

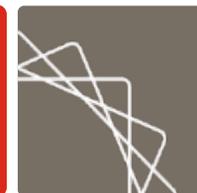


Engaging All Workers in Wisconsin's Growing Economy: What Does the Evidence Tell Us?

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Overview



- What stands in the way of Wisconsin engaging its existing workforce more fully to benefit both employers and families?
- What strategies show the most promise for helping low-income workers find, keep, and advance in jobs?
- Key takeaways for policy and practice

Challenges to helping more low-income workers contribute to and benefit from growth



- Structure of the labor market
 - Geographic mismatch of jobs and workers
 - Low-wage and part-time jobs that do not pay enough to support a family
- Low-income workers can face additional challenges
 - Logistical barriers, such as lack of affordable child care and transportation to jobs and training
 - Barriers to gaining skills and credentials for family-supporting jobs, such as financial (tuition, reduced earnings), low basic skills, competing work/family demands
 - Physical or mental health barriers, including chronic health problems, disability, domestic violence, or substance abuse

Evidence-based strategies for helping low-income workers find, keep, and advance in jobs



- Rigorous evaluations and cost-benefit analyses have identified four leading approaches
 1. Specialized services and treatment
 2. Financial incentives and work supports
 3. Employer-based training
 4. Education and training (especially for industry-recognized postsecondary credentials)

Which strategies make sense for which low-income workers?



1. Specialized services and treatment

What is this approach?



- Address underlying barriers and focus on improving employability by:
 - Conducting in-depth assessments and defining service plans
 - Providing or arranging for services and treatment
- Includes treatment and support for physical or learning disabilities, mental health services, substance abuse treatment, domestic violence assistance, etc., along with employment services
- Some programs “**treat first**,” reducing barriers to the point that an individual can benefit from employment activities; others **integrate** employment and treatment/services
- Depending on a program’s population, a relatively small share of low-income workers may need these intensive, specialized services
 - Harder-to-employ are diverse; most common barrier among TANF recipients is very low skills. Physical or mental health issues limiting work appear to affect about 1 in 4 low-income parents. Other barriers less common.

Specialized services and treatment

What works? Individual Placement and Support



- The **Individual Placement and Support (IPS)** model has produced positive economic effects for people with mental illness and is being implemented in many states, including Wisconsin.
 - IPS provides rapid placement in unsubsidized jobs selected to match participants' preferences, and a team of specialists provide a range of supports
 - IPS being tested for people with mental illness/substance abuse, people in the justice system with mental illness, youth transitioning to adulthood, and those receiving or applying for Social Security Disability Insurance
 - Early results suggest IPS may be very effective for people enrolled in substance abuse treatment

2. Financial incentives and work supports

What is this approach?



- Encourage work through financial incentives
 - Tax credits for working families
 - Wage supplements
- Support low-income families' basic needs while they are working
 - Supplemental Nutrition Assistance Program (SNAP)
 - Child care subsidies
 - Medicaid
- Importantly for employers, these incentives and supports can promote job retention, thereby reducing the costs associated with high job turnover

Financial incentives and work supports

What works?



- Financial incentives that reward work increase employment and earnings among low-wage workers
 - Research shows the federal Earned Income Tax Credit (EITC) has large, positive impacts on the net incomes of low-income families who work
- Programs that increase employment *and* family income improve young children's academic outcomes
 - Wage supplements (including EITC) and subsidized child care
- Programs that only increase employment—without increasing family income—do *not* produce the same positive child outcomes

Financial incentives and work supports

What works? New Hope



- New Hope (Milwaukee)
 - Provided an earnings supplement, guaranteed health benefits, child care, and community service jobs
- Over an 8-year period, the program increased:
 - Employment
 - Income
 - Parents' well-being
 - Parents' use of center-based child care
 - Youth time in structured, supervised out-of-school activities
 - Children's academic achievement

3. Employer-based training

What is this approach?



