

# WORK SUPPORTS AND LOW-WAGE WORKERS:



THE PROMISE OF EMPLOYER INVOLVEMENT



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THE FINANCE PROJECT

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# PREFACE

Welfare reform, workforce development, and related public policies over the past decade have directed more low-income families to the workforce. This policy focus, along with the growth of low-wage jobs in the labor market, has drawn significant attention to the needs of working poor families. Wages alone are often insufficient for these families to make ends meet and rise out of poverty. Low-wage jobs are less likely than higher-wage jobs to offer benefits, flexibility, and paid leave. As the costs of housing, transportation, health care, and child care increase, low-income workers struggle to meet their families' needs and cover work-related expenses. These difficulties can lead to job instability, welfare recidivism, and economic hardship for families.

At the same time, employers of low-wage workers face challenges in recruiting, retaining, and advancing a qualified entry-level workforce. The scope of employee work- and family-related needs is broad, and the cost of addressing those needs may be significant. Employers, particularly small businesses that provide most job opportunities for low-wage workers, may have limited resources and capacity for human resource activities.

Work support programs, such as earned income tax credits and child care subsidies, encourage employment, promote job retention, and help increase family income to meet basic needs. These are results that benefit children, families, and communities. By helping employers secure a qualified workforce, work supports also have bottom-line benefits for business. They can make employers more attractive and competitive.

Policymakers have responded to the challenges associated with low-wage work by expanding key work support programs; taking measures to improve access to such programs; and creating programs that help working families, such as the State Children's Health Insurance Program. Yet these expansions of work support programs have occurred in the context of a complex service delivery structure that is difficult for even the most savvy to navigate. Moreover, fiscal constraints are threatening public investments in work supports. Working families consequently face real barriers to getting the assistance they need. In response, researchers, advocates, policymakers, and program developers have begun to focus on developing initiatives to improve the accessibility and availability of work supports.



Employers can be key partners in work supports, but to date initiatives to involve them in assisting their employees have been limited. Efforts to improve access to work supports can benefit from innovative strategies that engage employers in promoting access to supports and in contributing financial and other resources to these critical programs for working families.

*Work Supports and Low-Wage Workers: The Promise of Employer Involvement* aims to increase the knowledge base among researchers, practitioners, policymakers, program developers, as well as employers themselves, on how to involve employers in work supports for low-wage workers. It describes current issues, challenges, and directions in work supports that affect workers and employers. Drawing from employer practices, it makes an important contribution to the field by presenting promising models and strategies for engaging employers in extending the reach of critical work supports to low-wage workers. These models and strategies suggest the myriad of options that businesses, and the organizations with which they partner, have to assist low-wage workers and improve the bottom line.

We also lay out key areas for further work and investment: research and evaluation; technical assistance; and communications, outreach, and advocacy activities. This mapping can guide decisionmakers in the public sector, business community, and foundation community as they seek to support activities to improve outcomes for working families, businesses, and communities.



Cheryl D. Hayes  
Executive Director

# EXECUTIVE SUMMARY

Employer involvement in work supports is a promising strategy to help more low-income working families access critical assistance. Public policy reforms and labor market needs have drawn many low-income families into the low-wage labor market. Employers, public agencies, and nonprofit organizations have been challenged to help these low-wage workers stabilize in the workforce and achieve greater self-sufficiency. Work supports such as transportation assistance, child care subsidies, and earned income tax credits can help families address the difficulties associated with low-wage work, but these programs are not always available and accessible to all who need them.

Strategies to improve access to work supports have often overlooked the role of employers. Employers that are taking steps to help their low-wage workers access supports are doing so in different ways, from helping employees learn about existing public and community programs to investing in new benefits for workers. Current employer practices illustrate the myriad of options that businesses, and the organizations with which they partner, have to assist low-wage workers.





## MODELS OF EMPLOYER INVOLVEMENT

Drawing from employer practice, five key models of employer involvement in work supports are:

- **Raising Awareness of Available Work Supports.**

A lack of awareness of work supports, or limited information about them, is one of the major barriers to low-income working families accessing these programs. Employers are in a good position to help raise awareness of existing work supports among low-income workers. They provide an accessible location to share information with workers and they have the attention of their employees. Employers can engage in outreach activities that target their own workforces or the larger community.

- **Helping Facilitate Access to Work Support Programs.**

Activities that help low-wage workers connect to work support programs, apply for these programs, and maintain program participation benefit these employees greatly. Employers interested in facilitating access to work supports can undertake these activities directly, for example, by having their human resources staff help employees complete applications, or they can partner with public, non-profit, and community-based organizations that perform these activities.

- **Investing in Work Supports for Low-Income Workers.**

As work-family issues gain momentum and employers compete to secure a qualified

workforce, some employers are investing their own resources to provide work supports for their employees. Employer-based programs take various forms, such as offering on-site services or providing subsidies for services in the community. Investing in employer collaboratives or public-private partnerships that finance work supports is yet another option.

- **Participating in System-Building Efforts.**

Employers are investing their time and resources in system-building activities that address limitations in work support programs and their service delivery structures. They participate in these activities to respond to pressing workforce needs, such as getting employees to their jobsites, and to build resources in the community to create a better environment for doing business and attracting and retaining workers.

- **Engaging in Public Policy Activities Related to Work Supports.**

Employers and employer associations have become more engaged in public policy activities related to workforce development and work supports for working families. These activities include meeting with federal, state, and local policymakers and participating on advisory councils and policymaking boards to offer a business perspective on these issues.

## CHALLENGES AND OPPORTUNITIES

These models underscore the scope and potential of employer involvement in work supports. Yet many employers are still not engaged in work support initiatives. This may be because they lack knowledge of work supports and the value of these programs to employers, have few connections to public and community organizations that serve low-income families, have concerns about getting involved in such programs, or lack the resources to become involved.

Organizations that assist low-income workers and those that serve employers are partnering with employers to improve access to work supports. Employer associations such as trade associations and chambers of commerce are taking up workforce development issues to assist their members with recruitment, hiring, and retention needs. Some public welfare agencies are working with employers to support welfare-to-work transitions by promoting work supports and enrolling workers in available programs. Workforce development intermediaries

coordinate and broker services to address the needs of employers and workers. Opportunities for still more collaboration exist.

To improve these and other organizations' ability to work with employers to improve access to work supports, steps must be taken to reduce the barriers impeding employer involvement. These steps include:

- Promoting greater knowledge and understanding of work supports among employers;
- Demonstrating the value of these supports to employers and their workers;
- Improving the provision and delivery of work support programs and services; and
- Working with employers in ways that meet the needs of their businesses and workers.



## DIRECTIONS FOR FURTHER WORK

To foster the promise of employer involvement in work supports, public, nonprofit, employer, and community organizations, as well as other stakeholders, will need to take steps to raise awareness of work supports, improve workers' and employers' connections to these programs, and build capacity to partner with employers on workforce needs. If stakeholders are to meet these challenges, further investments will be needed from the foundation community, the public sector, and the business community. Investments in these key areas would facilitate greater employer involvement in work supports for low-income workers.

- **Research and Evaluation.** Knowledge on work supports continues to grow, but there remain important information gaps relative to employers. Further research, evaluation, and analysis should focus on the costs, benefits, and impacts of work supports for employers, workers, and communities; factors that encourage and facilitate employer involvement in work supports; and strategies to support the involvement of small employers in work supports.

- **Technical Assistance and Other Support.** Increasing employer involvement in work supports will require new ways of doing business and new collaborative relationships. To build their capacity to facilitate employer involvement in work supports,

public, nonprofit, and community organizations and other key players may need or benefit from outside support and assistance. This could include staff development and guidance on program design and financing.

- **Communications, Outreach, and Advocacy.** Communications, outreach, and advocacy activities are needed to increase knowledge of work supports and their value to employers, workers, and communities; share information about options and what works to involve employers in work supports; and encourage broad community engagement, particularly of the business community, in efforts to improve employment and economic outcomes for low-income working families.

Improving the accessibility and availability of work supports is critical to the ability of these programs to help low-income working families get ahead. Employers and employer organizations can play a vital role in this effort. Further work is needed to engage more employers in promoting and providing work supports for the benefit of their businesses and workers.

## FACTORS CONTRIBUTING TO THE NEED FOR WORK SUPPORTS

The low-wage labor market poses challenges for workers and employers. Public policy developments in welfare reform, workforce development, and work supports have drawn many families into the low-wage labor market and have focused attention on the needs of these working families. Low earnings, the attendant costs of working, and limited access to job-related benefits make it difficult for low-wage workers to maintain steady employment and make ends meet. Employers, in turn, face costs related to their low-wage workforce that include absenteeism and high turnover. The challenges confronting workers and employers underscore the need for available and accessible work supports.

Greater employer involvement in work supports is a promising strategy to help more low-income working families achieve self-sufficiency. Involvement can take the form of investing in benefits for workers or helping them access existing public and community programs. Yet getting employers involved in work support programs is replete with challenges. Most notably, many employers are unaware of available work supports, have few connections to public and community organizations that serve low-income families, have concerns about the perceived costs of becoming involved with such programs, or lack the resources to become involved. Despite these challenges, some employers are helping their workers, or working families more generally, to access work supports.



## PUBLIC POLICIES AFFECTING THE LABOR FORCE PARTICIPATION OF LOW-INCOME FAMILIES

Public policies affecting the welfare and workforce development systems and work support programs have had a significant impact on the labor force participation of low-income families. Even before the passage of federal welfare reform legislation in 1996 [the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)] states were experimenting with their welfare programs to try to reduce dependency on government assis-

(WIA) established a tiered approach to employment and training services. WIA was not explicitly intended to create a work-first system (i.e., one focused on rapid job placement over the provision of other services). Yet its tiered approach has had the effect of emphasizing job search and job placement activities as part of the first tier of services that clients must move through to access more intensive employment services and training.



**Federal and state creation or expansion of programs that support and reward work, such as the State Children's Health Insurance Program (SCHIP) and the Earned Income Tax Credit (EITC), have helped pull low-income families into the workforce.**

tance and encourage work. PRWORA established a five year limit on federally funded cash assistance, and the law requires states to engage a portion of their welfare caseloads in work or work-related activities or risk a financial penalty. States have used the flexibility afforded under the Temporary Assistance for Needy Families (TANF) welfare block grant to develop requirements and incentives designed to move welfare recipients into the workforce. Their strategies include mandatory job search and earnings disregards that allow working welfare recipients to continue to receive some assistance.

Federal reform of the workforce development system through the 1998 Workforce Investment Act

Along with these public policies, federal and state creation or expansion of programs that support and reward work, such as the State Children's Health Insurance Program (SCHIP) and the Earned Income Tax Credit (EITC), have helped pull low-income families into the workforce. The economic expansion of the mid-1990s to late 1990s also played a role in drawing low-income individuals into the labor market. The steep declines in welfare rolls document the impact of these public policies. As of September 2002, the national welfare caseload had dropped 54 percent since the enactment of PRWORA, with many families leaving welfare for employment.<sup>1</sup>

<sup>1</sup> L. C. Rosenberg, C. Nagatoshi, and R. Roper, *Helping Working Families After Welfare: Access to New Jersey's Support Services* (Princeton, N.J.: Mathematica Policy Research, Inc., December 2003), p.4, available at <http://www.mathematica-mpr.com/publications/PDFs/helpworkfam.pdf>.



## CHALLENGES ARISING IN THE LOW-WAGE LABOR MARKET

The movement of a significant portion of the welfare caseload into the labor force has focused the attention of researchers, advocates, and policy-makers on how TANF recipients and leavers have fared in the workforce and, more broadly, on the plight of the working poor. Although TANF recipients have entered the workforce in record numbers, their employment is often unstable and marked by persistently low wages.<sup>2</sup> Some low-wage workers manage to escape this scenario, but many do not.<sup>3</sup>

Workers in the low-wage labor market face several challenges. Low earnings, coupled with transportation, child care, and other work-related expenses, can leave families with little disposable income to meet basic needs.<sup>4</sup> Low-wage workers are less likely than higher-wage workers to have access to

policies that help employees meet family needs, such as employment benefits, paid leave, and job flexibility.<sup>5</sup> Between 1999 and 2002, the low-income population experienced a 12-percent decline in employer-sponsored health insurance, compared with a less than 2-percent drop for the higher-income population.<sup>6</sup> Low-wage workers have significantly less access to child care resource and referral services and employer-provided financial assistance for purchasing child care.<sup>7</sup> Where employer-provided benefits are available, low-wage workers may not be able to afford the premiums, copayments, or deductibles.

Job characteristics can also make it difficult for low-wage workers to meet their caregiving and other family needs. Parents in working poor families are more likely to work nights and evenings than are

**Low earnings, coupled with transportation, child care, and other work-related expenses, can leave families with little disposable income to meet basic needs.**



<sup>2</sup> C. Clymer, B. Roberts, and J. Strawn, *States of Change: Policies and Programs to Promote Low-Wage Workers' Steady Employment and Advancement* (Philadelphia, Pa.: Public/Private Ventures, May 2001), p. 5, available at [http://www.ppv.org/ppv/publications/assets/92\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/92_publication.pdf).

<sup>3</sup> F. Andersson, H. Holzer, H., and J. Lane, *The Interactions of Workers and Firms in the Low-Wage Labor Market* (Washington, D.C.: The Urban Institute, December 2002), p. i, available at [http://www.urban.org/UploadedPDF/410608\\_lowwage.pdf](http://www.urban.org/UploadedPDF/410608_lowwage.pdf).

<sup>4</sup> Rosenberg et al., p. 4.

<sup>5</sup> J. Heymann, R. Boynton-Jarrett, P. Carter, J. T. Bond, and E. Galinsky, *Work-Family Issues and Low-Income Families* (New York, N.Y.: Ford Foundation, 2002), p. ii, available at [http://www.economythatworks.org/PDFs/ford\\_analysisfinal.pdf](http://www.economythatworks.org/PDFs/ford_analysisfinal.pdf).

<sup>6</sup> L. J. Blumberg and J. Holahan, *Work, Offers, and Take-Up: Decomposing the Source of Recent Declines in Employer-Sponsored Insurance* (Washington, D.C.: The Urban Institute, May 2004), p. 2, available at [http://www.urban.org/UploadedPDF/1000645\\_healthpolicyonline\\_no9.pdf](http://www.urban.org/UploadedPDF/1000645_healthpolicyonline_no9.pdf).

