in the Career Academy group were 33 percent more likely to be married, 46 percent more likely to be a custodial parent and 36 percent less likely to be a noncustodial parent. Career Academies is one of the few social programs shown to increase marriage rates and decrease the incidence of fathers living apart from their children. Earnings appear to be a key factor in making young males attractive marriage partners.¹⁶

Preschool Education

No human capital program is so widely believed to be effective as preschool education for children from low-income families.¹⁷ Well-evaluated preschool programs including two small scale programs (The Perry Preschool Program in Michigan and the Abecedarian program in North Carolina) and a public program that operated in 20 schools (the Child-Parent Centers in Chicago) have produced remarkable long-term impacts. All three programs used a formal curriculum and featured well-trained and supervised teachers. These and similar programs have been shown to produce both immediate and long-term impacts on the development of poor children.¹⁸ The impacts include:

- Improved school readiness;
- Reduced grade retention and special education placement;
- Increased high school graduation rates;
- Increased college enrollment;
- Reduced delinquency and crime;
- Reduced rates of teen pregnancy; and
- Increased adult employment and earnings.

Some of the cognitive gains fade over time. Still, all three programs reduced the likelihood of school dropout by 24 percent to 32 percent, and the Abecedarian program increased enrollment in 4-year colleges.¹⁹

Thirty-nine states have established their own pre-Kindergarten programs.²⁰ Recent evaluations of state pre-K programs show that they produce impacts at the end of the preschool years and, in a few cases, a year or two after the programs ended. These studies provide rigorous evidence that even large-scale preschool programs can have broad effects that boost human capital.²¹ States benefit from these programs because over three-fifths of preschool participants stay in the state they grew up in, thereby improving the quantity and quality of their state's labor supply.²²

Sector Strategies

There is strong evidence of the effectiveness of training programs that help low-income people build skills that are needed in particular industry sectors. The key elements of sector programs are:

- Focusing on a particular industry or set of industries;
- Recruiting potential workers with an interest and aptitude for success in that industry;
- Providing training on the range of skills needed to be successful in the sector; and
- Providing a range of social supports such as transportation, housing and financial assistance.²³

One example of a state-sponsored sector program is the Wisconsin Regional Training Partnership (WRTP) in Milwaukee. WRTP was designed to meet industry needs for short-term, job-specific training. WRTP is a membership organization founded in the 1990s by employers and unions with funding from public, philanthropic and private investors. The construction industry contributes two cents per hour worked to a workforce development and diversity fund that helps finance the program (see www.wrtp.org/why-we-succeed.php).

Initially, WRTP focused on the construction and manufacturing sectors, but recently has included training in road construction, lead abatement/hazardous materials and commercial driver's license preparation.²⁴ Training is short term, ranging from 40 to 160 hours spread over 2 to 8 weeks. Industry experts, local technical colleges, or community colleges provide the training, and agencies and community-based organizations provide the support services. In a rigorous study, WRTP guided disadvantaged workers into higher-quality jobs than they might otherwise have secured. When compared to nonparticipants, WRTP participants earned significantly more, worked in higher-wage jobs, and secured jobs that were more apt to include benefits. Participants were also more likely to obtain certifications in construction and the trades. In addition, several types of disadvantaged workers benefited from earnings gains including women, African Americans and ex-offenders; however, the program did not affect the earnings of young adults and welfare recipients.²⁵

How Could Policymakers Build Evidence-Based Policy?

The federal government has made a sweeping and groundbreaking effort to use rigorous program evaluation to guide policy decisions. In interviews of key officials and advocates involved in the initiatives, we have identified five steps for building evidence-based policy that may also have implications for state policymakers:

1. Select an important social problem that, if remedied by social policy, would make individual citizens and the nation better off;
2. Identify evidence-based programs to remedy the problem;
3. Obtain funds to attack the problem by scaling up only program models supported by rigorous evidence of success;
4. Make the funds available to government or private entities with a track record of effective implementation that agree to implement the successful program models; and
5. Continuously evaluate the programs to assess how well they are being implemented and whether they are producing the intended results.

Conclusion

Government can increase its effectiveness by using rigorous evidence about what works in tackling important social problems. Investing in evidence-based jobs programs can help policymakers build the foundation for economic prosperity.

Manufacturing Extension Programs can improve labor demand by helping businesses create jobs and improve productivity. Evidence-based programs can also improve the quantity and quality of labor supply by getting kids started on the right foot with preschool education, and by helping high school students get work experience that leads to a decent job. As a bonus, good jobs appear to make young males more attractive marriage partners. For disadvantaged workers who have trouble finding good jobs, employer-based sector strategies can train workers with the skills that industry needs.

Even when budgets are tight, policymakers are confronted with decisions about funding programs that attack important social problems. Policymakers can turn to evidence about what works to help make tough budget decisions. If policymakers use evidence to eliminate programs that don't work, and expand programs that do, government will be more efficient and the nation will be better off.

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Haskins was the editor of the 1996, 1998 and 2000 editions of the "Green Book," a 1,600-page compendium of the nation's social programs that analyzes domestic policy issues including health care, poverty and unemployment.

Haskins is a senior editor of "The Future of Children," a journal on policy issues that affect children and families. He has published widely on child care, child protection, child support enforcement, family composition and marriage, and welfare reform. In 2009, he published the book "Creating an Opportunity Society," and in 2008, he published "Getting Ahead or Losing Ground: Economic Mobility in America."

Haskins was named one of the 100 most influential people in the federal government by the "National Journal." He received several other awards including Lifetime Achievement Award from the Federal Office of Child Support Enforcement (2000), the President's Award for Outstanding Contributions to the Field of Human Services from the American Public Human Services Association (2005), and the Lion Award from the Grantmakers for Children, Youth, and Families (2010). Previously, he was a senior university researcher, a high school social studies teacher and a noncommissioned officer in the Marines.

This brief was adapted from the following publications:

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Haskins, R., & Baron, J. (2011). The Obama Administration's evidence-based social policy initiatives: An overview. *Evidence for Social Policy and Practice*, 28-35.

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