- Build worker skills at the workplace in partnership with employers. Evidence on two main models:
 - **Subsidized Employment**
 - Provides employers with wage subsidies—usually with public funds—to provide jobs, training, and support for a limited time
 - Participants receive a paycheck from the employer (underwritten in part by public subsidy), pay taxes, and qualify for the EITC, while receiving supports and training
 - **Apprenticeships**
 - Typically 2-6 year programs that combine a paid job with on-the-job training and classroom instruction leading to an apprenticeship credential

Employer-based training

What works? Subsidized Employment



- Several subsidized employment programs dramatically improved employment & earnings while jobs were in place; evidence is mixed about lasting improvements
- Some programs positively affected other important outcomes
 - Decreased receipt of public benefits and reduced long-term poverty
 - Improved child school outcomes
 - Increased workers' school completion
 - Decreased criminal justice system involvement for workers & children
- All of the cost-benefit studies find the programs are cost-effective
- Programs with longer-lasting interventions and complementary supports particularly likely to improve employment and earnings
 - Other promising components are strong employer engagement, wraparound services, and long-term post-placement retention services

Employer-based training

Washington Community Jobs



- Washington's Community Jobs Program
 - Statewide subsidized employment approach
 - Served 25,000 TANF recipients with significant barriers to employment since 1997
 - 20+ community-based organizations operate the program
