

Building Bridges to Self-Sufficiency

Improving Services for Low-Income Working Families

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MDRC

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Overview

Low-wage workers — a large and growing segment of the workforce — are drawing increased attention from policymakers, the business community, and officials at all levels of government. With labor market demand for low-wage earners continuing to grow, policymakers are trying to develop responses to a major challenge: how to raise household income for this group of workers in ways that are consistent with employers' needs and labor market realities.

In 2001, MDRC and the National Governors Association Center for Best Practices began an extensive examination of potential solutions and identified innovative programs under way in states and localities across the country. The culmination of these explorations is this report, which discusses the importance of serving the low-income working population and highlights many promising practices that take two broad approaches: (1) efforts that aim to increase job stability and career advancement and (2) initiatives that improve access to the range of work supports such as food stamps, subsidized health care and child care, and the Earned Income Tax Credit, many of which were expanded in the 1990s. The report also discusses state-level policy options and suggests principles to guide the development and delivery of services to low-wage workers.

Key Issues

- **Practices that aim to improve job retention and advancement.** To help low-wage workers (many of them single parents) remain employed, public and nonprofit service providers have developed programs to address problems that could threaten job stability. Working in partnership with employers or directly with individuals, some providers offer enhanced case management services that provide workers with access to counseling, soft-skills training, emergency child care, or assistance in addressing personal barriers. Advancement services, too, are customized to individuals' experiences and circumstances. They range from helping workers identify and participate in adult and postsecondary education and occupational skills training to working with them to find better-paying jobs in industries that provide pathways to promotion as workers acquire additional skills and education.
- **Practices that expand access to work supports.** Programs that support families by increasing overall income have been expanded, but their greater availability has not always improved access for those who are eligible. States and localities are using a variety of means to address the access problem, including marketing and educational outreach campaigns to raise low-wage workers' awareness of the availability of these supports and efforts to align eligibility criteria to make access more uniform across programs. They are also streamlining application and recertification procedures, thereby limiting the number of times information is collected and in-person interviews are required. And they are making eligibility determination available in multiple locations outside the welfare office.
- **State-level policy options.** To further the delivery of services to low-wage workers, states can adjust their welfare reform, workforce development, and higher education policies to better target these individuals. They can also fund programs and demonstrations that serve this population. Moreover, states can offer tax incentives to private employers who increase the availability of work supports such as child care or health insurance. Although current fiscal constraints may make it difficult for states to expand existing programs or develop new ones, budgetary pressures can be the catalyst to improve coordination of services, blend funding across systems, and deliver services efficiently.

Contents

| | |
|---|-----------|
| Overview | iii |
| List of Exhibits | vii |
| Preface | ix |
| Acknowledgments | xi |
| Chapter | |
| 1 Why Read This Report? | 1 |
| 2 The Low-Wage Workforce: Background and Policy Context | 3 |
| Why Should Low-Wage Workers Be a Public Priority? | 3 |
| Who Are Low-Income Working Families? | 4 |
| The Value of Work Supports | 6 |
| Promoting Employment Retention and Career Advancement | 10 |
| The Policy Context for Meeting the Needs of Low-Income Working Families | 10 |
| The Challenges of Reaching Low-Income Working Families | 14 |
| Conclusion | 17 |
| 3 Promising Practices in Work Supports | 19 |
| Aligning Eligibility Policies | 19 |
| Simplifying and Aligning Application and Recertification Procedures | 22 |
| Expanding Access Points | 22 |
| Launching Outreach, Marketing, and Educational Campaigns | 24 |
| Conclusion | 25 |
| 4 Promising Practices in Employment Retention | 27 |
| Providing Enhanced Postemployment Case Management | 28 |
| Working with Employers to Improve Job Retention Efforts | 30 |
| Offering Additional Employment Retention Services to Fill Gaps | 33 |
| Conclusion | 36 |
| 5 Promising Practices in Career Advancement | 37 |
| Adult Education and Occupational Training | 37 |
| Postsecondary Education | 41 |
| Reemployment Approaches | 42 |
| Career Ladder Approaches | 42 |
| Conclusion | 44 |