<sup>7</sup> Heymann et al., p. 8.



parents in nonpoor working families.<sup>8</sup> In addition, low-wage workers are concentrated in industries characterized by high rates of turnover and very modest wage growth.<sup>9</sup>

The difficulties that low-wage workers experience can create negative impacts for their employers. Employers of low-wage workers typically face higher costs as a result of absenteeism, late attendance, work disruption, and high turnover. Supervisors often are ill equipped to help address employees' housing, transportation, and child care problems.

Increasing global competition is leading some employers of low-wage workers to reduce costs in ways that negatively affect workers, such as reducing benefits and shifting to part-time and nonstandard hours.<sup>10</sup> Health insurance costs are once again on the rise, reducing the ability of small businesses, in particular, to provide benefits to workers. Some of the needs of low-wage workers, including housing, transportation, and available and affordable child care, lie beyond the scope of most employers to address on their own.



<sup>8</sup> *Ibid.*, p. 7.

<sup>9</sup> E. Lazere, S. Fremstad, and H. Goldberg, *States and Counties Are Taking Steps to Help Low-Income Working Families Make Ends Meet and Move Up the Economic Ladder* (Washington, D.C.: Center on Budget and Policy Priorities, November 2000), p. 10, available at <http://www.cbpp.org/11-27-00sfp.pdf>.

<sup>10</sup> Heymann et al., preface.

# WORK SUPPORTS FOR LOW-INCOME WORKERS AND IMPLICATIONS FOR EMPLOYERS

## THE VALUE OF WORK SUPPORT PROGRAMS TO LOW-INCOME WORKING FAMILIES AND EMPLOYERS

Work supports are an important strategy for meeting the challenges associated with low-wage work. These programs offer valuable benefits for low-income working families and for employers. They promote employment and job retention as well as help individuals meet family and work-related expenses.<sup>11</sup>

Work supports help working families with low wages make ends meet. Child care and transportation assistance help families cover work-related expenses and may free up family income for other needs. In addition, child care subsidies can enable parents to access higher quality and more reliable child care.<sup>12</sup> Food stamps, housing assistance, and government health insurance help low-income working families meet basic needs that they may otherwise have difficulty paying for with their low wages, especially as the market for housing and health insurance becomes increasingly more expensive. Earnings supplements such as federal and state earned income tax credits, along with other work incentives, have powerful antipoverty effects that have garnered significant attention from researchers, advocates, and policy analysts. The federal EITC lifts more children out of poverty than any other government program—approximately 2.7 million children in 2002.<sup>13</sup>

Along with positive effects on income and employment, work supports can have positive effects on child well-being. New Hope was an innovative program that offered working poor adults and families in Wisconsin job assistance, an earnings supplement, and subsidized child care and health insurance. The program substantially increased children's time in formal center-based care and after-school programs, and these children had better academic and social outcomes than their control group peers.<sup>14</sup> Programs that have offered financial work incentives to low-income parents, such as New Hope and the Minnesota Family Investment program, can help foster children's school readiness and later development.<sup>15</sup>

<sup>11</sup> N. Patel, M. Greenberg, S. Savner, and V. Turetsky, *Making Ends Meet: Six Programs That Help Working Families and Employers* (Washington, D.C.: Center for Law and Social Policy, June 2002), available at <http://www.clasp.org/DMS/Documents/1023218370.89/Making%20Ends%20Meet.pdf>.

<sup>12</sup> Patel et al., p. 7.

<sup>13</sup> J. Llobrera and B. Zahradnik, *A Hand Up: How State Earned Income Tax Credits Help Working Families Escape Poverty in 2004* (Washington, D.C.: Center on Budget and Policy Priorities, May 2004), p. 1, available at <http://www.cbpp.org/5-14-04sfp.pdf>.

<sup>14</sup> "Children in Low-Income Families Fare Better with Work Supports," *The Forum*, vol. 6, no. 4 (October 2003), p. 2. The Research Forum, National Center for Children in Poverty, New York, N.Y., available at <http://www.researchforum.org/media/forum64.pdf>.

<sup>15</sup> "Boosting Income for Working Parents Pays Off for Children." *Issue Focus* (2003). MDRC, New York, N.Y., available at [http://www.mdrc.org/area\\_issue\\_7.html](http://www.mdrc.org/area_issue_7.html).

By encouraging employment and supporting job retention, work support programs also benefit employers of low-wage workers. Surveys and case studies of employers that promote or provide work supports highlight these bottom-line benefits for businesses:

- **Decreased turnover and absenteeism;**
- **Improved recruitment and retention;**
- **Increased productivity; and**
- **Greater company loyalty and improved morale.**

Work support programs for low-wage workers don't just have positive impacts on a company's workforce.<sup>16</sup> Businesses that help workers access earnings supplements such as earned income tax credits provide a de facto pay raise to employees without increasing the cost of wages to the employer.<sup>17</sup> Earnings supplements and other

publicly funded work supports bring federal and state dollars into the local economy, a further benefit to business. Work supports such as public health insurance and child care assistance can help level the playing field for small businesses by making benefits available to low-wage workers that a business could not otherwise afford to provide.<sup>18</sup> Being involved in work support programs can also strengthen a company's public image, support its community investment goals, and create goodwill among employees and in the community.

Anecdotal evidence is important for making the business case for employer-sponsored work support programs for lower-wage workers. However, more research and tools on assessing the costs and benefits of such programs are needed to help employers ascertain the value of particular benefits for their workforce.<sup>19</sup>

## THE SCOPE OF WORK SUPPORTS

Work support programs represent a variety of efforts to encourage and reward employment, and support families, by helping low-income workers make ends meet. These include federal, state, and local programs as well as efforts by employers and nonprofit organizations.<sup>20</sup> There is no standard definition of the term "work support." Nor is there consensus on which programs should be included in any definition. Researchers, advocates, policy



<sup>16</sup> See, for example, the case studies in L. C. Litchfield, J. E. Swanberg, and C. M. Sigworth, *Increasing the Visibility of the Invisible Workforce: Model Programs and Policies for Hourly and Lower Wage Employees* (Boston, Mass.: Boston College Center for Work & Family, April 2004), available at <http://www.cvworkingfamilies.org/>.

<sup>17</sup> G. Scott, *Private Employers and Public Benefits* (Boston, Mass.: Jobs for the Future, February 2004), p. 10, available at <http://www.jff.org/jff/PDFDocuments/Privateemployers.pdf>.

<sup>18</sup> N. Relave, "Work Supports for Low-Income Working Families." *WIN Issue Notes*, vol. 6, no. 9 (December 2002). The Finance Project, Washington, D.C., available at <http://www.financeprojectinfo.org/Publications/worksupportsIN.htm>.

<sup>19</sup> For an analysis of research issues in the case of on-site child care, see R. Connelly, D. S. DeGraff, and R. A. Willis, *Kids at Work: The Value of Employer-Sponsored On-Site Child Care Centers* (Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 2004), available at <http://www.upjohninst.org/publications/titles/kaw.html>.

<sup>20</sup> M. E. Fishman and H. Beebout, *Supports for Working Poor Families: A New Approach* (Princeton, N.J.: The Lewin Group and Mathematica Policy Research, Inc., December 2001), p. 3, available at <http://www.mathematica-mpr.com/publications/PDFs/supportpoor.pdf>.

analysts, and other stakeholders classify work supports in different ways. Descriptions of work supports often include the Earned Income Tax Credit, child care assistance, the Food Stamp program, and the public health insurance programs Medicaid and SCHIP. The literature identifies a variety of work supports, including unemployment insurance, transportation assistance, housing assistance, TANF cash assistance, welfare earnings supplements, child support enforcement, job retention and career advancement programs, programs for school-age children, the minimum wage, and the Child Tax Credit.

For purposes of understanding work support issues, this report will focus on three categories of work supports and major examples in each:

- Programs that supplement earnings and make work pay, such as federal and state earned income tax credits, the Child Tax Credit, and welfare earnings supplements;
- Programs that assist families with work-related expenses, such as transportation and child care assistance; and
- Programs that help working families meet basic needs, such as housing assistance, the Food Stamp program, and Medicaid and SCHIP.

Public work support programs such as the EITC and the Food Stamp program are administered by different agencies at different levels of government. No one government agency or public system is responsible for all work support programs.

In addition, multiple federal, state, and local funding streams finance public work support programs. These distinct funding streams, often with their own eligibility requirements and targeted populations, make it difficult to streamline and package work supports. Ensuring accountability and reducing fraud and error are common concerns that arise with the use of public funds and can result in complex application procedures and frequent benefit recertifications. The need for accountability has also kept eligibility determination for programs largely with public agency staff, though nongovernmental organizations can provide information on work supports and help individuals apply for assistance.

The way public work supports are administered and funded results in programs with very different characteristics. Benefit types, amounts, eligibility, and availability vary considerably among states and localities.<sup>21</sup>

**No one government agency or public system is responsible for all work support programs.**



## KEY PUBLIC WORK SUPPORT PROGRAMS

A brief overview of some of the key public work support programs is provided below:

### Programs to Supplement Earnings

#### Federal Earned Income Tax Credit

The EITC is a refundable federal income tax credit for low-income working individuals and families. Congress enacted the credit in 1975 to offset the burden of Social Security taxes and provide an incentive for low- and moderate-income individuals to work. The EITC has evolved into one of the nation's most successful anti-poverty programs, lifting nearly five million people out of poverty annually.<sup>22</sup> The Internal Revenue Service administers the credit to eligible beneficiaries under the federal tax code through the annual income tax filing and refund process. An advance EITC option allows workers who have at least one qualifying child to receive part of the credit in each paycheck, administered by employers through the payroll process. The credit reduces the amount of federal tax owed and, in cases where the EITC exceeds the amount of taxes owed, a refund check is sent to filers who claim and qualify for the credit. Income and family size determine the amount of the EITC; it is available to families with annual incomes of roughly \$35,000 and below.<sup>23</sup> In 2002 federal spending on the EITC totaled almost \$35 billion, making it the largest federal cash assistance program for working families.<sup>24</sup>

#### State Earned Income Tax Credit

Since 1986, 17 states and the District of Columbia have instituted earned income tax credits similar to the federal EITC to ease the burden of state income and sales taxes on low-income families.<sup>25</sup> The size and structure of these credits vary among states. In 13 states, including the District of Columbia, the credit is refundable; a family receives the full amount of its credit, even if the credit amount is greater than its income tax liability, and is sent a check for the difference. The amount of state supplementation varies from 4 percent to 25 percent of the federal benefit, and the annual cost of the refundable EITC in recent years has ranged from approximately \$14 million in Vermont to \$423 million in New York.<sup>26</sup> In the remaining five states, the credit is nonrefundable; the state EITC is available only to the extent that it offsets a family's income tax. Most state EITCs rely on state general revenue funds for financing; under current federal regulations, states may also fund a portion of the cost of a refundable credit from their share of the TANF block grant.<sup>27</sup>

<sup>22</sup> K. A. Dinan, N. Cauthen, and S. Fass, "State Policy Choices: Supports for Low-Income Working Families," Fact Sheet (New York, N.Y.: National Center for Children in Poverty, May 2004), p. 1, available at <http://www.nccp.org/media/swf04-text.pdf>.

<sup>23</sup> *Ibid.*, p. 1.

<sup>24</sup> A. Carasso and E. Steurele, "Growth in the Earned Income and Child Tax Credits," Tax Facts (Washington, D.C.: Urban-Brookings Tax Policy Center, January 2003), available at [http://www.urban.org/UploadedPDF/1000455\\_eitc\\_child.pdf](http://www.urban.org/UploadedPDF/1000455_eitc_child.pdf).

<sup>25</sup> Visit the State EITC Online Resource Center at <http://www.stateeitc.com>.

<sup>26</sup> N. Johnson, J. Llobrera, and R. Zahradnik, *A Hand Up: How State Earned Income Tax Credits Help Working Families Escape Poverty in 2003* (Washington, D.C.: Center on Budget and Policy Priorities, March 3, 2003), p. 5, available at <http://www.cbpp.org/3-3-03sfp.pdf>.

<sup>27</sup> *Ibid.*, p. 5.



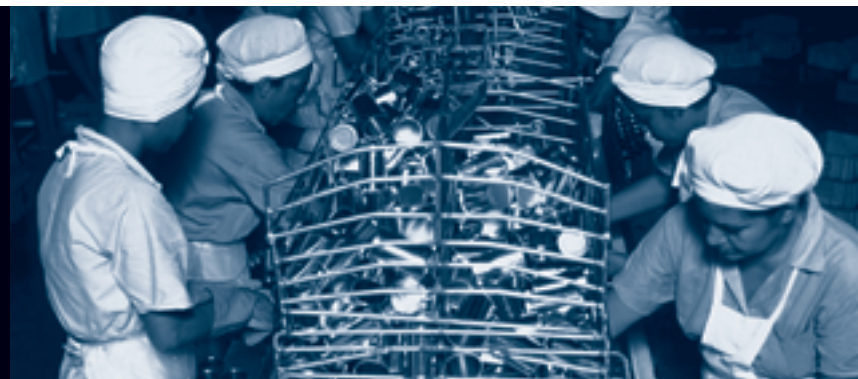
### **Child Tax Credit**

Recognizing that the federal tax code did not adequately reflect a family's reduced ability to pay taxes as family size increases, in 1997 Congress created the Child Tax Credit (CTC) to lower tax liabilities for families with one or two qualifying children. The CTC was later expanded under the Economic Growth and Tax Relief Reconciliation Act of 2001. The legislation doubles the amount of the credit per child to \$1,000 by tax year 2010 and makes the credit partially refundable for families with annual earnings of more than \$10,000.<sup>28</sup> In 2003 the CTC became even larger with the passage of a tax law to accelerate the credit in the short term. Like the federal EITC, eligible families claim the CTC through the annual income tax filing and refund process administered by the Internal Revenue Service. In 2002 federal spending on the CTC totaled approximately \$28 billion.<sup>29</sup>

### **Welfare Earnings Supplements**

States have made low-wage work more financially attractive to welfare recipients and other working poor families by providing them with earnings supplements to help them sustain employment. Several states and localities have experimented with different types of supplements to maximize the total income available to families. Their strategies include allowing welfare recipients to keep more of what they earn without their benefits being cut, creating alternative sources of wage supplements for working poor families outside the welfare system, and implementing other changes in child care, child support, food stamps, and tax policies.<sup>30</sup> States have financed earnings supplements, such as refundable earned income tax credits and modest wage subsidies to employers, through the TANF block grant. Larger wage supplements for working families are supported by state maintenance-of-effort funds, which are not subject to TANF time limits or work requirements.<sup>31</sup>

**Ensuring accountability and reducing fraud and error are common concerns that arise with the use of public funds and can result in complex application procedures and frequent benefit recertifications.**



<sup>28</sup> See Fishman and Beebout.