 - Participants:
 - Work in 6-month, 20-hour per week paid positions
 - Receive 10 to 20 hours/week of individualized barrier management and skill development services
 - Also enroll in education, job readiness training, job skills enhancement, life skills training, or community service
- Study found program increased employment by 14% to 24% on average for up to two years after participants enrolled

Employer-based training

What works? Apprenticeships



- High return on investment for workers and taxpayers
 - Recent study of 10 states estimated returns to apprentices of about \$60,000 over nine years and returns to taxpayers of \$28 for each dollar spent

- Research to watch:
 - In 2015, 46 public-private partnerships received federal grants of more than \$175 million to expand apprenticeships
 - Two Wisconsin grantees—the Milwaukee Area Workforce Investment Board and Wisconsin Department of Workforce Development—offer apprenticeships in information technology, manufacturing, health care, and construction

4. Education and training

What is this approach?



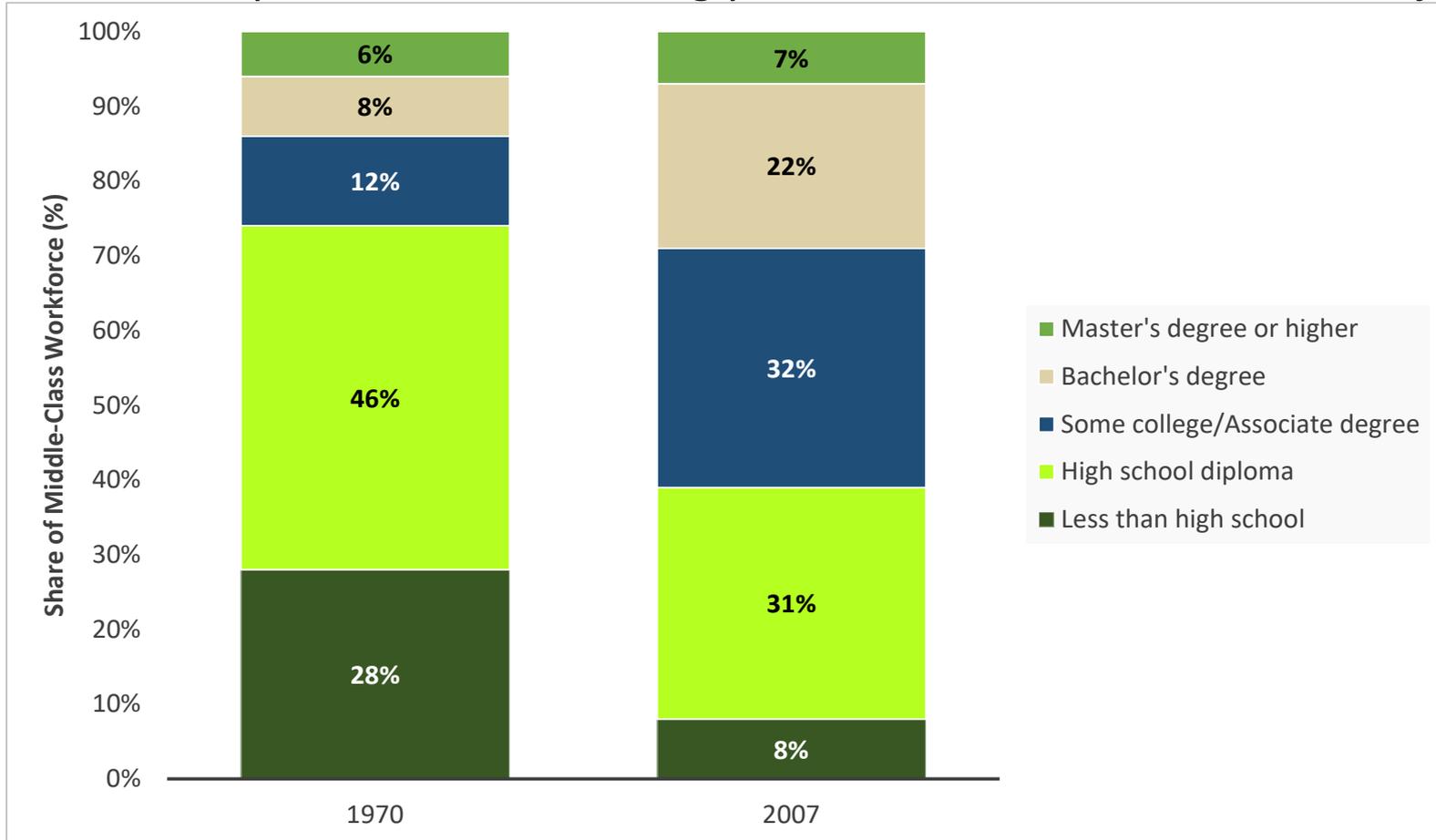
- Why focus on helping low-income workers increase their skills?
 - Past employment strategies result in short-term employment gains but no lasting effects; workers remain in poverty
 - Rising skill requirements for family-supporting jobs; postsecondary credentials especially in demand
 - Studies show raising low-income parents' skills improves their children's academic achievement
- **Career pathways** and **industry partnerships** are the most promising strategies
 - Wisconsin was early pioneer in developing these approaches