| | | |
|-------------------|---|----|
| 6 | State Policies to Support Promising Practices | 47 |
| | How Can State Policies Influence Practice? | 47 |
| | State Policies to Improve Access to Work Supports | 48 |
| | State TANF Policies to Support Employment Retention | 52 |
| | State Policies to Support Education, Training, and Advancement | 54 |
| | Employer-Based Incentives to Promote Work Supports, Employment Retention, and Career Advancement | 61 |
| | Conclusion | 63 |
| 7 | Guiding Principles for Service Delivery | 65 |
| | Guiding Principles for Partners | 65 |
| | Key Partners in Service Delivery | 68 |
| | Conclusion | 69 |
| Appendixes | | |
| A | Summary of Program Services: Action for Boston Community Development (ABCD), the Montgomery County Jobs Center, and the Fremont Family Resource Center (FRC) | 73 |
| B | Program Contact Information | 79 |
| | References and Bibliography | 91 |

List of Exhibits

Table

| | | |
|-----|--|----|
| 2.1 | Work Supports Available for Low-Wage Workers and Their Families | 7 |
| 3.1 | Access to Work Supports: Additional Examples | 20 |
| 4.1 | Employment Retention Services: Additional Examples | 34 |
| 5.1 | Career Advancement Strategies: Additional Examples | 39 |
| 7.1 | Challenges and Opportunities for Organizations That Serve Low-Wage Workers | 70 |

Figure

| | | |
|-----|--|---|
| 2.1 | Effect of Work Supports on Income for a Single Parent of Two Children Who Works Full Time, Full Year at \$6 per Hour in Maryland | 9 |
|-----|--|---|

Box

| | | |
|-----|---|----|
| 3.1 | Using Technology to Link Low-Wage Workers with Services and Supports | 23 |
| 4.1 | Case Management Examples from the Employment Retention and Advancement (ERA) Project | 31 |
| 5.1 | MDRC's National Work Advancement and Support Center Demonstration | 45 |
| 6.1 | State Policies and Initiatives to Promote the Federal Earned Income Tax Credit (EITC) and Asset Development | 49 |
| 6.2 | State Policies to Better Align Work Support Programs | 51 |

Preface

The National Governors Association (NGA) Center for Best Practices and MDRC have spent 18 months exploring the availability and accessibility of supports and services likely to promote job stability, wage progression, and career mobility for low-wage workers. For thousands of low-wage workers, including families making the transition from welfare to work, even full-time employment does not generate adequate income to escape poverty. However, these families have many potential sources of assistance, including employment retention and career advancement services and work supports that have gradually been expanded over the past decade (for example, the Earned Income Tax Credit, food stamps, subsidized health care and child care, and welfare earnings disregards). As is recognized by policymakers at all levels of government and by other stakeholders, the combination of these services and work supports can promote economic stability. The U.S. Departments of Health and Human Services, Agriculture, and Labor have demonstrated a particular interest in this issue by supporting technical assistance and research efforts.

For some families, these services and supports can provide a bridge to self-sufficiency; for others who are unable to compete for higher-paying jobs, the combination can yield economic stability. Yet because most public systems are not designed for working families, many eligible families are not accessing these supports or services. The purposes of this report are to briefly summarize the status of current service delivery to working families in public and private arenas, to highlight promising state and local practices and policies, and to gauge the potential for greater coordination of service delivery. In the context of reforms affecting welfare and workforce development, it is timely to address a number of key questions:

- What supports and services do low-income working families need in order to maintain employment, earn higher income, and reach economic stability?
- How available are these services and supports, and are they accessible to an employed working population that is juggling the multiple demands of work and family?
- What state policies or program strategies might be adapted to close the gaps in supports and services for this population?

To answer these questions, MDRC and the NGA Center conducted site visits and interviews with program administrators and policymakers as well as a literature review. These explorations focused on several types of relevant service providers (for example, One-Stop Career Centers funded by the Workforce Investment Act, Temporary Assistance for Needy Families agencies, community-based organizations, community colleges, and workforce intermediaries)

and private employers. While this search was not exhaustive, the authors were able to identify encouraging strategies and a set of principles that organizations or policymakers can adopt to better serve their low-wage working constituents. Further, this report provides concrete examples of these principles in practice and in state policy. The challenge is to make the principles, practices, and policies described in this report a widespread reality. To that end, with federal agencies' and foundations' support, MDRC is developing and will rigorously evaluate one promising service delivery model through partnerships with One-Stop Career Centers, called the National Work Advancement and Support Center demonstration. The NGA Center will continue to work with interested states in assessing their existing state policies and designing strategies to help low-income working families achieve stability and self-sufficiency.