<sup>29</sup> Carasso and Steurele, p. 1.

<sup>30</sup> J. Strawn and K. Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce* (New York, N.Y.: MDRC, June 2000), pp. 23–24, available at <http://www.mdrc.org/Reports2000/SteadyWorkGuide.pdf>.

<sup>31</sup> *Ibid*, Appendix A.



## Programs to Assist Families with Work-Related Expenses

### Child Care Assistance

Accessible and affordable child care is essential for low-income working parents to seek and maintain employment. States typically operate child care assistance programs by providing working families with vouchers to cover all or part of the cost of care from private providers. The Child Care and Development Fund (CCDF) and the TANF block grant are the major sources of federal funding for child care assistance programs. Other federal support for child care is available through Head Start, the Child Tax Credit, the Social Services Block Grant (SSBG) under Title XX, and the Child Care Food Program. Under federal regulations for TANF and CCDF, states may design and administer their own child care subsidy programs or give counties the authority to administer or outsource the program to a private entity. States also have some flexibility to set income guidelines for child care assistance, and they may set priorities among income-eligible families. In 2001 states received \$4.8 billion from the CCDF block grant and an additional \$3.5 billion in TANF dollars to support child care assistance programs.<sup>32</sup> In 2000 only 14 percent of all eligible children received child care subsidies.<sup>33</sup>

### Transportation Assistance

Reliable transportation services are critical for low-income workers to find and retain jobs. Although there is no single federal funding stream specifically targeted to provide these individuals with transportation assistance, more public funds are now available for this purpose since the passage of welfare reform. States typically finance transportation assistance programs through federal TANF and WIA dollars.<sup>34</sup> States may also transfer 10 percent of their TANF grant to SSBG, which supports transportation among its other purposes.<sup>35</sup> Federally funded programs such as Access to Jobs, HOPE VI, and Empowerment Zone/Enterprise Communities can also provide workers eligible for these programs with transportation assistance. Finally, the pending reauthorization of the Transportation Equity Act for the 21st Century may also provide additional funding under the Job Access and Reverse Commute program to help close transportation gaps for low-income families. Services that may be funded with these transportation assistance programs include providing reimbursements for individual transit passes, establishing van service lines in areas without transportation, and helping adults leaving welfare purchase vehicles and auto insurance.

<sup>32</sup> U.S. General Accounting Office, *Recent State Policy Changes Affecting the Availability of Child Care Assistance for Low-Income Families*, GAO-03-588 (Washington, D.C., May 2003), p. 14, available at <http://www.gao.gov/new.items/d03588.pdf>.

<sup>33</sup> E. Richer, H. Kubo, and A. Frank, *All in One Stop? The Accessibility of Work Support Programs at One-Stop Centers* (Washington, D.C.: Center for Law and Social Policy, September 2003), p. 4, available at [http://www.clasp.org/DMS/Documents/1063733515.9/one-stop\\_rpt.pdf](http://www.clasp.org/DMS/Documents/1063733515.9/one-stop_rpt.pdf).

<sup>34</sup> W. L. Chun-Hoon, *In Support of Low-Income Working Families: State Policies and Local Program Innovations in the Era of Welfare Reform* (Washington, D.C.: The Annie E. Casey Foundation, February 2003), p. 13, available at <http://www.aecf.org/publications/data/support.pdf>.

<sup>35</sup> *Ibid.*, p. 14.

## Programs to Meet Basic Needs

### Housing Assistance

The federal government funds several direct and indirect housing assistance programs for low-income families. The two major programs, Section 8 housing vouchers and public housing, comprise about one-seventh or approximately \$22 billion of the federal housing assistance budget.<sup>36</sup> Under the Section 8 Housing Voucher Program, the U.S. Department of Housing and Urban Development (HUD) allocates funds to public housing agencies (PHAs) that deliver vouchers to eligible families and individuals. Once participants in Section 8 find their own housing, the PHA pays the rental subsidy directly to the landlord and the residents pay the difference. Section 8 vouchers have become the largest source of housing assistance for low-income families, serving 1.6 million households in 2001.<sup>37</sup> Public housing provides shelter for 1.3 million low-income households in multi-unit complexes at rents they can afford.<sup>38</sup> HUD administers federal aid to local housing agencies, which manage the housing projects in their area. Eligibility for the two programs is generally 50 percent of the local median income, though the threshold can sometimes be higher, while a family's rent contribution ranges between 30 percent and 40 percent of its income.<sup>39</sup> Long waiting lists exist for both programs because of limited funds.

The Low-Income Housing Tax Credit (LIHTC) is an indirect housing assistance program administered by state housing finance administrations with oversight from the U.S. Department of the Treasury. This program helps create approximately 70,000 new affordable apartments annually by providing tax credits to each state based on population. These credits are then distributed to developers, who sell them to investors and use the transaction-generated capital to pay a portion of the capital cost of housing. In 2001 federal spending on the LIHTC was \$3.3 billion.<sup>40</sup>

**Jointly funded by the federal and state governments, Medicaid is the largest grant-in-aid program to the states, with nearly 40 percent of federal grant funds flowing to states for this purpose. In 2003 Medicaid covered about 51 million people, 75 percent of whom were low-income children and parents, pregnant women, and other nonelderly adults.**



<sup>36</sup> R. Swartz and B. Miller, *Welfare Reform and Housing*, Policy Brief No. 16 (Washington, D.C.: The Brookings Institution, March 2002), pp. 3–4, available at <http://www.brook.edu/es/wrb/publications/pb/pb16.pdf>.

<sup>37</sup> *Ibid*, p. 4.

<sup>38</sup> National Coalition for the Homeless, *Federal Housing Assistance Programs Factsheet* (Washington, D.C.: National Coalition for the Homeless, February 2002), available at <http://www.nationalhomeless.org/housingassistance.html>.

<sup>39</sup> “Housing Assistance Promotes Employment,” *News and Issues: Supports for Low-Income Families Newsletter* (Summer 2003), p. 3, National Center for Children in Poverty, New York, N.Y., available at <http://www.nccp.org/media/sum03-text.pdf>.

<sup>40</sup> Swartz and Miller, p. 5.

### **Food Stamp Program**

The Food Stamp program helps low-income households purchase food to maintain a nutritionally adequate diet. Eligible recipients buy food at authorized retail food stores with coupons and electronic benefits transfer cards. The amount of food stamps received by a household depends primarily on household size, income, and housing costs. No time limit exists on benefits for senior citizens or families with children. Unemployed able-bodied adults are limited to three months of benefits within a three-year period, unless they meet certain employment requirements. State and local welfare offices operate the program with oversight from the Food and Nutrition Service of the U.S. Department of Agriculture. In fiscal 2003, the average monthly benefit per household was \$195, and federal expenditures for the program totaled \$21.4 billion.<sup>41</sup> Recent data indicate that the number of families using food stamps on a monthly basis is on the rise; in March 2004, 23.8 million people participated in the program.<sup>42</sup>

### **Medicaid**

Created in 1965, Medicaid is the primary source of health insurance coverage for low-income people, paying for essential primary and preventive health care services. Jointly funded by the federal and state governments, Medicaid is the largest grant-in-aid program to the states, with nearly 40 percent of federal grant funds flowing to states for this purpose.<sup>43</sup> Although the federal government matches states' spending for covered services at a varying matching rate, on average it covers approximately 57 percent of total Medicaid costs.<sup>44</sup> States administer Medicaid on a day-to-day basis using broad federal guidelines set by the Center for Medicare and Medicaid Services of the U.S. Department of Health and Human Services (HHS). As a result, state policies regarding benefits, eligibility, and provider payments differ greatly. At a minimum, however, all states are required to provide coverage to children below age six living in households with an income of up to 133 percent of the federal poverty level (FPL) and children below age 19 living in households with an income of up to 100 percent of the FPL. In 2003 Medicaid covered about 51 million people, 75 percent of whom were low-income children and parents, pregnant women, and other nonelderly adults.<sup>45</sup> Federal spending on the program in fiscal 2003 totaled nearly \$161 billion;<sup>46</sup> federal and state spending on Medicaid totaled about \$270 billion.<sup>47</sup>

<sup>41</sup> Food and Nutrition Service, U.S. Department of Agriculture, Monthly Food Stamp Program Information, available at <http://www.fns.usda.gov/pd/fsmonthly.htm>.

<sup>42</sup> *Ibid.*

<sup>43</sup> Kaiser Family Foundation, *The Medicaid Resource Book* (Washington, D.C., Kaiser Commission on Medicaid and the Uninsured, July 2002), p. 82, available at <http://www.kff.org/medicaid/2236-index.cfm>.

<sup>44</sup> *Ibid.*, p. 82.

<sup>45</sup> Congressional Budget Office, "The Long-Term Outlook for Medicare and Medicaid," chap. 3 in *The Long Term Budget Outlook* (Washington, D.C., December 2003), p. 3, available at <http://www.cbo.gov/showdoc.cfm?index=4916&sequence=4>.

<sup>46</sup> *Ibid.*, p. 3.

<sup>47</sup> *Ibid.*, p. 3.

### State Children's Health Insurance Program

Congress established SCHIP in 1997 to provide health insurance coverage to children in low-income working families. Specifically, the program sought to fill a gap between employer-sponsored coverage and public coverage for the lowest-income sector under Medicaid, targeting its efforts on children living in families with an income of up to 200 percent of the federal poverty level. SCHIP also contains provisions authorizing states to apply for waivers to cover parents of eligible children. A total of \$40 billion was earmarked for SCHIP under Title XXI of the Social Security Act between fiscal 1998 and fiscal 2007, with a variable annual funding level over the 10-year period.<sup>48</sup> Federal funds are allocated to states according to their relative share of low-income children and low-income uninsured children. To secure federal matching funds, states must spend a specific amount of their own funds, which is calculated as 30 percent less than the state's share of Medicaid spending.<sup>49</sup> Like Medicaid, SCHIP is structured and administered by states using federal guidelines set by HHS's Center for Medicare and Medicaid Services. States may administer SCHIP through Medicaid or create a separate program, set eligibility standards, determine benefit packages, and tailor components of the program to reflect unique state needs. In June 2003, SCHIP provided coverage for an estimated 3.9 million children nationwide.<sup>50</sup> The implementation of SCHIP has led to a decline in the number of uninsured low-income children, but recent state and federal budget cuts have slowed the program's growth.

## THE GROWTH OF WORK SUPPORT PROGRAMS

For more than a decade, federal, state, and local policymakers and program administrators have expanded key work support programs, sought to improve access to such programs, and created new programs that help working families. The federal Earned Income Tax Credit, for example, was expanded in 1990 and 1993, and the 2001 Economic Growth and Tax Relief Reconciliation Act increased the amount of earnings that married couples with children can make before the EITC begins

to phase out.<sup>51</sup> The Farm Security and Rural Investment Act of 2002 (the Farm Bill) reauthorized the Food Stamp program and introduced several state options to improve access to the program and ease administrative burdens on applicants, recipients, and program operators.<sup>52</sup> In 1997 the State Children's Health Insurance Program was created to offer coverage to children who do not qualify for Medicaid and who are living in families with an income of up to 200 percent of the federal poverty

<sup>48</sup> H. Shapiro, *SCHIP: The State Children's Health Insurance Program, Building on Success* (Washington D.C.: Center for National Policy, January 2003), p. 5., available at <http://www.cnponline.org/Press%20Releases/Reports/SCHIP%20Paper.pdf>.

<sup>49</sup> *Ibid*, p. 5.

<sup>50</sup> V. K. Smith, and D. M. Rousseau, *SCHIP Program Enrollment: June 2003 Update* (Washington, D.C.: Kaiser Commission on Medicaid and the Uninsured, June 2003), p. 1, available at <http://www.kff.org/medicaid/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=28327>.

<sup>51</sup> Visit the Making Wages Work section of The Finance Project's website for more information on the EITC, available at <http://www.financeprojectinfo.org/MWW/index.asp>.

<sup>52</sup> U.S. General Accounting Office, *Supports for Low-Income Families*, p. 9.

level;<sup>53</sup> it is a valuable program for working poor families without access to employer-sponsored health insurance.

Welfare reform, while moving many parents into the low-wage labor market, has also played a significant role in the expansion of work support programs. PRWORA allows states and localities to provide services and benefits, such as wage subsidies and child care and transportation assistance, to individuals not receiving cash assistance. In addition, states and localities may set financial eligibility for such services and benefits higher than eligibility for cash assistance, enabling them to target welfare leavers and working families more broadly. Welfare caseload declines in the late 1990s freed up

resources for work support programs. For example, the proportion of TANF dollars spent on child care increased from 9 percent to 19 percent from fiscal 1998 to fiscal 2002.<sup>54</sup> State welfare maintenance-of-effort funds have been another source of funding for these work supports.

During the past few years, many states have expanded the availability of supports that promote employment and economic independence among low-income families.<sup>55</sup> Along with investing TANF and other resources in work supports, they have made changes to program provisions, such as income eligibility criteria, that give more working parents access to supports.<sup>56</sup>

## CHALLENGES TO ACCESSING WORK SUPPORT PROGRAMS

Despite the growth of work support programs and their value to working families and employers, there is little employer involvement and many low-income working families still struggle to make ends meet. Many employers are unaware of work support programs and are reluctant to engage with public bureaucracies.<sup>57</sup> Working families may not know they are eligible for such programs, they may continue to face barriers to program participation, and they may not receive benefits because of funding or structural limitations. The growth of work support programs has created a complex system that is often difficult for workers and employers to access.

Advocates, researchers, policymakers, and other stakeholders are increasingly concerned about the

low rates of participation among eligible working families in some work support programs. For example, in 2001 an estimated 52 percent of eligible members of working families participated in the Food Stamp program, compared with about 70 percent of eligible members of nonworking

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<sup>53</sup> *Ibid.*, p. 8.

<sup>54</sup> *Ibid.*, p. 29.

<sup>55</sup> *Ibid.*

<sup>56</sup> *Ibid.*, p. 4.