Education and training

Why is this approach important?



Postsecondary credentials increasingly matter for access to middle class jobs



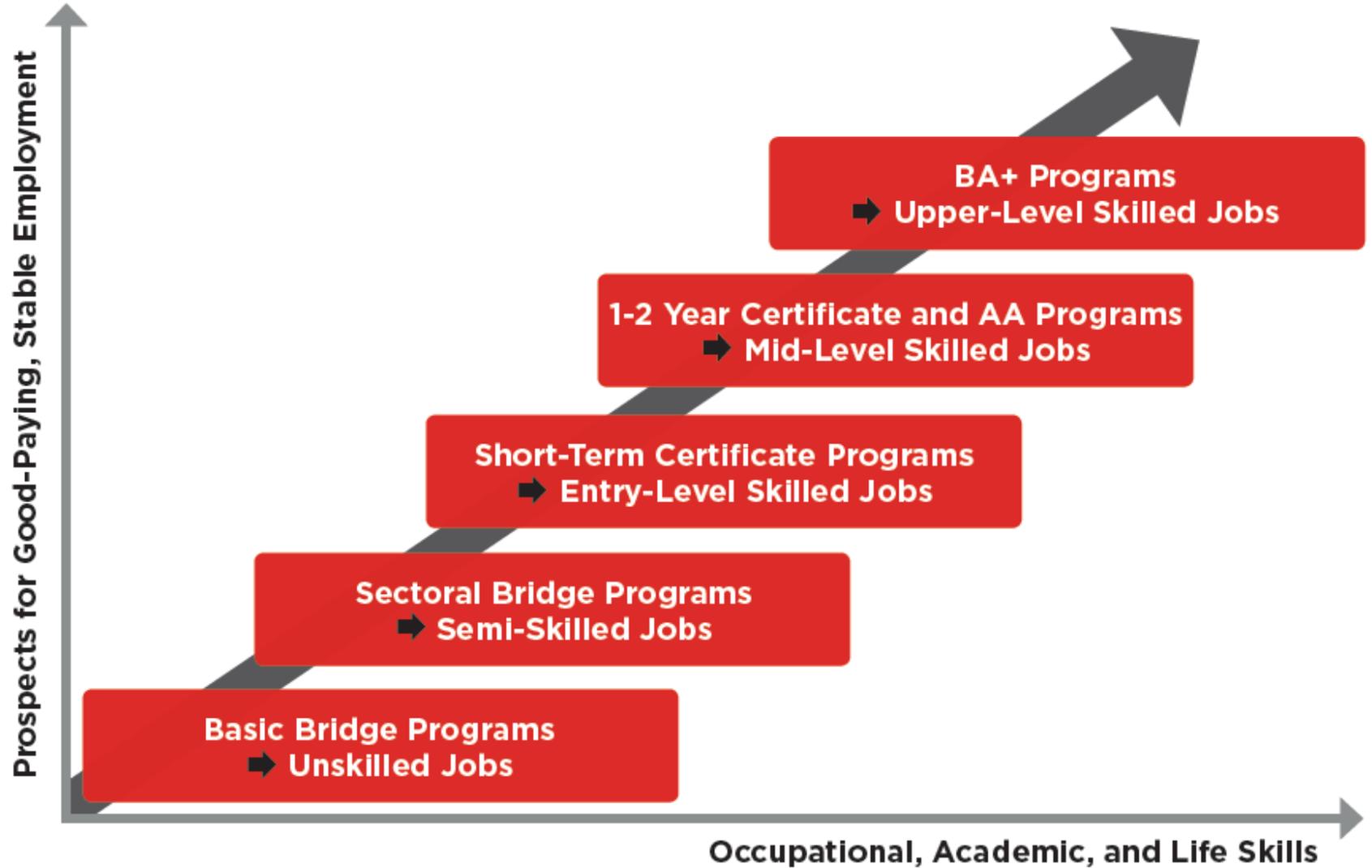
Education and training

What works? Career Pathways



- Career Pathways bundle together evidence-based training strategies
 - **Partnerships** of employers, community/technical colleges, workforce boards, community groups, and others
 - “**Stackable**” **credentials** within an industry that allow workers to build skills over time and advance to higher paying jobs
 - Clear, **structured pathways** with multiple levels to enter and exit training and jobs depending on initial skills and experience
 - **Support services and financial assistance** to address barriers that might derail completion of training
 - **Work-based learning**, such as internships
 - Sectoral (aka career pathway) “**bridge**” **courses** that integrate basic skills instruction with occupational training or prerequisites