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We wish to acknowledge the many people who contributed to the formulation of this report. Particular thanks are due to the administrators and staff at sites we visited during the course of our exploratory work, located at state or local welfare agencies, One-Stop Career Centers, community-based organizations, intermediary organizations, community colleges, and employers listed in Appendix B of this report. They gave generously of their time and insights into the challenges facing low-income workers and their families, and they freely shared their experiences and creative approaches to designing programs that address these issues.

The report benefited greatly from guidance and thoughtful reviews by Gordon Berlin, John Wallace, Craig Howard, and James Riccio at MDRC; John Thomasian and Stephen Crawford at the NGA Center for Best Practices; and Nancye Campbell, Al Fleming, and Elizabeth Lower-Basch at the U.S. Department of Health and Human Services; Karen Hamrick at the U.S. Department of Agriculture, Economic Research Service; Michele Beleu and Melissa Wavelet at MDRC; and Liz Schott, consultant to MDRC; along with Alison Rebeck, Evelyn Ganzglass, Courtney Smith, Neil Ridley, Jeffrey Goldings, Karen Krause, and Debbie Woods at the NGA Center also provided helpful contributions. Robert Weber edited the report, and Daniella van Gennep designed the cover. Stephanie Cowell prepared the report for publication.

The Authors

Chapter 1

Why Read This Report?

This report is aimed at state and local policymakers and practitioners who are concerned about improving the labor market prospects for low-wage workers and the well-being of their families — while, at the same time, addressing two bottom-line issues for employers: reducing job turnover and increasing workers' skill levels. The report accomplishes this by identifying promising strategies to increase family income in both the short-term and the long-term — strategies that can also increase job retention and reduce employee turnover.

In the short term, family income can be raised by ensuring that low-wage workers and their families have easy access to the work supports provided by the government, such as child care subsidies, the Earned Income Tax Credit (EITC), health insurance, and food stamps. Compelling research shows that income supplements for low-wage workers not only can increase job retention — which, from an employer's perspective, reduces costly job turnover — but also can have positive effects on children and families.

Still, government work supports can take families only a short distance on the road to a better income. In the longer term, many will want and need to invest in the development of their job skills so that they can command a higher wage, find better jobs, and, in turn, raise their income to a level of self-sufficiency such that government work supports are no longer needed or available. This is the second area on which the report focuses: promising job retention and advancement strategies that respond to employers' increasing demand for employees with higher-level jobs skills.

However, the basic finding motivating this report is that, for low-wage workers, access to work supports, job retention services, and career advancement opportunities is often extraordinarily — and unnecessarily — difficult. This, in turn, can prevent many low-wage workers from securing work supports or, indeed, from keeping their jobs, thereby leading to increased employee replacement costs for businesses. The problems of access can also thwart some workers from advancing to higher-wage work that would increase their income, improve family well-being, and render government assistance unnecessary.

Since the early 1990s, the number of low-wage workers has grown, and their circumstances and needs are now firmly on the national agenda. This report provides specific promising strategies being undertaken across the country to improve access to work supports and to job retention and career advancement services — for those who want to move forward an agenda for low-wage workers that can also advance the goals of both government and business. The report is organized as follows:

- Chapter 2 explains why policymakers should be concerned about low-income working families and provides an overview of the current policy and operational context.
- Chapters 3 through 5 describe promising state and local practices in improving access to work supports and employment retention and career advancement services, respectively.
- Chapter 6 presents state policy options that can be adopted to support the promising practices described in Chapters 3 through 5.
- Chapter 7 concludes the report by laying out guiding principles for improving service delivery to low-income working families and the roles to be fulfilled by partner organizations.

At the end of this report are two appendixes. Appendix A presents summaries of three organizations that exemplify the guiding principles outlined in Chapter 7. Appendix B lists all the programs described in the report and provides contact information for each.