<sup>57</sup> Scott, pp. 6–7.

families.<sup>58</sup> Although new Food Stamp program rules and procedures have substantially increased program participation among families with welfare experience, participation rates among families without welfare experience—the largest share of poor families with children—have not budged.<sup>59</sup>

**In 2001 an estimated 52 percent of eligible members of working families participated in the Food Stamp program, compared with about 70 percent of eligible members of nonworking families.**

Major barriers to the participation of eligible working families in work support programs are these.

- **A lack of awareness.** Eligible families may be unfamiliar with work support programs; often they do not know they are eligible or they do not know how to apply.
- **A complex system.** Different agencies provide work supports, and no single agency is responsible for ensuring that eligible families can learn about and access supports. Agency staff may know about certain benefits but be uninformed about others. Moreover, staff in organizations that serve working families and employers, such as one-stop career centers and community-based organizations, may have limited knowledge of work support program guidelines and application procedures. The complexity of the work support system increases the

costs to families in terms of the time and effort needed to apply for benefits.

- **Burdensome application and recertification processes.** Varying application requirements, complex application forms, and frequent recertifications can make it difficult for low-income workers to apply for and maintain benefits.
- **Conflict with work responsibilities.** Low-income workers, who often lack job flexibility, may be unable to comply with application and recertification procedures that are time consuming and require in-office visits during work hours.
- **Connection to the welfare system.** Working families may perceive a stigma attached to programs that are associated with the welfare system. Former welfare recipients may avoid the welfare agency.
- **Limited service capacity.** Work supports such as child care subsidies and transportation assistance are undercut by limited service capacity in some areas. For example, evening child care may be very limited, or a public transportation system may not bring low-income workers to areas where jobs are located.

The availability of funding also affects whether eligible families receive particular work supports. For example, funding for child care subsidies is inadequate to meet the need for assistance, even though the past decade has seen an increase in support. In 2000 only 14 percent of eligible families received subsidized child care.<sup>60</sup> Since January 2001,

<sup>58</sup> U.S. General Accounting Office, *Food Stamp Program: Steps Have Been Taken to Increase Participation of Working Families, but Better Tracking of Efforts Is Needed* (Washington, D.C., March 2004), p. 3, available at <http://www.gao.gov/new.items/d04346.pdf>.

<sup>59</sup> S. R. Zedlewski, "Recent Trends in Food Stamp Participation: Have New Policies Made a Difference?" *Assessing the New Federalism*, Series B, No. B-58 (Washington, D.C.: The Urban Institute, May 2004), p. 6, available at [http://www.urban.org/UploadedPDF/310995\\_B-58.pdf](http://www.urban.org/UploadedPDF/310995_B-58.pdf).

<sup>60</sup> S. Taddeucci, *Benefits and Low Wage Work* (New York, N.Y.: Seedco, September 2003), p. 13, available at [http://www.seedco.org/publications/publications/benefits\\_and\\_low\\_wage\\_work.pdf](http://www.seedco.org/publications/publications/benefits_and_low_wage_work.pdf).



35 states have made policy changes that affect the availability of child care assistance; of these states, 23 made changes tending to reduce the availability of assistance.<sup>61</sup>

State fiscal conditions and changes in the allocation of TANF funds are threatening the provision of work supports to low-income working families. Although the recession has technically ended, many states are still facing tight budget conditions. This fiscal environment is prompting state officials to consider changes that could further limit the availability and provision of supports for low-income families.<sup>62</sup>

TANF funds have been a critical resource for various work support programs, but their continued availability is uncertain. For example, some states that have had recent increases in their TANF cash assistance caseloads have reduced funding for certain work supports to redirect funds to TANF

cash assistance. Further, since 2001 states have spent more TANF funds than they received in their annual awards, leading them to draw more heavily on their TANF balances.<sup>63</sup> The pending reauthorization of the TANF program could also lead states to redirect funds from work supports to other welfare-related purposes, if they are forced to comply with more stringent participation requirements.

Given the persistence of low wages, the long-term availability of work supports is critical to helping low-income working families maintain a reasonable standard of living.<sup>64</sup> Yet the long-term availability of funding for these supports is problematic. Federal tax cuts, continuing deficits, and rising expenditures on programs for the elderly could lead policymakers to reduce spending on programs for working families and children.<sup>65</sup>



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<sup>61</sup> U.S. General Accounting Office, *Recent State Policy Changes*, p. 2.

<sup>62</sup> U.S. General Accounting Office, *Supports for Low-Income Families*, p. 4.

<sup>63</sup> *Ibid.*, pp. 30–31.

<sup>64</sup> Fishman and Beebout, p. 7.

<sup>65</sup> For more information on budgetary issues, see C. Eugene Steuerle, *The Incredible Shrinking Budget for Working Families and Children* (Washington, D.C.: The Urban Institute, December 2003), available at [http://www.urban.org/UploadedPDF/310914\\_incredible\\_shrinking\\_budget.pdf](http://www.urban.org/UploadedPDF/310914_incredible_shrinking_budget.pdf).

## WAYS TO ADDRESS WORK SUPPORT ACCESS CHALLENGES

Federal, state, and local policymakers and program administrators are developing different strategies to address challenges to accessing work supports. These strategies include legislative efforts, such as provisions in the Farm Bill to allow states to improve access to food stamps, and organizational changes, such as co-locating staff to improve program coordination. Key strategies to improve access to work supports include:

- Increasing outreach;
- Improving efforts to coordinate work support programs;
- Simplifying application and recertification procedures;
- Undertaking organizational changes to improve agency access among working families;
- Partnering with businesses, community-based organizations, and others to provide outreach and application support; and
- Providing information and resources by, for example, making application forms available through the Internet.

States can also seek to address fiscal issues that affect access to work supports. Strategies include improving efficiency and accountability, maximizing federal resources, and developing public-private partnerships.

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In practice and in the literature, strategies to improve access to work supports have tended to focus on public-sector issues. Less attention has been given to employers and employer-focused strategies to improve access to work supports. Yet employer-focused strategies, such as marketing work supports to employers, delivering application assistance at the workplace, and creating public-private partnerships to finance work supports, complement other strategies and can expand their

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reach. In addition, employer-focused strategies create opportunities to:

- **Access low-income workers outside of public systems;**
- **Build employer support for programs that help low-income workers;**
- **Leverage employer resources for work supports;**
- **Reframe work supports from simply a social service issue to a workplace issue; and**
- **Build relationships with employers that can lead to further workforce development activities.**

These opportunities can only be realized, however, if strategies designed to engage employers in improving access to work supports reflect an understanding of employers' needs. The strategies must also result in the delivery of benefits to employers that they deem valuable.

# EMPLOYER INVOLVEMENT IN WORK SUPPORTS

## TOWARD AN UNDERSTANDING OF EMPLOYERS' NEEDS

For businesses that depend on qualified entry-level and lower-wage workers, the ability to recruit and retain these workers is a top priority and bottom-line concern. Moreover, as the skilled workforce ages, employers are seeking to advance the skills of their entry-level workforce. Yet employers report continuing challenges in recruiting and retaining qualified entry-level workers, even when the economy has slowed.<sup>66</sup> Labor market needs have led employers to expand their recruitment pool and consider nontraditional sources of entry-level workers, such as mothers leaving the welfare rolls. Many employers, however, lack the experience and resources to help these emergent workers succeed on the job.<sup>67</sup>

Employers are relatively ill prepared to address costly turnover problems.<sup>68</sup> They may need assistance to help their entry-level employees with transportation and child care issues. Yet employers are often unfamiliar with work support programs, and they have limited experience with the public and community organizations that address workforce and social service needs. Some employers may hold negative perceptions of public benefit programs.<sup>69</sup>

Despite these obstacles, employers express interest in programs and services that can help them secure a qualified workforce cost-effectively.<sup>70</sup> For employers to become involved in work support programs, they must view these programs as a good business decision with bottom-line benefits (e.g., lower recruitment and retention costs and improved worker productivity).



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<sup>66</sup> J. C. Taylor and M. F. Mitchner, *The Employer's Voice: Frontline Workers and Workforce Development* (Boston, Mass.: Jobs for the Future, 2003), p. 1, available at <http://www.jff.org/jff/PDFDocuments/EmployersVoice.pdf>.

<sup>67</sup> Jobs for the Future, *Win-Win Corporate Community Partnerships for Workforce Development* (Boston, Mass., March 2000), p. 1, available at <http://www.jff.org/jff/PDFDocuments/Hitachibrief.pdf>.

<sup>68</sup> Scott Cheney, *Keeping Competitive: Hiring, Training, and Retaining Qualified Workers* (Washington, D.C.: Center for Workforce Preparation, September 2001), p. 3, see <http://www.uschamber.com/cwp/default>.

<sup>69</sup> Scott, pp. 6–7.

<sup>70</sup> *Ibid.*, p. 11; and Abt Associates Inc., and The New School for Social Research, *Private Interests, Shared Concerns: The Relationship Between Employers and the AECF Jobs Initiative* (Cambridge, Mass.: Abt Associates, Inc., and The New School for Social Research, November 1999), pp. 29–34, available at <http://www.aecf.org/initiatives/jobsinitiative/shared.pdf>.

## MODELS AND STRATEGIES OF EMPLOYER INVOLVEMENT IN WORK SUPPORTS

Employers that are taking steps to help their low-wage workers access supports are doing so in a variety of ways, from getting involved in outreach activities to creating new benefit programs. Employer practices suggest that businesses, and the organizations with which they partner, have various options to assist low-wage workers, and these options entail different levels of investment and commitment. Drawing from employer practice, five key models of employer involvement in work supports are:

- Raising awareness of available work supports;
- Helping facilitate access to work support programs;
- Investing in work supports for low-income workers;
- Participating in system-building efforts; and
- Engaging in public policy activities related to work supports.

### **Raising Awareness of Available Work Supports**

A lack of awareness of work supports, or limited information about them, is one of the major barriers to low-income working families accessing these programs. Employers are in a good position to help raise awareness of work supports among low-income workers. They provide an accessible location for reaching workers with information, they have the attention of their employees, and they may be viewed as a resource on work-related benefits and programs. Employers may engage in outreach activities that target their own workforce or the larger community.

Outreach activities to help inform employees about available work supports include displaying posters

and brochures, distributing paycheck stuffers, including information in company newsletters, providing application forms through the human resource (HR) department, and offering information on resource and referral sources. Some public and nonprofit organizations have created outreach materials that are available at no or low cost. The Internal Revenue Service, for example, will provide employers with posters, paycheck stuffers, and other materials at no charge to educate employees about the EITC. The Center on Budget and Policy Priorities releases an EITC Outreach Kit every year. Employers can also invite representatives from public and community organizations to speak about work support programs. In Georgia, for example, Medicaid outreach workers participated in employer-sponsored events, including visits to employer sites, to provide information on and accept applications for Medicaid and PeachCare for Kids (the state children's health insurance program).<sup>71</sup> Employers also participate in community-wide outreach campaigns, distributing information, providing volunteers, and offering workshop sites.

This model of employer involvement in work supports—raising awareness of available programs—is relatively inexpensive for the employer but addresses a critical need, because low-income workers cannot take advantage of programs of which they are unaware. Moreover, if the employer's outreach activities encourage workers to apply for programs, then both employer and employees may benefit from the positive employment outcomes associated with work supports.

<sup>71</sup> The Welfare to Work Partnership, "Helping Your New Workers Access Health Care." *Smart Solutions* (Washington, D.C.: The Welfare to Work Partnership, 2000), p. 3, available at [http://www.welfaretowork.org/publications/smart\\_solutions.htm](http://www.welfaretowork.org/publications/smart_solutions.htm). For more information on Georgia's outreach activities, visit Right from the Start Medicaid at <http://www.rsm.dhr.state.ga.us/>.



### Employer Practices in Raising Awareness of Available Work Supports

TJXtra! is a program at the international retail corporation **TJX Companies, Inc.**, that aims to raise awareness of available government benefits among employees, their families, and their friends.<sup>72</sup> The corporation began outreach activities on government benefits in 1997, stemming from its commitment to hire individuals leaving the welfare rolls. To support its welfare hires, TJX began partnering with federal and state agencies to educate these employees about available work supports for which they remained eligible. TJXtra!, which now has its own logo, banners, and other materials, grew out of these efforts. The program brings together and disseminates information on SCHIP, food stamps, fuel assistance, volunteer tax assistance, the EITC and the advanced EITC option, and financial literacy resources that are available from state agencies and federal agencies such as Fannie Mae, the Internal Revenue Service, and the U.S. Department of Agriculture. Each store and distribution center has an area set aside for TJXtra!—identified by the program’s banner—where outreach materials such as posters and brochures are available to all employees. TJXtra! is also highlighted in the company newsletter. By using outreach materials available from government sources, the corporation’s costs for running TJXtra! are minimal. Although it is difficult for the company to measure the exact number of employees using TJXtra!, anecdotal evidence indicates that they are using the program and the company is benefiting from improved retention.

For more information, contact Patrick Flavin, manager of government programs, 508.390.3639.

### Facilitating Access to Work Support Programs

Activities that help low-income workers connect to work support programs, apply for these programs, and maintain receipt of benefits can facilitate access to critical work supports by mitigating some of their complexity. These activities include providing direct referrals to programs, prescreening applicants, helping individuals complete applications, scheduling interviews, tracking applications, and monitoring the need for recertification. Employers involved in facilitating access to work supports could undertake some of these activities themselves, for example, by having HR staff help employees complete applications, or they could partner with public, nonprofit, and community-based organizations that perform these activities.

Partnerships are a key element in this model of employer involvement in work supports. Many employers, notably small and mid-sized businesses, lack the HR capacity to help their employees access work supports or believe these activities are beyond their scope. Seedco, a national intermediary organization, has begun working with small businesses in New York City through its EarnBenefits initiative to educate, screen, and provide application assistance to employees and business owners eligible for work support programs.<sup>73</sup> Although some employers might work with public or nonprofit organizations for the purpose of helping employees access work supports, partnerships could also serve broader workforce

<sup>72</sup> Litchfield et al., pp. 46–49.

<sup>73</sup> Seedco sends a mobile HR team out to small businesses and uses web-based technology to screen individuals and complete and file applications. For more information, visit <http://www.seedco.org/earnbenefits/>.

development purposes—recruitment, retention, training, and advancement—that incorporate work supports as a necessary component.