THE CAREER PATHWAYS MODEL



Education and training

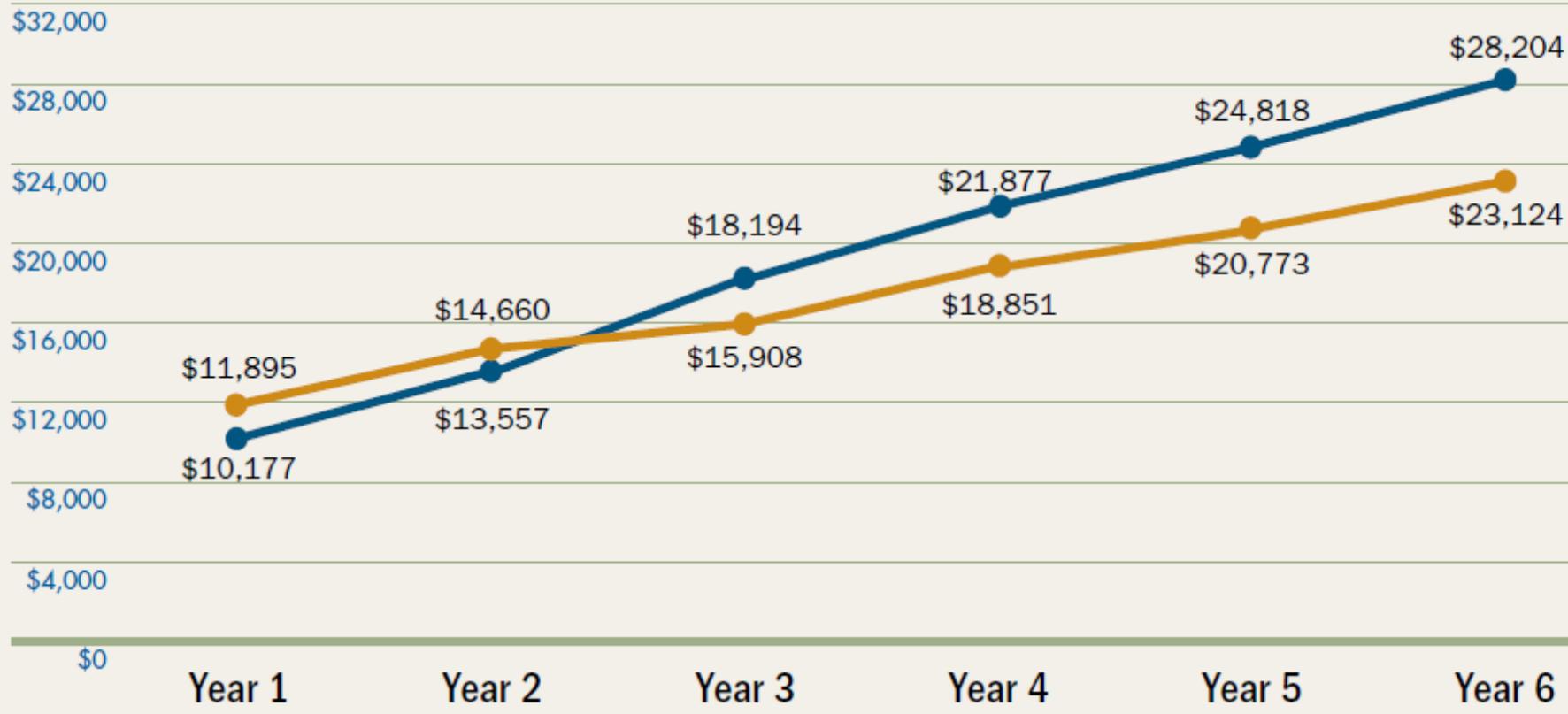
What works? Project Quest



- Project Quest provides comprehensive support to help individuals complete job training/AA degrees at community colleges, pass certification exams, and obtain jobs in targeted industries. Services include:
 - Financial aid for tuition/fees, books, transportation, uniforms, and licensing exam fees
 - Help improving math and reading skills to help individuals pass college placement tests
 - Personal and academic counseling and referrals to other agencies for help with utility bills, child care, food, and other services as needed
 - Mandatory weekly meetings on life skills, e.g. time management, study skills, critical thinking, and conflict resolution.
 - Job placement assistance

Figure 2

Average Annual Earnings during the Six Years after Random Assignment Among All Study Participants



■ QUEST group ■ Control group

Significance levels: Year 5 $p < .10$; Year 6 $p < .05$

Education and training

Emerging new results on career pathways



- **Pathways for Advancing Careers and Education (PACE)**
 - National demonstration of 9 career pathways programs, including one at Madison College. Promising early results out for 4 of 9 sites to date. Remaining 5 programs' results out later this year.

- **Health Profession Opportunity Grants**
 - Large-scale national grant program involving more than 50,000 people in about half of the states. Promising early outcomes; rigorous research results out later this year.

- **Trade Adjustment Assistance Community College Career Training (TAACCT)**
 - Large-scale national grant program to build training capacity of community/technical colleges and to create state system change. Funds not used for tuition, but rather to create/enhance career pathways, upgrade equipment, and support student success.

Education and training

PACE: Madison College Patient Care Pathway



PATIENT CARE NURSING ASSISTANT

Occupational Class: Certified Nursing Assistant

Basic Skills Classes: Academic Reading collaboratively taught with adult basic education and content area instructor

For students with a Compass Reading 61-80. Students who have failed, withdrew or earned a D in Certified Nursing Assistant are eligible regardless of scores.

PATIENT CARE ACADEMY 1

Occupational Classes: Body Structure and Function, Medical Terminology

Basic Skills Classes: Academic Reading, Math and Prep for Success, team taught with adult basic education and content area instructor

For students with at least one score in the following Compass range: Pre Algebra 30-Algebra 29, Reading 61-80, Writing 31-70. Students who failed, withdrew or earned a D in Medical Terminology or Body Structure and Function in the past are also eligible regardless of scores.

PATIENT CARE ACADEMY 2

Occupational Classes: Chemistry, Written Communications contextualized for the healthcare profession

Basic Skills Class: Applied Math for Chemistry

For students with at least one score in the following Compass range: Pre Algebra 30-Algebra 29, Reading 80+, Writing 70+. Students who failed, withdrew or earn a D in Chemistry in the past are also eligible regardless of scores.