Chapter 2

The Low-Wage Workforce: Background and Policy Context

This chapter provides background information and a policy context for understanding the promising practices and the principles described in the remainder of the report. Specifically, the chapter examines:

- The social gains that accrue from making low-wage workers a priority
- The characteristics of low-income families as a population
- An overview of work supports and of employment retention and career advancement services
- A discussion of the opportunities and limitations of federal policies affecting welfare and workforce development
- Some specific challenges that low-income families face in accessing work supports and job retention and career advancement services
- The challenges of delivering services to low-income working families during a period of political uncertainty and fiscal crisis

Why Should Low-Wage Workers Be a Public Priority?

In the current economy, increasing numbers of low-income adults are working, but often for wages that are insufficient to provide their family with long-term economic stability.¹ Welfare and workforce development reforms in the 1990s, which emphasized quick placement into jobs (often referred to as a “work-first” strategy), resulted in unprecedented numbers of welfare recipients and others joining the workforce. However, these individuals have frequently secured employment in low-skill, low-wage jobs that offer little opportunity for wage growth or career advancement.

Federal, state, and local governments and other key stakeholders (for example, employers, community-based organizations) have realized that there are major societal gains to be earned from helping low-income working families move out of poverty and achieve long-term

¹Bernstein and Hartmann, 1999.

self-sufficiency. Helping these families achieve economic stability may boost their children’s educational, health, and behavioral outcomes and may break the familial cycle of welfare dependence. Focusing public and private interventions to bring low-income working families closer to self-sufficiency can also have real economic benefits for employers, by reducing the costs of high turnover in the low-wage labor market and stabilizing the workforce and by improving low-wage workers’ employability through job experience and other skill development activities.

Although interest in assisting low-income working families is growing, a fundamental problem remains: Very few, if any, systems, institutions, or agencies serve low-wage workers as part of their core mission. Most employment-related public agencies focus on the unemployed and do not aggressively market or provide postemployment or work support services to the low-wage working population.

Who Are Low-Income Working Families?

While there is no standard definition for “low-income working family,” one recommended definition includes families whose income falls below 200 percent of the federal poverty level with each adult in the family working an annual average of at least 1,000 hours.² This income level — 200 percent of the poverty level — is considered by many experts as the minimum income level necessary for a family to meet basic needs, such as paying market-rate rents, meeting utility bills, having adequate food, and covering such work-related expenses as transportation and child care. Additionally, at 200 percent of poverty — which translates into an income of \$30,520 for a family of three — families are no longer eligible for most work supports: food stamps, child care, Medicaid, and the Earned Income Tax Credit (EITC).³ Under this definition, 16.7 percent of nonelderly persons nationwide are living in low-income working families.⁴

On a number of fronts, low-income working families face significant disadvantages in the labor market, particularly when compared with higher-income families (those earning over 200 percent of the poverty level):

- **Characteristics of low-wage jobs.** Jobs in the low-wage labor market provide few benefits such as health insurance and paid leave; thus individuals in

²Other possible definitions focus on total annual hours worked by all adults in the household; at least 1,000 hours is equal to a part-time job, or at least 2,000 hours is equal to a full-time job. However, using a definition based on average annual hours per adult in the household is preferable because it recognizes that two-parent families have twice as many potential workers as a single-parent family. See Acs, Phillips, and McKenzie, 2001.

³Acs, Phillips, and McKenzie, 2001.

⁴Acs, Phillips, and McKenzie, 2001.

these jobs are more apt to miss work and to have reduced earnings or to lose their job due to family emergencies, disruptions in child care, and transportation problems.⁵

- **Lack of job security.** In an economic downturn, low-skilled, low-wage workers who are new to the labor force are particularly vulnerable to layoffs, reduced work hours, and periods of unemployment.
- **The gap in skills and income.** Job growth between 2000 and 2010 will continue to be fastest for occupations that require a postsecondary credential (a vocational certificate or an associate's degree or higher), although the greatest number of new jobs will require only work-related training.⁶ The income gap is expected to continue to grow between those who have postsecondary education and those who do not — meaning that low-skilled workers will continue to have difficulty supporting their families.⁷

In addition, data from the 1997 National Survey of America's Families reveal the following about low-wage workers themselves:⁸

- For 71 percent of low-income families, the highest level of educational attainment by the head of household was a high school diploma or General Educational Development (GED) certificate. For higher-income working families, the proportion was 39 percent.
- Primary wage-earners in low-income working families were less likely to hold jobs that provided daytime work hours and were much less likely to have been at their job for more than one year. Fewer low-income working families received employer-sponsored health insurance than higher-income families (54 percent versus 89 percent).
- On average, workers in low-income families were less likely to be married than their higher-income counterparts, more likely to be younger, more likely to have children, and typically had more children. Low-income working

⁵Heymann, 2000.