Whether working internally through their HR departments or partnering with outside organizations, employers can help facilitate access to work supports by, for example, engaging managers and supervisors in efforts to connect employees to work supports. Employers can also give employees release time to complete application requirements

and invite staff from public and community organizations to the workplace to enroll eligible employees. As with the model of raising awareness of work supports, this model—helping facilitate access to work supports—can help employers and workers benefit from available public and community work support programs as well as foster relationships between employers and organizations in their community to carry out workforce development activities.

### Employer Practices in Helping Facilitate Access to Work Supports

The **Achieve Program**, operated by the nonprofit Towards Employment in Cleveland, Ohio, is an employer-based retention program that includes supportive services as a key program component. Towards Employment developed the concept for an employer-based program—one that is operated at the worksite—in 2000 and piloted the program in 2001. It was invited to include the Achieve Program in the Employment Retention and Advancement (ERA) project, a demonstration and evaluation supported by the U.S. Departments of Labor and Health and Human Services. Achieve is operating in 11 sites that are primarily in the long-term care industry. The program seeks to significantly reduce turnover among frontline workers and the costs associated with that turnover. Program components include worksite-based case management, lunchtime workshops for workers on topics such as workplace skills and financial literacy, training for frontline supervisors, and supportive services to address barriers to employment. Case managers bring an in-depth knowledge of community resources to the job. They assess workers' needs and determine how to meet those needs, which may be by referring workers for services or by directly paying for services. Early findings from the ERA evaluation suggest that entry-level workers in the Achieve Program were more likely to retain their jobs than workers in the control sites, and short-term retention gains tended to be greatest among recently hired employees. Employers also report improvements in morale and productivity. Five employers that have received Achieve services have elected to continue the program on a fee-for-service basis, which enables these employers to work with Towards Employment to customize Achieve services to meet specific employer and employee needs.

For more information, contact Walter Ginn, executive director, Towards Employment, 216.696.5750.

**Marriott International's** Associate Resource Line is a toll-free resource and referral service that gives the company's employees confidential consultation and referral on personal issues, including family, child care, and elder care issues. The Associate Resource Line is part of Marriott's Work-Life initiatives that include programs such as on-site child development centers and education and training for employees. It began in 1996 to provide a resource and referral service that could meet the needs of lower-income employees who might not be well served under a typical employee assistance program. The Associate Resource Line is available 24 hours per day and in more than 150 languages to all Marriott associates. It is staffed by social workers who use a case management approach and who are familiar with the social service programs available to lower-income individuals and families. The resource line is also a valuable tool for frontline managers who reported spending between 25 percent and 50 percent of their time helping employees with "social work" issues before the resource and referral service was implemented. The company estimates that it has earned a 4-to-1 return on its investment in the resource line by reducing turnover and absenteeism. Marriott funds the Associate Resource Line, and Ceridian Work-Life Services administers the resource and referral service.

For more information, contact Nina Madoo, Marriott International, 301.380.7846.

### **Investing in Work Supports for Low-Income Workers**

As work-family issues gain momentum and employers are challenged to secure a qualified workforce, some employers are investing their own resources to provide work supports for their employees. Employer-based programs take various forms. Employer-sponsored child care assistance illustrates different investment options. For example, employers can offer workers a child care allowance or subsidy based on a sliding scale or flat employer contribution. Employers can also contract with a local child care provider to reserve slots for employees and subsidize the cost, subsidize the construction or operating costs of an on-site or near-site child care center, or provide back-up or emergency child care assistance for employees.<sup>74</sup>

Although employer-based programs are clearly more expensive to the employer than is connecting workers to public and community programs, this model enables employers to develop customized solutions to the needs of their workforce and business. In addition, the employer decides how to target and package benefits without the restrictions that characterize public programs. Employer-based programs can also provide low-wage workers with ongoing benefits that public programs may not offer. Despite the costs of sponsoring benefits, case studies of employers that offer them to their low-wage workers suggest that these supports may pay for themselves in terms of attraction, retention, and loyalty.<sup>75</sup>

<sup>74</sup> The Welfare to Work Partnership, "Helping Your New Workers Meet Their Child Care Needs," *Smart Solutions* (Washington, D.C.: The Welfare to Work Partnership, 2000), pp. 3–4, available at [http://www.welfaretowork.org/publications/smart\\_solutions.htm](http://www.welfaretowork.org/publications/smart_solutions.htm).

<sup>75</sup> Litchfield et al., p. 81.



Cost can be a significant obstacle to small businesses providing benefits to workers. One option is for small businesses to collaborate on sponsoring a work support. In New Berlin, Wisconsin, for example, small businesses joined together to establish the New Berlin Child Care Center, which opened in 1992. Public-private partnerships that share the costs of work supports can also enable small businesses to assist their low-wage workers.

Public-private partnerships for creating or expanding work supports can bring together the resources and expertise of the business, public, and nonprofit sectors, and they aim to deliver real benefits to all the parties. For employers, these partnerships can reduce the costs and risks associated with providing new programs or benefits to workers. Moreover, employers benefit from the public sector's expertise in work supports. Partnerships enable public organizations to leverage employer resources, access expertise on financing, and engage business leaders in critical workforce and community development issues.

Employers participate in these partnerships primarily to address their own business needs, but

public-private partnerships can also bring benefits to the community. For example, the Child Care Executive Partnership in Florida, a public-private partnership to increase the availability of child care subsidies for low-income working families, allows employers to subsidize their own eligible employees or contribute to a purchasing pool that funds subsidies for families in the community. Public-private partnerships can also lead to the creation of new and innovative work support programs. In Rochester, New York, for example, a public-private partnership is taking on the issue of housing. The city of Rochester's Employer Assisted Housing (EAH) program aims to revitalize neighborhoods,

**Despite the costs of sponsoring benefits, case studies of employers that offer them to their low-wage workers suggest that these supports may pay for themselves in terms of attraction, retention, and loyalty.**

expand homeownership, and help employers recruit and retain employees. Participating employers offer an EAH benefit plan to their employees and, for companies that offer a financial EAH benefit, the city will match employer contributions up to a maximum of \$3,000 for qualified applicants.

Public-private partnerships use various cost-sharing mechanisms to finance work supports. A public agency could, for example, match employer contributions to a work support program. In some cases, workers, employers, and government agencies each pay a share of the benefit cost. Public-private financing can also be used to fund infrastructure development, such as building a child care facility.<sup>76</sup>

<sup>76</sup> For more information, see The Finance Project's resources on financing strategies and public-private partnerships at <http://www.financeproject.org/projects.asp>.

### Employer Practices in Investing in Work Supports

**Bank of America's** Child Care Plus program reimburses employees for a portion of their child care expenses.<sup>77</sup> The program began in 1989 in response to an employee study that showed a strong link between absenteeism and child care issues. It was pilot-tested at Bank of America's call centers and, because of positive results in reducing absenteeism, the program was expanded to employees nationwide. Child Care Plus is available to employees who work full time or part time; have a base annual salary of \$34,000 or less and a total family income of \$60,000 or less; need child care to work at Bank of America and are responsible for the cost of that care; have a child 13 years of age or younger with whom they live and are entitled to claim as a dependent; and use a licensed, registered, or informal child care provider. Under Child Care Plus, monthly reimbursement amounts vary according to the age of the child and type of care. Bank of America spends 75 percent of its Work/Family Programs' budget on this initiative. However, because parents are less worried about child care, the company is realizing a return on its investment in terms of employee loyalty, retention, reduced absenteeism, and increased productivity. In addition to Child Care Plus, Bank of America offers day care facility financing programs that expand community child care resources to reduce the child care barrier to work.

For more information, contact Dianna Byers, vice president of work/life programs, 704.388.1504.

The **Child Care Executive Partnership** (CCEP) is a public-private partnership designed to increase the availability of child care subsidies for low- and moderate-income working families in Florida. In response to long waiting lists for child care subsidies and to research on the employment patterns of working families that receive child care subsidies in the state, the legislature passed the Child Care Partnership Act of 1996 that created CCEP. CCEP provides incentives for employers to assist employees with their child care needs by matching employer contributions with public dollars. Employers may contribute to CCEP to help defray child care costs for their own low-income employees—defined as those with incomes at or below 200 percent of the federal poverty level—or to assist low-income families in the community whose children are on waiting lists by giving donations to charitable child care purchasing pools. The state matches employer contributions dollar for dollar using federal Child Care and Development Fund monies. During fiscal 2002–03, CCEP served more than 27,000 children. In the 2002–03 CCEP Business Survey, most participating employers reported increased employee productivity, improved ability to recruit workers, and improved work attendance. Participation in CCEP also improved firms' corporate and community image. CCEP enables the state to stretch limited child care dollars and engage large and small employers in the critical issue of child care for low-income working families.

For more information, visit <http://www.ccep.bz>



## Participating in System-Building Efforts

Employers are also investing their time and resources in system-building activities that address limitations in work support programs and their service delivery structures. When, for example, public transportation routes do not serve work-sites, there are few options for child care during nonstandard hours, and there is a lack of affordable housing near major employers, both workers and



their employers struggle with the impacts on attendance, retention, and productivity. System-building activities seek to address issues of design, capacity, delivery, and quality in programs and service structures. Employers engage in these activities to respond to pressing workforce needs, such as getting employees to their jobsite, and to build resources in the community to create a better environment for doing business and attracting and retaining workers. Public and nonprofit organizations that engage businesses in system-building activities create an opportunity to understand and respond to employer needs and to draw on the resources and leadership of the business community.

In some cases, employers work directly with the public and nonprofit organizations that provide work supports to address specific business needs.

In Philadelphia, for example, the United Parcel Service's (UPS) regional HR team worked with Southeastern Pennsylvania Transportation Authority (SEPTA) and the nonprofit organization Transportation Management Association (TMA) to establish new bus routes to serve a new UPS facility near the city's airport.<sup>78</sup> UPS researched where key bus routes were needed and subsidized part of SEPTA's costs until the transportation authority broke even. UPS's involvement with SEPTA and TMA to expand public transit routes and schedules addressed a critical business need.

Employers also take part in broader work support system-building efforts that aim to have an impact on the larger community. These efforts include, for example, participating in forums or other activities that bring together employers, public entities, and service providers to identify major needs and initiate change. The Workforce Academy Project is an initiative of the Center for Workforce Preparation, an affiliate of the U.S. Chamber of Commerce, and the Orlando Regional Chamber of Commerce. Under the project, local chambers of commerce brought together employers, service providers, and workforce development agencies in communities across the nation to create change and improvement in local workforce development systems in areas such as the hiring, retention, and advancement of qualified workers. Among the results is a business-led initiative in Salina, Kansas, for expanded community child care and early childhood development service options.<sup>79</sup>

Participating on public boards and community boards and advisory councils is another way that employers are involved in local system-building

<sup>78</sup> S. S. Kim, M. Lopez, and J. T. Bond, *Promising Practices: How Employers Improve Their Bottom Lines by Addressing the Needs of Lower-Wage Workers* (New York, N.Y.: Families and Work Institute, 2003), pp. 14–16, available at <http://www.familiesandwork.org/index.asp?PageAction=VIEWPROD&ProdID=112>.

<sup>79</sup> For more information on the Workforce Academy Project, visit <http://www.uschamber.com/cwp/strategies/academy/default>.



efforts related to work supports. These governance and advisory bodies play a role in planning and designing programs and services, allocating funds for programs, and overseeing service delivery systems. State and local workforce investment boards (WIBs), for example, are required to have

business members. WIBs oversee and set policy for local workforce investment systems. Strong WIB leadership can improve access to work supports through the one-stop career center system and encourage more coordinated service provision.<sup>80</sup>

#### Employer Practices in Participating in System-Building Efforts

**Champions for Children** dates to 2000, when the Greater Seattle Chamber of Commerce, in partnership with the nonprofit agency Child Care Resources and with the support of the Boeing Company, launched the accreditation project to improve the quality of early care and education for children from birth to age 5. The project also focuses on out-of-school-time programs. Champions for Children is an “action team” within a larger community collaborative effort, SOAR—Helping Kids Reach for the Sky, which aims to ensure that all children in King County and the city of Seattle are prepared for success in school and in life. Champions for Children seeks to increase the number of nationally accredited child care and out-of-school-time programs and provides leadership development for program directors. Programs receive financial and technical assistance to help them become accredited. From the business perspective, focusing on early learning and out-of-school-time programs is an economic development issue tied to developing a skilled workforce. The Boeing Company, along with King County and the city of Seattle, has provided funding for Champions for Children. Boeing has also provided corporate leadership on early childhood issues in the community. Champions for Children is working with 42 programs to support their accreditation efforts. Five centers have become accredited by the National Association for the Education of Young Children (NAEYC) through the project as of July 2004. The Greater Seattle Chamber of Commerce also works with its business members to encourage them to adopt work/family-friendly policies. It hosts a committee, Business Strategies to Support Early Learning and Care, that is focused on child care and health care issues for young children.

For more information, contact Evelyn Lemoine, Greater Seattle Chamber of Commerce, 206.389.7250.

## Engaging in Public Policy Activities Related to Work Supports

Employers have long been engaged in public policy activities on issues such as labor standards and trade adjustment assistance. More recently, employers and employer associations have become more engaged in public policy activities related to workforce development and work supports for working families. These activities include meeting with policymakers, participating on policymaking boards such as WIBs, and making policy recommendations on key legislation such as the welfare reform law.

Through their participation, employers and their associations are bringing a business perspective to bear on these issues and engaging in policy discussions at the federal and state levels. The importance of work supports for securing a stable workforce and the importance of public policy investments in supporting working families are themes that emerge from employers' engagement in this public policy area.

### Employer Practices in Engaging in Public Policy Activities Related to Work Supports

**Corporate Voices for Working Families** (Corporate Voices) is a nonpartisan nonprofit corporate membership organization created in 2001 to bring the corporate voice into the policy dialogue on issues affecting working families. Corporate Voices has 46 partner companies, most of which are Fortune 500 companies. These companies have been leaders in developing family support policies for their own workforces and have turned to Corporate Voices to accelerate the development and implementation of policy solutions to improve the lives of all working families. Corporate Voices works on four issues affecting working families: early childhood learning and after-school care, elder care, workplace flexibility, and family economic security. On this last issue, Corporate Voices spotlights the importance of the low-wage workforce and supports the expansion of programs and policies that enhance corporate engagement and public policy to help low-wage workers improve their job success and economic self-sufficiency. Corporate Voices and its partner companies work with policymakers in Congress and the White House and with stakeholders in the nonprofit sector to advance public policy developments. Corporate Voices' products include a major report on corporate programs and policies for low-wage workers, a policy statement from the business community on after-school programs, and an EITC toolkit for employers. A network of affiliated organizations that includes national associations and nonprofit organizations helps distribute Corporate Voices' materials and message.