HEALTH DIPLOMA PROGRAMS

(Compass Score Requirements: Reading 80, Writing 70, Pre Algebra 55)

Program Choices:

- Medical Coding
- Advanced Medical Coding
- Massage Therapy
- Medical Assistant
- Optometric Technician
- Licensed Practical Nurse

HEALTH DEGREES AND DIPLOMAS

(Compass Score Requirements: Reading 85, Writing 78, Algebra 30, E-Write 6)

- Associate Degree Nursing
- Dental Hygiene
- Medical Lab Technician
- Surgical Technician (After Fall 2012)
- Occupational Therapy Assistant
- Physical Therapy Assistant
- Radiography
- Respiratory Therapy

Education and training *TAACCCT grants in Wisconsin*



Wisconsin

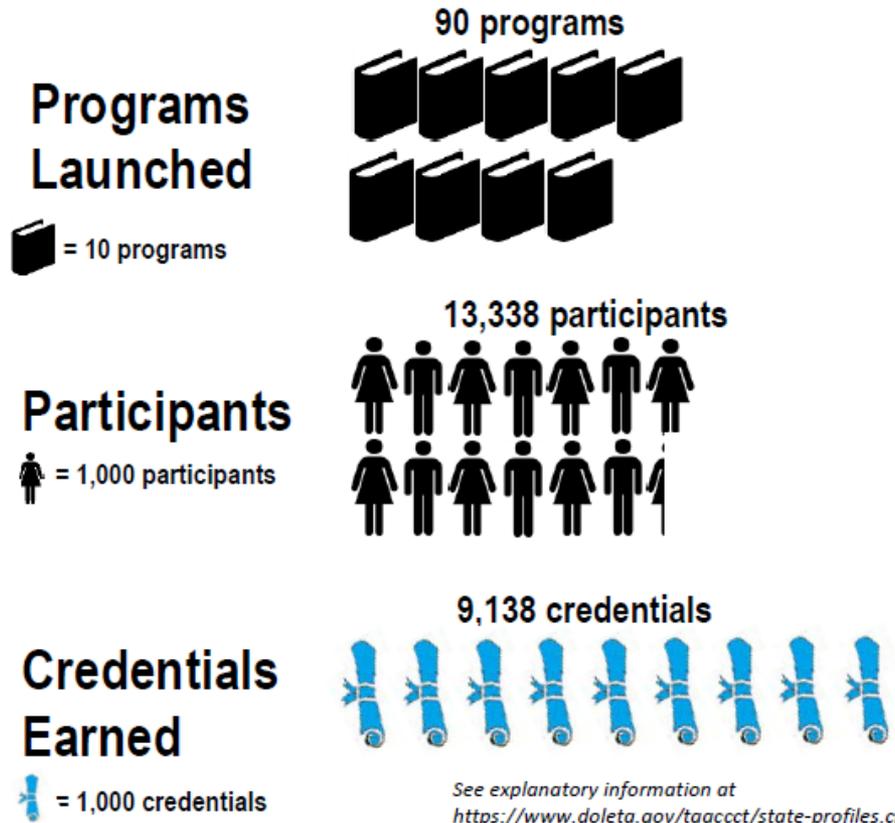
Total Funding: \$66,299,575
TAACCCT Grants: 4

Colleges

- Blackhawk Technical College
- Chippewa Valley Technical College**
- Fox Valley Technical College**
- Gateway Technical College
- Lakeshore Technical College
- Madison Area Technical College
- Mid-State Technical College
- Milwaukee Area Technical College
- Moraine Park Technical College
- Nicolet Area Technical College
- Northcentral Technical College**
- Northeast Wisconsin Technical College**
- Southwest Wisconsin Technical College
- Waukesha County Technical College
- Western Technical College
- Wisconsin Indianhead Technical College