⁶Hecker, 2001.

⁷Carnevale and Desrochers, 2002.

⁸Acs, Phillips, and McKenzie, 2001. Data on low-income working families are not as readily available as they are for low-wage adult workers. While data on adult workers are illuminating in some respects, this group includes adults without dependents. Moreover, in two-parent families, it is increasingly the norm that both parents are working, so that the family's income is the sum of two adults' earnings.

families were more likely to be headed by a single female than were higher-income families.

- Like their higher-wage counterparts, the majority of primary workers in low-income working families worked full time and year-round. However, the median hourly wage for the primary wage-earner in a two-parent low-income family was \$7.55, compared with \$16.67 in higher-income families. For families with only one adult, the median hourly wage was \$6.73, compared with \$14.42 for workers in higher-income families.⁹
- Further, some segments of the low-wage working population — such as welfare recipients and other new entrants to the labor force — experience significant rates of job loss and turnover. For example, among former welfare recipients who have left the rolls for work, one-quarter lose their job within the first three months, and less than half are employed after one year.¹⁰

Clearly, many families remain poor despite having a significant attachment to the labor force: More than half of nonelderly individuals living in families with an income below 200 percent of the federal poverty level are in families who work.¹¹

The Value of Work Supports

Work support programs boost overall family income when earnings are insufficient, helping to “make work pay” by assisting families in meeting such basic needs as food, health care, and child care. Table 2.1 describes key work supports available for low-wage workers and their families, including the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), the Food Stamp Program, Temporary Assistance for Needy Families (TANF) earnings disregards, Medicaid, the State Children’s Health Insurance Program (SCHIP), and subsidized child care. Some states and localities also offer supports that cover work-related expenses such as transportation, uniforms and work-appropriate clothing, union dues, and emergency expenses. Work supports come in both cash and noncash forms, adding directly to income (like the EITC) or providing an offset to costs (like child care subsidies). Many programs were expanded throughout the 1990s and now provide sizable benefits not just for welfare recipients and the unemployed but also for low-wage workers and their families.

⁹Acs, Phillips, and McKenzie, 2001.

¹⁰Hershey and Pavetti, 1997; Rangarajan, 1998; Fein et al., 1998; Rangarajan, Schochet, and Chu, 1998.

¹¹Acs, Phillips, and McKenzie, 2000.

Building Bridges to Self-Sufficiency

Table 2.1

Work Supports Available for Low-Wage Workers and Their Families

| | |
|--|--|
| <p>Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)</p> | <p>Refundable federal tax credits intended to help offset Social Security taxes and to supplement earnings for individuals and families earning less than \$34,692 per year. The maximum EITC benefit is \$4,140 for a family of three earning up to \$13,550 annually. The CTC could add up to \$600 per qualifying child in 2002, depending on family size and marital status. The IRS administers the federal EITC and CTC. Some states also offer an additional state-level EITC, and many states and localities actively engage in outreach and provide free tax-filing assistance.</p> |
| <p>Food Stamp Program</p> | <p>A nutrition program designed to help low-income families, individuals, and seniors purchase food. Eligibility is set by the federal government at 130 percent of the poverty level. The federal government covers 100 percent of benefits, while states share 50 percent of administrative costs. The program is state- or county-administered, and the delivery mechanism is largely through Electronic Benefit Transfer (EBT). States have some flexibility to set asset limits and recertification periods.</p> |
| <p>TANF earnings disregards</p> | <p>TANF policy that “disregards” a portion of recipients’ earnings when calculating monthly welfare benefits. Working families continue to receive a portion of their welfare grant as well as supportive services and such work supports as Medicaid and food stamps. Earnings disregard policies and amounts vary widely by state.</p> |
| <p>Medicaid</p> | <p>Health care for parents and children that is subsidized by a combination of state and federal funds. States set income limits but at a minimum are required to cover children under age 6 up to 133 percent of the federal poverty level and children under age 19 up to 100 percent of the poverty level. States typically cover parents at lower income levels than children. The program is state- or county-administered.</p> |
| <p>State Children’s Health Insurance Program (SCHIP)</p> | <p>Health care for children that is also subsidized by a combination of state and federal funds. States set income requirements, which typically pick up where Medicaid phases out; some states cover children in families with incomes up to 250 percent of the federal poverty level. Like Medicaid, this program may be state- or county-administered.</p> |
| <p>Subsidized child care</p> | <p>Typically funded through a combination of federal, state, and local resources, including the federal Child Care Development Fund and TANF. Most states use a sliding-scale payment structure in which a family’s costs increase with earnings. Policies are set and programs are administered by the state or county.</p> |