For more information, visit <http://www.cvworkingfamilies.org/index.html>

# CHALLENGES AND OPPORTUNITIES IN WORKING WITH EMPLOYERS ON WORK SUPPORTS

## BARRIERS IMPEDING EMPLOYER INVOLVEMENT IN WORK SUPPORTS

The highlighted models, strategies, and practices underscore the scope of employer involvement in work supports. Yet many employers are still not engaged in work support initiatives. This may be because they lack knowledge of work supports and the potential value of these programs to employers, have few connections to public and community organizations that serve low-income families, have concerns about getting involved in such programs, or perceive more cost than benefit to engaging in work supports. In addition, small employers often do not have the resources to provide work supports or help their employees access them.

The types of barriers that make it difficult for working families to access work support programs—complexity, lack of awareness, and conflict with work responsibilities—may also leave employers uninvolved in work supports. This situation suggests that federal, state, and local efforts to improve access to work supports for these families should also take into account ways to improve employers' connections to these programs. Policymakers and program administrators have launched efforts to improve access to work supports, such as improving program coordination and simplifying application procedures. However, there still is a critical need to improve the systems and service delivery structures that administer and provide work supports in order to increase the accessibility of such programs to workers and make it easier for employers to connect to these programs.



A national survey of employers found that, overwhelmingly, they are unaware of tax credits or any other benefits available for low-income workers.<sup>81</sup> Public benefits are poorly recognized, often misunderstood, and perceived to be difficult to use or beyond the employer's role.<sup>82</sup> Employers often assume incorrectly that their workers are ineligible for public benefits. Marketing strategies to promote work supports rarely target employers. The complexity of these programs also makes it hard for employers to get good information for themselves and their workers.<sup>83</sup> This situation calls for greater outreach and communications efforts to businesses and business groups to raise awareness and understanding of work supports among employers and their workers and to highlight the value of work supports to employers using business language.

In addition, many employers have no or limited contact with public and community organizations that serve low-income families. Employers often perceive public systems as bureaucratic and complex, and they may be hesitant to get involved with government agencies. The public workforce development system under WIA was intended to serve businesses as well as jobseekers, but one-stop career centers have found engaging employers to be a challenge. A recent employer survey found that only 9 percent of respondents had used a one-stop career center for assistance with employee retention,<sup>84</sup> suggesting greater potential for more outreach to employers.

Community-based organizations (CBOs) have traditionally served the needs of individuals, not employers. In looking to secure a qualified work-

force, employers may believe that CBOs cannot meet their needs,<sup>85</sup> or they may have had poor experiences with CBOs. To improve connections to employers, public and community organizations may need support to build their capacity to work with employers in areas such as providing post-job placement services, understanding and addressing employers' needs, and adopting business-oriented communications strategies.

**Employers often perceive public systems as bureaucratic and complex, and they may be hesitant to get involved with government agencies.**

Although work supports can have bottom-line benefits for businesses, employers may have concerns about getting involved in personal areas of their employees' lives.<sup>86</sup> In addition, employers may see work support services and programs as the domain of public and community agencies.

Employers may also perceive costs to work support programs that make them hesitant to get involved. With public programs, for example, employers may be concerned about the costs of release time for workers to complete application or recertification requirements. Moreover, employers may believe that any benefit from work supports does not justify the costs associated with getting involved in complex public programs.<sup>87</sup> Information on the costs, benefits, and impacts of work supports would be helpful to persuade employers of these programs' contributions to business success.

<sup>81</sup> Scott, p. 6.

<sup>82</sup> *Ibid.*

<sup>83</sup> *Ibid.*

<sup>84</sup> Cheney, p. 2.

<sup>85</sup> Scott, p. 9.

<sup>86</sup> *Ibid.*, p. 7.

<sup>87</sup> *Ibid.*



Small employers often lack the staff and resources to get involved in work supports. Unlike their large counterparts, many small employers do not have full-time human resource staff; this function may be outsourced or incorporated into other job responsibilities. With little time and staff for HR activities, it is difficult for small employers to learn about work support programs so they can inform workers about work supports and help them access the pro-

grams. Small employers also have fewer resources to dedicate to employee benefit programs. Public programs or public-private partnerships can help small businesses provide competitive benefits to their low-wage workers. It is therefore especially critical to address the issues that keep small employers from accessing work supports and to find technical and financial resources to support their involvement in work supports.

## PARTNERS FACILITATING EMPLOYER INVOLVEMENT IN WORK SUPPORTS

Organizations that assist low-income workers and those that serve employers, such as public agencies, employer associations, community-based organizations, workforce development intermediaries, and labor unions, can and are partnering with employers to improve access to work supports. Many of these organizations have direct experience working with employers and can help in understanding and addressing employers' needs. They are valuable facilitators in efforts to promote employer involvement in work support programs.

Some **public welfare agencies**, for example, are working with employers to support welfare-to-work transitions and job retention by promoting work supports and enrolling workers in available work support programs. For example, the Michigan Family Independence Agency partnered with Cascade Engineering to outstation TANF case managers at the worksite to provide retention-focused case management.<sup>88</sup> Some **one-stop career centers** provide information about work support programs to individual and business clients. They may provide direct access to programs, depending

on which agencies are partners in the local one-stop system. **Community-based organizations** are generally knowledgeable about community resources, understand employment barriers from the worker's perspective, and can integrate work support assistance into their workforce development activities.<sup>89</sup>

**Employer associations** such as chambers of commerce and trade associations are getting involved in workforce development issues to assist their members with recruitment, hiring, training, and retention needs. The U.S. Chamber of Commerce and the National Association of Manufacturers created centers dedicated to workforce development issues, the Center for Workforce Preparation and the Center for Workforce Success, respectively. Employer associations understand business' workforce needs and can reach small and mid-sized employers.<sup>90</sup> As the Center for Workforce Preparation's Workforce Academy Project illustrates, employer associations can bring together employers, service providers, and workforce development organizations to share information, foster relationships, and initiate change. Another initiative from

<sup>88</sup> J. Miller, F. Molina, L. Grossman, and S. Golonka, *Building Bridges to Self-Sufficiency: Improving Services for Low-Income Working Families* (New York, N.Y., and Washington, D.C.: MDRC and National Governors Association Center for Best Practices, March 2004), p. 34, available at <http://www.mdrc.org/publications/385/overview.html>.

<sup>89</sup> Taddeucci, p.32.

<sup>90</sup> *Ibid.*, p. 7.

the same source is the Workforce Development Leadership Course. The course aims to help chambers of commerce connect small and mid-sized businesses with resources to support hiring and retaining qualified entry-level workers.<sup>91</sup>

In recent years, **workforce development intermediaries** have emerged as a bridge between the supply and demand sides of the labor market. Intermediaries coordinate, facilitate, or broker services to address the needs of employers and workers, and they also seek to improve the workforce development system.<sup>92</sup> The Welfare to Work Partnership, for example, has taken on an intermediary function through its business resource centers. The centers are located in Chicago, Miami, New York, and Washington, D.C. Center staff provide information to employers about work support programs that can benefit their workers and work with service providers, community-based organizations, and training providers to assist employers with hiring, retention, and advancement needs.<sup>93</sup> Although workforce intermediaries can improve employment outcomes for employers and workers,<sup>94</sup> these organizations are challenged to find funding to undertake or sustain their workforce development activities.

Supports for working families have become important issues for **labor unions**. Through collective bargaining, unions are in a unique position to negotiate with employers for policies and benefits that support working families, such as family leave, alternative work schedules, and child care and elder

care assistance.<sup>95</sup> Labor-management negotiations on work-family issues are not necessarily adversarial. The organization Labor Project for Working Families has documented joint labor-management initiatives on these concerns.<sup>96</sup> For example, negotiations between the Hotel Employees and Restaurant Employees International Union Local 2 and the San Francisco Multi-Employer Group led to the creation of a child and elder care fund supported by employer contributions to provide child care and elder care subsidies to union members.<sup>97</sup>

To improve these and other organizations' ability to work with employers to improve access to work supports, steps must be taken to bring down the barriers impeding employer involvement. These steps include:

- **Promoting greater knowledge and understanding of work supports among employers;**
- **Demonstrating the value of these supports to employers and their workers;**
- **Improving the provision and delivery of work support programs and services; and**
- **Working with employers in ways that meet the needs of their businesses and workers.**

To accomplish these steps, support will be needed for capacity-building activities, knowledge development, tools and technical assistance, and networking and communications activities.

<sup>91</sup> For more information on this initiative, visit <http://www.uschamber.com/cwp/strategies/default>.

<sup>92</sup> Partnership for Employer-Employee Responsive Systems, *Workforce Intermediaries: Generating Benefits for Employers and Workers* (New York, N.Y. Ford Foundation, November 2003), pp. 6–7, available at <http://www.jff.org/jff/PDFDocuments/PEERS.pdf>.

<sup>93</sup> For more information on business resource centers, visit <http://www.welfaretowork.org/BRG.htm>.

<sup>94</sup> Partnership for Employer-Employee Responsive Systems, pp. 17–18.

<sup>95</sup> L. Grundy and N. Firestein, *Work and Family and Labor/Management Collaboration* (Berkeley, Calif.: Labor Project for Working Families, 2000), p. 4, available at <http://www.laborproject.org/publications/pdf/wp2.pdf>.

<sup>96</sup> *Ibid.*

<sup>97</sup> *Ibid.*, pp. 9–10.

## DIRECTIONS FOR FURTHER WORK ON EMPLOYER INVOLVEMENT IN WORK SUPPORTS

Employer involvement in work supports is a promising strategy to help a greater number of low-income working families access critical work supports. Models and strategies for employer involvement include helping employees access available programs, investing in benefits and supports for workers, and participating in building the programs, policies, and systems that provide work supports. Yet significant challenges remain to facilitate greater employer involvement in work supports.

If stakeholders are to meet these challenges, further investments will be needed from the foundation community, the public sector, and the business community. Investments in several key areas would facilitate greater employer involvement in work supports for low-income workers:

- **Research and evaluation** to build knowledge about the costs, benefits, and impacts of work support programs for employers, workers, and communities; factors that promote employer involvement in work supports; and strategies for small businesses; and to support capacity-building and communications activities among public and nonprofit organizations to help them engage employers in work support programs;
- **Technical assistance and other support** to employers, public agencies, and workforce development organizations to help them build capacity to support employer involvement in work supports; and
- **Communications, outreach, and advocacy** to raise awareness and promote understanding of work supports, share information on approaches to employer involvement in work supports, and build support for policies and programs that help low-income working families.



## BUILDING KNOWLEDGE ON EMPLOYER INVOLVEMENT IN WORK SUPPORTS: RESEARCH AND EVALUATION

Knowledge on work supports continues to grow, but there remain important gaps relative to employers. Further research, evaluation, and analysis are needed to address gaps in the knowledge base and to support capacity-building and communications activities designed to foster greater employer involvement in work supports. Such work needs to focus on the costs, benefits, and impacts of work supports for employers, workers, and communities; factors that encourage and facilitate employer involvement in work supports; and strategies to support the involvement of small employers in work supports.

Building knowledge in these areas will generate information that public agencies, nonprofit organizations, and other stakeholders can use to work with

employers to promote work supports and that employers can use to make decisions about investing in these programs. Investments in research and evaluation activities should address critical information needs to help build the knowledge base on employer involvement in work supports.

**Research is needed to measure and document the costs, benefits, and impacts of different approaches to employer involvement in work supports. Decisionmakers in the private, public, and nonprofit sectors need this information to make choices about investing in and partnering on work support programs to address business and worker needs.**

- **Costs, benefits, and impacts.** Research is needed to measure and document the costs, benefits, and impacts of different approaches to employer involvement in work supports. Decisionmakers in the private, public, and nonprofit sectors need this information to make choices about investing in and partnering on work support programs to address business and worker needs. To generate this information, researchers will need methodologies and tools that can measure costs and benefits to employers and measure impacts on employers, workers, and communities. Information needs to investigate would include these:
  - What are the costs and benefits to employers of work support programs under different approaches? What benefits matter most to employers?
  - What are the benefits and impacts of employer involvement in work supports on workers and communities? How does employer involvement in work supports affect participation in public programs? How does it affect workers' choices of services and providers as well as employment opportunities? Are there impacts on community development or economic development?
- **What works.** Research is needed to document and profile promising programs and practices that engage employers in improving access to critical work supports, including employer-sponsored programs, public-private partnerships, and system-building initiatives. For many employers, peer practices have a strong influence on decisionmaking, and such research can raise the visibility of practices in ways that encourage

employers to take notice and consider the applicability of these practices to their own situations. Such research would include investigation of these issues:

- How are employer-sponsored programs initiated and implemented? To what extent do low-income workers participate in these programs?
  - How are public-private partnerships developed? What roles do employers, public agencies, and service providers play? What elements in the design of public-private partnerships are most effective in engaging employers?
  - What incentives are important to encouraging employers to get involved in work support programs?
  - What approaches are most successful in helping low-income workers access work support programs?
- **Barriers and success factors.** Research is needed to identify and analyze key barriers and factors that facilitate employer involvement in work supports. These may include employer characteristics, such as size and industry type, as well as elements of work support programs and delivery systems that affect whether employers get involved in work support initiatives. Areas for investigation include:
    - What barriers are most significant?
    - What activities can public, nonprofit, community, and employer organizations undertake to facilitate employer involvement in work supports?
    - How can organizations that provide work supports effectively reach out to employers?
    - What factors contribute to successful partnerships between employers and public and nonprofit organizations?
  - **Promising approaches.** Research is also needed to identify or develop concepts for demonstration initiatives. The literature indicates a critical need to support the involvement of small employers in work supports and also suggests a role for government incentives in encouraging employer involvement in work supports. In these two areas, and potentially others, demonstrations could provide an opportunity to design, test, and evaluate promising or new strategies.

Researchers can address these information needs by both drawing on existing resources to review, analyze, and synthesize information and by building new knowledge through, for example, survey research, case studies, and program evaluation. Program evaluation research can increase knowledge about what works to engage employers in work supports and improve workers' access to these programs. A critical element of building the knowledge base is ensuring that information is disseminated to key audiences—policymakers, employer associations, social service providers, state and local agencies, and workforce development organizations.