Bolded colleges are grant leads

Statewide Outcomes to Date



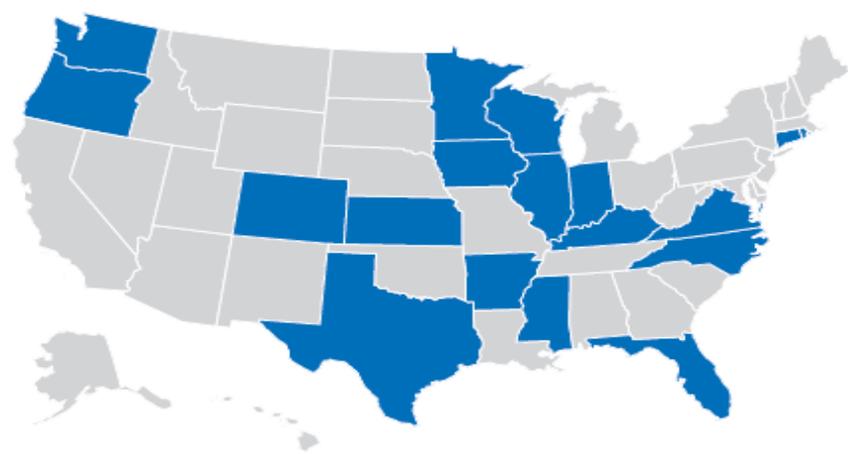
See explanatory information at
<https://www.doleta.gov/taaccct/state-profiles.cfm>

What are other states doing?

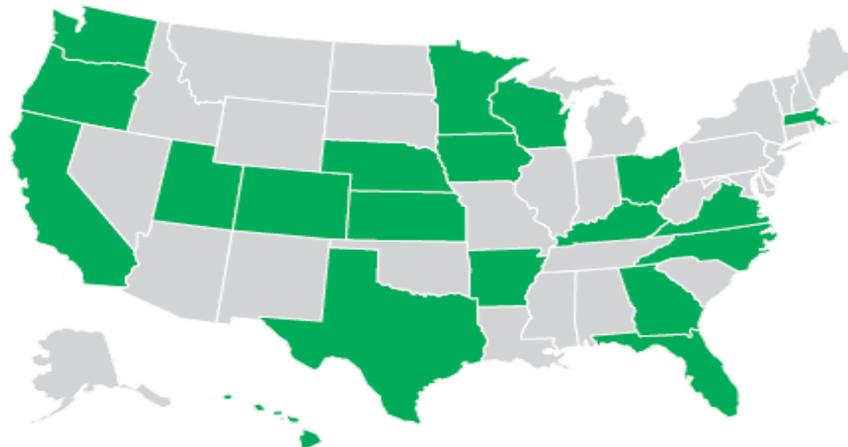
Findings from a recent national 50-state survey on policies connected to the four leading strategies



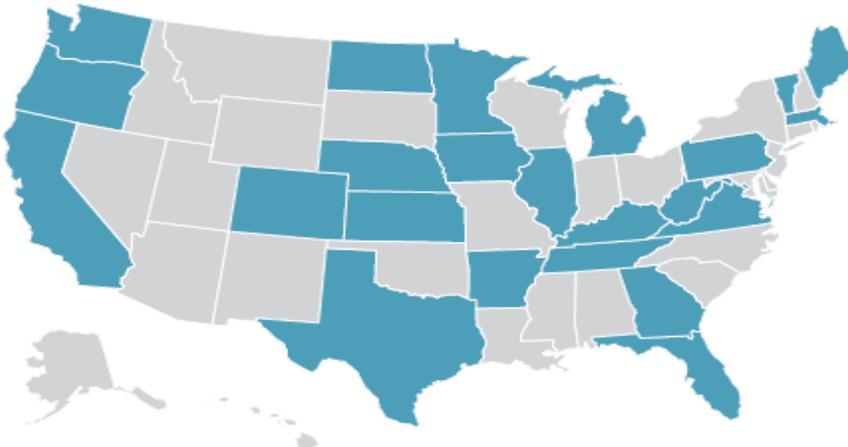
EIGHTEEN STATES have established integrated education and training policies



NINETEEN STATES have established stackable credential policies



TWENTY THREE STATES AND THE DISTRICT OF COLUMBIA have established job-driven financial aid policies



Key takeaways



- Successful programs tend to:
 - Provide comprehensive services that combine these 4 strategies
 - Work closely with employers and other public and private partners
- Helping low-income workers upgrade skills is critical for increasing wages and access to family-supporting jobs
 - Career pathways, industry partnerships, and apprenticeship may be especially effective
- Even in a strong economy, states need strategies to support people who work consistently but can't earn enough to support their families
- Specialized services for those with multiple barriers offer hope for integrating them into the workforce