Work support programs assist low-income families in a number of ways. Given that former welfare leavers report returning to the rolls primarily because of problems with child care, transportation, and medical coverage, work supports often help promote job retention.¹² Work supports make it easier for some to pursue advancement opportunities by addressing the barriers to skills training that are commonly cited by low-wage workers, such as limited child care and transportation resources.¹³ Additionally, recent research has shown that work supports combined with employment services can improve schooling and behavioral outcomes for elementary- and school-age children and, in some cases, can reduce domestic violence, decrease poverty, and have positive effects on marriage and marital stability.¹⁴

Figure 2.1 illustrates the potential impact that work supports can have on income for a single mother of two in Maryland, a state that falls in the broad middle range of the size of welfare payments nationally. In addition to wages from work, the figure shows the dollar value for cash supports that add directly to income (the EITC, CTC, and food stamps) and estimates the value of child care subsidies minus the parent's copayment — a benefit that is experienced not as an actual increase in income but as an offset to costs that this family would otherwise incur if paying market rates for child care services.¹⁵ Subsidized health care is not included in this analysis because such a support is used “as needed” and therefore cannot easily be assigned a fixed value per family.

As Figure 2.1 shows, working full time, full year at \$6 per hour, this single mother's annual income from earnings alone would total \$12,480, which is well below the federal poverty level of \$15,260. However, simply taking advantage of the EITC, CTC, and Maryland's state EITC — a total of \$6,458 for this family — raises the mother's income to \$18,938 and moves her above the federal poverty level. Receipt of food stamps and a child care subsidy in addition to the EITC and CTC would effectively raise her income to over \$30,000. In short, work supports are worth more than \$21,000 for this family. Along with earnings, these supports can fundamentally change the income calculus for low-wage work.

¹²Isaacs and Lyon, 2000.

¹³Matus-Grossman and Gooden, 2002.