## BUILDING CAPACITY TO SUPPORT EMPLOYER INVOLVEMENT IN WORK SUPPORTS: TECHNICAL ASSISTANCE AND OTHER SUPPORT

Increasing employer involvement in work supports will require new ways of doing business and new collaborative relationships. Public and nonprofit workforce development and human service organizations are challenged to reach out to and engage employers in developing or building on efforts to provide access to work support programs for low-income working families. To build their capacity to facilitate employer involvement in work supports, public, nonprofit, and community organizations and other key players may need or benefit from outside support and assistance in areas such as:

- **Tool development** to create or refine products such as marketing, needs assessment, and cost-benefit tools for use with or by employers;
- **Professional and staff development** to build the capacity of staff to work with employers as partners and providers on both pre- and post-employment activities;
- **Facilitation of collaborative initiatives** by community leaders, public officials, employer organizations, and others to help employers, public agencies, service providers, and other key stakeholders come together to address critical work support and other workforce issues;
- **Assistance with strategic communications** to build the capacity to reach out to and engage the business community;
- **Guidance on financing and sustainability** to build capacity in areas such as financing workforce development intermediary activities and planning and financing work support programs for small employers;
- **Guidance on program design, service delivery, and systems reform** to improve the accessibility of work support programs for workers and employers;
- **Support for demonstration initiatives** to help plan and implement innovative strategies; and
- **Customized support** to assist local initiatives.



Sources of support and assistance in these areas include national organizations, employer associations, independent consultants, and technical assistance providers with expertise in demand-driven workforce development, strategic communications, program design, systems reform, strategic planning, financing and sustainability, and organizational culture change. In addition, foundations that are supporting activities to improve outcomes for low-income working families may also have experience and resources to share with the field. Investments in technical assistance and other kinds of capacity-building support would help ensure that the public, nonprofit, and business communities have the knowledge, tools, and technical assistance they need to improve access to critical work supports.

## RAISING AWARENESS OF WORK SUPPORTS: COMMUNICATIONS, OUTREACH, AND ADVOCACY

The research and literature on work supports underscore a pressing need to raise awareness and understanding of work support programs among employers and workers. Communications, outreach, and advocacy activities are needed to increase knowledge of these programs and their value to employers, workers, and communities; share information about options and what works with employer involvement in work supports; and encourage broad community engagement, particularly of the business community, in efforts to improve employment and economic outcomes for low-income working families.

Investments in communications, outreach, and advocacy activities would help researchers, advocates, community leaders, national organizations, employer associations, and workforce development organizations raise awareness of work supports and build support for these programs through activities such as:

- **Disseminating information to employer audiences on work support programs, employer practices, and what works.** Examples of types of outreach materials include the Welfare to Work Partnership's *Smart Solutions* informational guides for employers and publications such as the Families and Work Institute's *Promising Practices: How Employers Improve Their Bottom Lines by Addressing the Needs of Lower-Wage Workers*. Dissemination efforts could also include clearinghouse activities, employer forums, and employer site visits.
- **Building or expanding community awareness campaigns that both target employers and involve employers in outreach efforts.** For example, the Indianapolis Asset Building Campaign includes employer partners such as employer associations, financial institutions, and health care organizations in efforts to help low-income working families claim the EITC and Child Tax Credit.
- **Creating opportunities for employers, public agencies, workforce development organizations, and social service providers to come together to share information, identify needs, and initiate change to improve access to work supports.** An example is the Center for Workforce Preparation's Workforce Academy Project.
- **Convening forums to solicit public and employer input on developments affecting work support programs.** For example, an April 2004 hearing before the Children and Families Subcommittee of the Senate Committee on Health, Education, Labor, and Pensions provided the occasion for working parents and representatives from JP Morgan Chase, IBM, and Corporate Voices for Working Families to testify about work-life issues affecting working families and private- and public-sector policy solutions.

# CONCLUSION



Activities that raise awareness and understanding of work supports and that generate support for these programs can also help create a context for undertaking change in public- and private-sector policies and programs to improve access to work supports.

Low-wage workers are a critical part of the U.S. labor market and one that continues to grow. Public policies have directed new workers into the low-wage workforce and employers in today's economy need to be able to recruit and retain qualified entry-level employees. Work support programs that encourage and reward employment by helping low-wage workers make ends meet are a key strategy for moving these workers toward greater self-sufficiency. Along with helping working families, these programs benefit businesses and communities. Yet working families face real barriers to accessing these valuable programs.

Employer involvement in work supports is a promising strategy to extend the reach of work supports to more low-income working families. While

innovative employer practices show how businesses, and the organizations with which they partner, can assist their low-wage workforce, for this strategy to be more fully realized steps must be

**While innovative employer practices show how businesses, and the organizations with which they partner, can assist their low-wage workforce, for this strategy to be more fully realized steps must be taken to address the challenges to greater employer involvement in work supports.**

taken to address the challenges to greater employer involvement in work supports. Further work and investment in research and evaluation; technical assistance and other support; and communications, outreach, and advocacy are needed to meet these challenges and help realize the promise of work supports for families, communities, and businesses.

# ADDITIONAL RESOURCES

## EMPLOYER ISSUES

### Publications

Abt Associates, Inc., and The New School for Social Research. *Private Interests, Shared Concerns: The Relationship Between Employers and the AECF Jobs Initiative*. Cambridge, Mass.: Abt Associates and The New School for Social Research, November 1999. Available at <http://www.aecf.org/initiatives/jobsinitiative/shared.pdf>

Kim, S. S., M. Lopez, and J. T. Bond. *Promising Practices: How Employers Improve Their Bottom Lines by Addressing the Needs of Lower-Wage Workers*. New York, N.Y.: Families and Work Institute, 2003. Order at <http://www.familiesandwork.org/index.asp?PageAction=VIEWPROD&ProdID=112>

Litchfield, L.C., J. E. Swanberg, and C. M. Sigworth. *Increasing the Visibility of the Invisible Workforce: Model Programs and Policies for Hourly and Lower Wage Employees*. Boston, Mass.: Boston College Center for Work & Family, April 2004. Available at <http://www.cvworkingfamilies.org>

Scott, G. *Private Employers and Public Benefits*. Boston, Mass.: Jobs for the Future, February 2004. Available at <http://www.jff.org/jff/PDFDocuments/Privateemployers.pdf>

Taylor, J. C., and M. F. Mitchner. *The Employer's Voice: Frontline Workers and Workforce Development*. Boston, Mass.: Jobs for the Future, 2003. Available at <http://www.jff.org/jff/PDFDocuments/EmployersVoice.pdf>

### Organizations

The **Center for Workforce Preparation** (CWP), an affiliate of the U.S. Chamber of Commerce, was created to help build the capacity and leadership of local chambers of commerce to ensure that community workforce development efforts meet business members' needs. CWP provides tools, knowledge, and strategic relationships to local chambers. Together, CWP and local chambers are able to effectively reach small and medium-sized businesses. CWP helps businesses and chambers in their communities find, use, and build resources to support productive workplaces and develop a skilled workforce. Visit <http://www.uschamber.com/cwp/default>

The **Center for Workforce Success** is the workforce development arm of The Manufacturing Institute, the educational and research affiliate of the National Association of Manufacturers. The Center for Workforce Success focuses on the impact of shifting demographics, a changing economy, increasing globalization, and rapid advancements in technology on manufacturers' ability to recruit and retain employees with the right skills. Current programs and projects focus on areas such as building community workforce development partnerships that support workforce development for member companies and helping hard-to-serve individuals attain family-supporting manufacturing jobs. Visit [http://www.nam.org/s\\_nam/sec.asp?TRACKID=&CID=86&DID=84](http://www.nam.org/s_nam/sec.asp?TRACKID=&CID=86&DID=84)

**Jobs for the Future** (JFF) is a nonprofit research, consulting, and advocacy organization that works to create educational and economic opportunity for youth and adults who need it most. JFF's Building Economic Opportunity for Adults approach explores ways that adults can develop the skills needed to advance to family-sustaining careers, while enabling employers to build and sustain a productive workforce. The organization's projects include Workforce Innovation Networks, a collaboration of JFF, the Center for Workforce Preparation, and the Center for Workforce Success that works with local employer organizations across the nation to develop a unique intermediary role in order to improve the economic prospects of disadvantaged workers and jobseekers and to meet the needs of their member firms for employees at the entry-level and above. Visit <http://www.jff.org/jff>

**Public/Private Ventures** (P/PV) is a national nonprofit organization that manages initiatives aimed at improving the policy and practice of workforce development. Major initiatives include the Corporate Employment Retention Initiative that identifies companies investing in the retention and advancement of entry-level employees. P/PV's Working Ventures activities seek to improve performance in the workforce development field in areas such as engaging employers in workforce development organizations and improving job retention services. Visit <http://www.ppv.org/index.asp>

The **Welfare to Work Partnership** provides innovative workforce solutions for U.S. companies of all sizes and industries to successfully hire, retain, and promote welfare recipients and other unemployed and low-income workers, including information, technical assistance, and support. The partnership has business resource centers in four cities to help businesses access qualified job candidates and access local, state, and national resources that are underutilized by the business community to support retention and advancement. The partnership developed *Smart Solutions*, informational guides for employers on work supports and other solutions to workforce challenges. Visit <http://www.welfaretowork.org/index.htm>

## WORK-FAMILY ISSUES

### Publications

Heymann, J., R. Boynton-Jarrett, P. Carter, J. T. Bond, and E. Galinsky. *Work-Family Issues and Low-Income Families*. New York, N.Y.: Ford Foundation, 2002. Available at [http://www.economythatworks.org/PDFs/ford\\_analysisfinal.pdf](http://www.economythatworks.org/PDFs/ford_analysisfinal.pdf)

Kimmel, J. and E. P. Hoffman, eds. *The Economics of Work and Family*. Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 2002. To order, visit <http://www.upjohninst.org/publications/titles/ewf.html>



## Organizations

**Families and Work Institute** (FWI) is dedicated to providing objective information on work-life issues and concerns confronting workers and employers in order to inform decisionmakers in government, business, communities, and families. Toward this end, FWI conducts its own research studies and supports the field of work-life research by bringing researchers together, sharing information, and collaborating on projects. FWI's work-life publications include several that focus on employers and low-wage workers. Visit <http://www.familiesandwork.org/index.html>

**New America Foundation's Work and Family Program** conducts research, engages policymakers, and educates the public about the pressures on American families and policy solutions to lessen these. The program engages, among others, community leaders, national constituency groups, members of Congress and their staff, and labor and business organizations in efforts to forge a new common ground on work and family issues and pave the way for policy reform. Visit <http://www.newamerica.net/index.cfm?pg=section&secID=16>

The **W. E. Upjohn Institute for Employment Research** is an independent, nonprofit research organization devoted to finding, evaluating, and promoting solutions to employment-related problems. Its research program encompasses many important aspects of the U.S. labor market, including family-labor issues. The institute has produced several publications that focus on child care in the context of family-labor issues. Visit <http://www.upjohninst.org/famhub.html>

## RESEARCH ON WORK SUPPORTS

### Publications

Connelly, R., D. S. DeGraff, and R. A. Willis. *Kids at Work: The Value of Employer-Sponsored On-Site Child Care Centers*. Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, 2004. Available at <http://www.upjohninst.org/publications/titles/kaw.html>

Partnership for Employer-Employee Responsive Systems. *Workforce Intermediaries: Generating Benefits for Employers and Workers*. New York, N.Y.: Ford Foundation, November 2003. Available at <http://www.jff.org/jff/PDFDocuments/PEERS.pdf>

The Research Forum. "Children in Low-Income Families Fare Better with Work Supports." *The Forum*, vol. 6, no. 4 (October 2003). The Research Forum, National Center for Children in Poverty, New York, N.Y. Available at <http://www.researchforum.org/media/forum64.pdf>

Rosenberg, L.C., C. Nagatoshi, and R. Roper. *Helping Working Families After Welfare: Access to New Jersey's Support Services*. Princeton, N.J.: Mathematica Policy Research, Inc., December 2003. Available at <http://www.mathematica-mpr.com/publications/PDFs/helpworkfam.pdf>

Strawn, J. and K. Martinson. *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*. New York, N.Y.: MDRC, June 2000. Available at <http://www.mdrc.org/Reports2000/SteadyWorkGuide.pdf>

Taddeucci, S. *Benefits and Low Wage Work*. New York, N.Y.: Seedco, September 2003. Available at [http://www.seedco.org/publications/publications/benefits\\_and\\_low\\_wage\\_work.pdf](http://www.seedco.org/publications/publications/benefits_and_low_wage_work.pdf)

## Organizations

The **Employee Benefit Research Institute** (EBRI) is a nonprofit, nonpartisan organization committed exclusively to data dissemination, policy research, and education on economic security and employee benefits. EBRI supports the development of sound employee benefit programs and sound public policy through objective research and education. EBRI's program of research and dissemination covers health, retirement, and related economic security topics. Visit <http://www.ebri.org>

**Mathematica Policy Research, Inc.**, provides objective research to support decisions about pressing social policy problems. The firm has conducted some of the key studies of welfare, education, employment, nutrition, health care, and early childhood policies and programs in the United States. In the area of welfare, researchers at Mathematica have studied critical issues relating to work support programs, such as program participation, job retention, and welfare-to-work transitions. Visit <http://www.mathematica-mpr.com/index.asp>

**MDRC** is a nonprofit, nonpartisan social policy research organization dedicated to learning what works to improve the well-being of low-income people. In its Workers and Communities research area, MDRC is studying what works best to improve the economic and social health of low-income workers and communities. Several MDRC projects focus on improving labor market outcomes for low-income individuals. The National Work Advancement and Support Center Demonstration aims to raise awareness and receipt of work supports and improve job stability and advancement. Through the Employment Retention and Advancement project, MDRC is studying approaches adopted by local welfare and workforce development agencies to increase job retention and upward career mobility among low-income workers. In its fieldwork, MDRC has observed, and helped develop, effective methods for raising awareness of and participation in programs that offer work supports among various low-income populations. The insights and experiences of practitioners engaged in this work have been gathered and synthesized in two how-to guides, *Making Work Pay* and *Steady Work and Better Jobs*. Visit <http://www.mdrc.org/index.html>