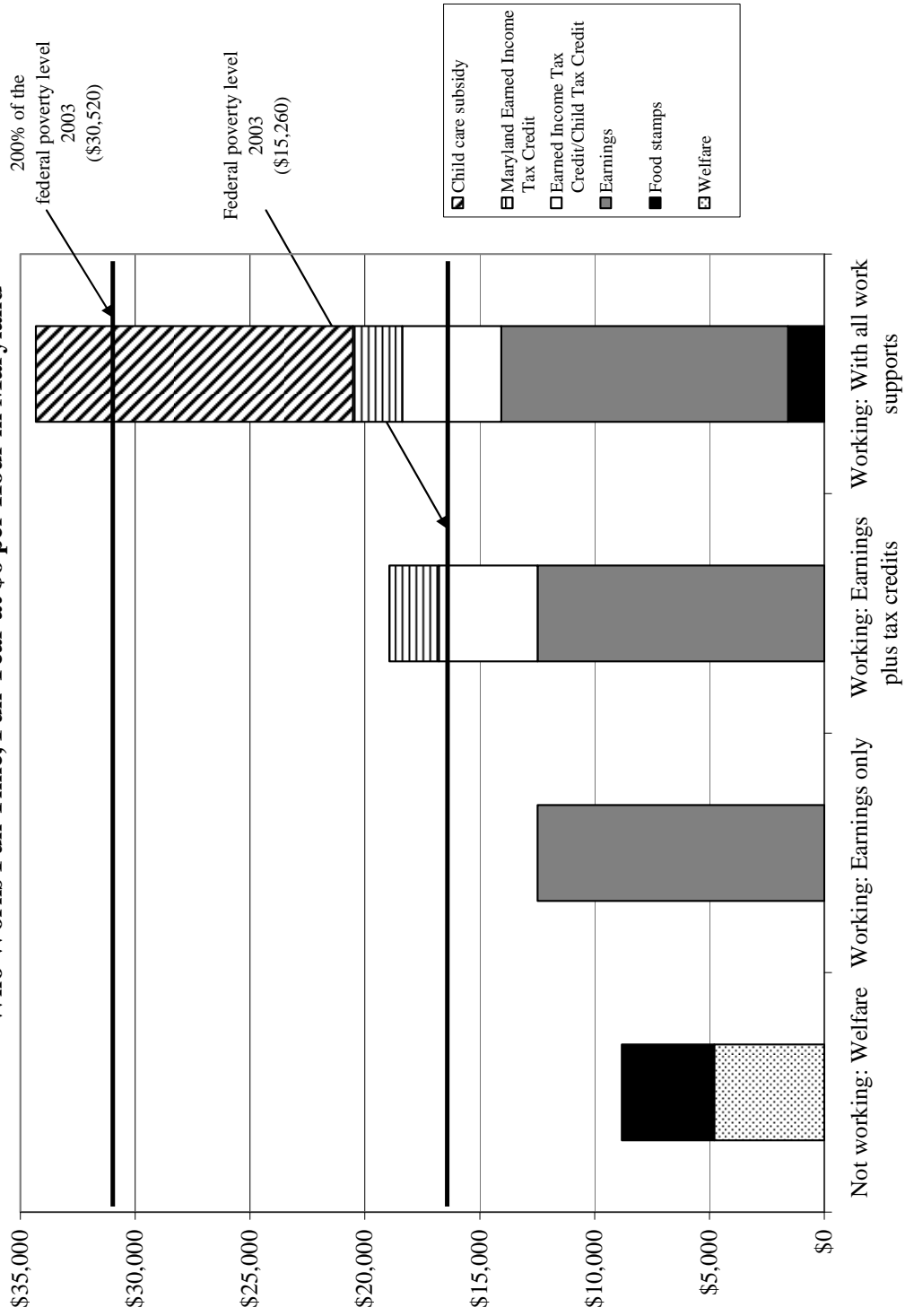
¹⁴Berlin, 2000.

¹⁵The data in Figure 2.1 are taken from the Center for Law and Social Policy's State Policy Documentation Project Web site at www.spdp.org; the Children's Defense Fund estimates of child care rates (\$3 per day per child) and copayments at http://www.childrensdefense.org/pdf/cc_statedev01_tb3.pdf; the U.S. Department of Agriculture's Food and Nutrition Service Web site at <http://www.fns.usda.gov/fns/>; and the Center on Budget and Policy Priority's EITC Toolkit at <http://www.cbpp.org/eic2003/index.html>.

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Figure 2.1

Effect of Work Supports on Income for a Single Parent of Two Children
Who Works Full Time, Full Year at \$6 per Hour in Maryland



Promoting Employment Retention and Career Advancement

Low-wage workers experience a number of challenges in the workplace that affect their ability to retain long-term employment and move into higher-paying positions. Studies that have tracked welfare recipients who left the rolls for work, for example, have found that they are more likely to find employment in jobs that are temporary, that require nontraditional hours (for example, evenings and weekends), and that have little or no opportunities for wage growth and advancement. Once such workers have secured employment, job loss — particularly during the first three to six months — and frequent periods of unemployment between jobs are not uncommon.¹⁶ Finally, with lower skill levels than their higher-wage counterparts, low-wage workers often cannot compete for jobs that offer benefits and opportunities for growth, since such jobs increasingly demand workers who have higher levels of education and training.¹⁷

Employment retention and career advancement services can help address these issues of job instability and can improve access to higher-paying jobs for the low-skilled, low-wage workforce. Skills training can be particularly important, given that unemployment rates among workers without a high school diploma are more than double the rates among workers with higher levels of education.¹⁸ Job retention services can also benefit businesses that employ low-wage workers — especially those in retail and service industries, which often report high labor costs associated with employee turnover.¹⁹

The Policy Context for Meeting the Needs of Low-Income Working Families

Since the late 1990s, changes in welfare reform and workforce development policies have increased their potential for meeting the needs of low-income working families. Two key federal programs in these areas are Temporary Assistance for Needy Families (TANF) block grants and the Workforce Investment Act (WIA). As described below, these two major reforms created new opportunities for agencies and organizations seeking to improve service delivery,

¹⁶Strawn and Martinson, 2000.