The **National Center for Children in Poverty** (NCCP) is a nonprofit, nonpartisan research and policy organization at Columbia University. Its mission is to identify and promote strategies that prevent child poverty in the United States and that improve the lives of low-income children and families. NCCP's work focuses on the nexus of family economic security and child development. NCCP research studies federal and state policies that affect family economic security and highlights the wide variation that exists in state policy choices—and the difference these choices make for low-income families and their children. The policies examined include housing subsidies, earned income tax credits, child care subsidies, and public health insurance. Visit <http://www.nccp.org>

**The Urban Institute** is a nonprofit, nonpartisan policy research and educational organization established to examine the social, economic, and governance problems facing the nation. It provides information and analysis to public and private decisionmakers to help them address these challenges and strives to raise citizen understanding of the issues and trade-offs in policymaking. Research topics include issues affecting low-income working families, such as paid leave, health insurance, and participation in public benefit programs. Visit <http://www.urban.org>

## PUBLIC POLICY AND PROGRAM DEVELOPMENTS AFFECTING WORK SUPPORTS

### Publications

Chun-Hoon, W. L. *In Support of Low-Income Working Families: State Policies and Local Program Innovations in the Era of Welfare Reform*. Washington, D.C.: The Annie E. Casey Foundation, February 2003. Available at <http://www.aecf.org/publications/data/support.pdf>

Clymer, C., B. Roberts, and J. Strawn. *States of Change: Policies and Programs to Promote Low-Wage Workers' Steady Employment and Advancement*. Philadelphia, Pa.: Public/Private Ventures, May 2001. Available at [http://www.ppv.org/ppv/publications/assets/92\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/92_publication.pdf)

Fishman, M. E. and H. Beebout. *Supports for Working Poor Families: A New Approach*. Princeton, N.J.: The Lewin Group and Mathematica Policy Research, Inc., December 2001. Available at <http://www.mathematica-mpr.com/publications/PDFs/supportpoor.pdf>

Lenhoff, D. R. *Coming Up Short: A Comparison of Wages and Work Supports in 10 American Communities*. Washington, D.C.: Wider Opportunities for Women, summer/fall 2004. Available at <http://wowonline.org/docs/dynamic-CTTA-43.pdf>

Miller, J., F. Molina, L. Grossman, and S. Golonka. *Building Bridges to Self-Sufficiency: Improving Services for Low-Income Working Families*. New York, N.Y., and Washington, D.C.: MDRC and National Governors Association Center for Best Practices, March 2004. Available at <http://www.mdrc.org/publications/385/overview.html>

Patel, N., M. Greenberg, S. Savner, and V. Turetsky. *Making Ends Meet: Six Programs That Help Working Families and Employers*. Washington, D.C.: Center for Law and Social Policy, June 2002. Available at <http://www.clasp.org/DMS/Documents/1023218370.89/Making%20Ends%20Meet.pdf>

Richer, E., H. Kubo, and A. Frank. *All in One Stop? The Accessibility of Work Support Programs at One-Stop Centers*. Washington, D.C.: Center for Law and Social Policy, September 2003. Available at [http://www.clasp.org/DMS/Documents/1063733515.9/one-stop\\_rpt.pdf](http://www.clasp.org/DMS/Documents/1063733515.9/one-stop_rpt.pdf)

U.S. General Accounting Office. *Supports for Low-Income Families: States Serve a Broad Range of Families through a Complex and Changing System*. Washington, D.C., January 2004. Available at <http://www.gao.gov/new.items/d04256.pdf>

## Organizations

**The Brookings Institution** is an independent, nonpartisan organization devoted to research, analysis, and public education. Its Welfare Reform & Beyond Initiative aims to inform policymakers and the public on the implications of existing and new research on how to reauthorize the 1996 welfare reform legislation, how to strengthen work supports for low-income families, how to break the cycle of poverty for children, and how to strengthen families. Activities include synthesizing research, analyzing data, and encouraging the development and discussion of new policy options for low-income families, with a special focus on policies that encourage work by, and raise incomes for, the working poor. Brookings has produced several publications on the working poor and work supports. Visit <http://www.brookings.edu/index.htm>

The **Center on Budget and Policy Priorities** is a policy organization working at the federal and state levels on fiscal policy and public programs that affect low- and moderate-income families and individuals. The center conducts research and analysis to inform public debates about proposed budget and tax policies and to help ensure that the needs of low-income families and individuals are considered in these debates. It also develops policy options to alleviate poverty, particularly among working families. In the area of low-income programs such as public health insurance, food stamps, and low-income tax credits, the center designs improvements to make these programs more accessible to eligible populations, more effective in helping beneficiaries meet basic needs while moving toward self-sufficiency, and simpler to administer for the federal and state governments. In addition, the center operates two outreach campaigns to help working poor families receive two key benefits for which they are eligible: low-income tax credits (specifically, the Earned Income Tax Credit and Child Tax Credit) and children's health insurance through Medicaid or other state child health insurance programs. The center produces an annual EITC Outreach Kit that employers and others can use to help workers access available tax credits.

Visit <http://www.cbpp.org/index.html>

The **Center for Law and Social Policy** (CLASP) is a national, nonprofit organization that conducts research, policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children. In the area of workforce development, CLASP has developed publications on work support issues, such as the availability of work supports at one-stop career centers and online access to benefits for working families.

Visit <http://www.clasp.org>

The **Government Accountability Office (GAO)**, through its research, surveys, and site visits, has produced several reports on work support programs. GAO reports and testimony are available at <http://www.gao.gov/docsearch/repandtest.html>. In January 2004, GAO published a report on *Supports for Low-Income Families: States Serve a Broad Range of Families through a Complex and Changing System* that provides information on policy choices and practices at the state and local levels, as well as those at the federal level, with regard to the nation's support system for low-income families. Programs reviewed include key work supports, such as food stamps, health insurance, transportation services, subsidized child care, and rental housing assistance. Visit <http://www.gao.gov/new.items/d04256.pdf>

The **National Conference of State Legislatures (NCSL)** serves state legislators and staff and provides research, technical assistance, and opportunities for policymakers to exchange ideas on pressing state issues. NCSL's work on human services issues has looked at state policy choices and options to support low-income working families. Visit <http://www.ncsl.org/index.htm>

The **National Governors Association (NGA) Center for Best Practices** helps governors and their key policy staff develop and implement innovative solutions to challenges facing their states. The Social, Economic, and Workforce Programs division focuses on best practices, policy options, and service delivery improvements across current and emerging issues, including welfare reform, child and family services, and low-income working families. In 2001 the NGA Center for Best Practices and MDRC began an extensive examination of potential solutions to the challenge of how to raise household income for low-wage workers in ways that are consistent with employers' needs and labor market realities. They identified innovative programs underway in states and localities across the nation. This work is described in the report *Building Bridges to Self-Sufficiency: Improving Services for Low-Income Working Families* that highlights state-level policy options and organizational practices to improve access to work supports and employment retention and career advancement services for low-wage workers. Visit <http://www.nga.org/center/1,1188,,00.html>

The **U.S. Conference of Mayors** represents U.S. cities with populations of 30,000 or more. The conference's research and program staff provides information, analysis, training, and technical assistance to mayors and their staffs on issues facing U.S. cities. The conference and the Annie E. Casey Foundation established the Partnership for Working Families to focus greater national attention on the challenges facing working families in America today, on the employment and training and other tools that exist to respond to these challenges, and on the continuing efforts of cities to help low-income working families to achieve some measure of economic success. The partnership has produced a best practices report, *The Partnership for Working Families: Successful City Initiatives*; has an ongoing effort to promote outreach on the earned income and child care tax credits; and has sponsored several discussions among mayors on working family issues. Visit [http://usmayors.org/uscm/uscm\\_projects\\_services/workingfamilies](http://usmayors.org/uscm/uscm_projects_services/workingfamilies)



## LABOR UNIONS AND WORKING FAMILIES

### Publications

AFL-CIO Working for America Institute. *Helping Low-Wage Workers Succeed Through Innovative Union Partnerships*. Washington, D.C.: AFL-CIO Working for America Institute, 2002. Available at <http://www.workingforamerica.org/documents/publicat.htm>

Grundy, L. and N. Firestein. *Work and Family and Labor/Management Collaboration*. Berkeley, Calif.: Labor Project for Working Families, 2000. Available at <http://www.laborproject.org/publications/pdf/wp2.pdf>

### Organizations

The **AFL-CIO Working for America Institute** is a union-sponsored, nonprofit organization dedicated to creating good jobs and building strong communities. Working with employers, educators, labor leaders, community activists, government officials, and workforce development professionals, the institute is helping create “high road” partnerships—relationships in which workers obtain higher skills and better pay, employers become more successful, and communities become better places in which to live and work. The institute’s staff provide technical assistance and support to labor leaders, community activists, public officials, and workforce and economic development practitioners. Publications include *Helping Low-Wage Workers Succeed Through Innovative Union Partnerships* that profiles four high-road partnerships. Visit <http://www.workingforamerica.org/default.asp>

The **Labor Project for Working Families** is a national, nonprofit advocacy and policy organization providing education, resources, and technical assistance to unions and union members on family issues in the workplace, including child care, elder care, family leave, work hours, and quality of life. The project has produced several publications and materials designed for unions and their members on work-family issues, including a publication on *Work and Family and Labor/Management Collaboration* that profiles case studies of union and employer collaborations on work and family issues. Visit <http://www.laborproject.org/index.html>

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# ABOUT THE FINANCE PROJECT

To support decisionmaking that produces and sustains good results for children, families, and communities, The Finance Project develops and disseminates information, knowledge, tools, and technical assistance for improved policies, programs, and financing strategies.

## Overview

The Finance Project, an independent nonprofit organization based in Washington, D.C., provides high-quality information, knowledge, policy tools, technical assistance and training to support decision making. As a result of self-initiated projects and work commissioned by public and private sector clients, The Finance Project has emerged as a respected and authoritative resource on social policies, programs, and systems reforms, especially their financing. The Finance Project's work is concentrated in several practice areas:

- **Education** — strengthens the capacity of schools, school districts and states to promote student learning by providing the field with tools, frameworks and information to determine the cost-effectiveness of investments in education and to support improvements in financing strategies to sustain effective education initiatives, including professional development for educators.
- **Family and Children's Services** — improves the capacity of federal, state and local organizations to strengthen families and communities and support children's healthy development by building and sustaining community supports and services that reach across categorical boundaries and across the public and private sectors to effectively link health care, education, income security, economic development and family supports.
- **Vulnerable Children and Youth** — strengthens the capacity of states and communities to promote positive outcomes for vulnerable children and youth, including those in child welfare, juvenile justice, and those with disabilities, mental health, substance abuse and behavioral issues that threaten their development.
- **Family Economic Security** — strengthens the capacity of state and local governments and the private sector to make families more economically secure and communities more economically viable places to raise children, by improving workforce development, employer supports for working families, community economic development, asset building and cash assistance.

Established in 1994, The Finance Project is a valuable intellectual and technical resource to policymakers, program developers, and community leaders, including state and local officials, foundation executives, academic researchers, service providers, and advocates who:

- Seek creative ideas for policies, programs and system reforms, and effective policy tools to implement them;
- Need information about what is occurring elsewhere, how it is working, and why; and
- Want practical, hands-on assistance to advance their reform agendas.

## Products and Services

The Finance Project's products and services span a broad continuum from general foundation knowledge about issues and strategies to customized resources and intensive, hands-on technical assistance. They encompass efforts to cumulate knowledge and build the field over time as well as time-sensitive projects to address immediate challenges and opportunities, including:

- **Research and Analysis** — gathering and analyzing information and data to identify promising practices and evaluate policy and program options and to improve the financing, management, and implementation of programs and services.
- **Policy Tool Development** — developing tools and "how to" materials to support implementation and sustainability of promising practices and systems reforms, including financing strategies.
- **Technical Assistance** — providing and coordinating assistance to decisionmakers on the design and implementation of policies, programs, and system reforms.
- **Development of Web-Based Clearinghouses** — organizing and presenting research findings, technical assistance tools and other information on the Internet.

- **Management of Major, Multi-Site Initiatives** — helping funders manage collaborative efforts and large, multi-site initiatives by providing technical assistance to the sites, monitoring their progress, and serving as liaison between sites and funders.
- **Peer and Organizational Networks** — creating and managing networks of professionals and organizations to assist in the development and dissemination of information and resources to implement policy, program, and system reforms.

### Staff

The Finance Project’s capacity to take up wide-ranging research, development, and technical assistance challenges with great success is due to its highly qualified professional staff that has substantial experience in public policy research and development, state and local government, public- and private-sector finance, and social program management and design. A small group of core consultants with specialized knowledge and expertise extend the staff capacity. The Finance Project also participates in strategic partnerships with other national and regional organizations that provide complementary expertise and direct ties to key audiences.

### Publications

The Finance Project develops and disseminates an array of published resources:

- **Working Papers** — occasional papers that examine issues related to financing, governance, and management in education, family and children’s services, and community building.
- **Reports and Monographs** — studies of federal, state, and local financing, governance, and management issues and strategies.
- **Strategy Briefs** — “how to” briefs that outline innovative financing strategies and considerations for implementing them.
- **Issue Notes and Resources** — short notes on policy choices related to welfare reform, workforce development, and other issues that summarize relevant research findings and highlight promising practices.
- **Resource Guides** — guides to the design and implementation of financing strategies and available funding sources.
- **Toolkits and Workbooks** — step-by-step guides to help users design and implement policy, program, and systems reforms that are tailored to their needs and priorities.
- **Email Newsletters and Updates** — electronic publications highlighting recent developments, publications, and other resources.

### Websites

The Finance Project maintains several major websites.

- **Financeproject.org** — a website that provides up-to-date information on The Finance Project and its work, including project descriptions, descriptions of available services and access to publications, tools, and other resources it has developed.
- **Financeprojectinfo.org** — a comprehensive web-based clearinghouse of policy information, research and evaluation findings, state and local initiatives, and technical assistance resources in a broad array of policy areas, including welfare reform, workforce development, out-of-school time, and sustainability and financing. Other clearinghouse topics in development are early care and education, youth development, family and children’s services, and vulnerable children and youth.
- **Financingpd.org** — provides a wide array of information regarding professional development in education useful to practitioners, policy makers, and researchers, including information on: funding, cost frameworks, and spending analyses; federal, state, and local control over decision making; and evaluating the effectiveness of professional development for principals and superintendents.







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