¹⁷Carnevale and Rose, 2001.

¹⁸Kaye and Nightingale, 1999.

¹⁹Turnover costs are estimated to be anywhere from 33 percent to 250 percent of an employee's annual income, with costs varying by industry (see Pille, 2002). Many management firms and industry associations cite similar numbers. For example, the American Hotel and Motels Association found that the average direct cost of turnover for workers earning \$8 per hour is \$2,500 per employee (see www.sashacorp.com/turncost.html). These expenses do not take into account indirect costs of lost productivity, increased workloads for employees who compensate for job vacancies, or the loss of group unity for jobs that require teamwork. Turnover also comes at a cost to low-wage workers, contributing to lost wages and diminishing job tenure (Lane, 1999).

but there are significant limitations in relying solely on welfare or workforce development funding streams to serve low-wage workers.

Welfare Reform: Temporary Assistance for Needy Families (TANF)

With the historic passage of welfare reform legislation in 1996, Congress effectively shifted responsibility for public assistance programs to states through the Temporary Assistance for Needy Families (TANF) block grant, which provides funding for temporary cash assistance and related employment and support services. Under TANF, most individuals receiving cash assistance must engage in work activities, and states must meet work participation rates. Overall, states have broad flexibility to design their own welfare programs in accordance with the broad purposes of the legislation. TANF funds are very flexible and can be used for noncash assistance for a broader low-income population beyond welfare recipients (for example, to provide kinship care or services for low-wage workers and at-risk youth).

States and localities have used the flexibility accorded to them under welfare reform to provide a host of new social services focused on overcoming welfare recipients' barriers to employment and for providing supports after recipients leave welfare for work. While welfare reform has had a strong emphasis on moving recipients quickly into jobs, some state policies regarding work activities have permitted TANF cash assistance recipients to participate in education and training either as a stand-alone activity or in conjunction with work. States and localities have also used their TANF funds to provide a wide variety of services to facilitate the transition from welfare to work, such as:

- More generous earnings disregards when calculating cash assistance for welfare recipients who find work
- Child care and transportation assistance for current and former recipients
- Substance abuse and mental health treatment to overcome these employment barriers
- Short-term vocational training and adult education
- Postemployment case management to help address work-related and personal issues

As welfare recipients have transitioned into the low-wage labor market, policymakers have become more attuned to the needs of the working poor, realizing that low-wage employment alone is usually not enough to move a family out of poverty. To a limited degree, states have used TANF to fund services — particularly child care and diversion assistance — to a broader group of low-income working parents who may never have been on welfare.

The Limits of TANF Flexibility

Although TANF funds are available to provide services for low-income families other than welfare recipients, states have finite welfare funds and have typically focused on the cash assistance, work supports, and service needs of current and former welfare recipients before applying TANF funds to assist a broader low-income population. The system's main focus is not on understanding and tailoring services to the larger low-wage working population — even though low-wage workers and their children may be eligible for such benefits as food stamps, Medicaid, and subsidized child care. Further, many noncash assistance supports and services were created using TANF “surplus” funds that resulted from large caseload reductions after welfare reform, and many surplus funds were flexible enough to reach a broader population of low-wage workers. Now that states face budget crises and the economy has experienced a downturn, caseloads are reportedly rising in some states, and prior surpluses are less likely to be available to support work or employment retention and career advancement services.

Workforce Development: The Workforce Investment Act (WIA)

The Workforce Investment Act was enacted in 1998 to facilitate greater coordination of a group of publicly funded employment and training programs, creating a nationwide (but locally administered) workforce investment system.²⁰ Under WIA, the vast majority of funds for adult, youth, and dislocated worker programs are passed through to local Workforce Investment Boards (WIBs). Other categorical funding streams (for example, Wagner-Peyser, Adult Education and Literacy) go to state WIBs, along with small set-asides (15 percent) of the three WIA funding streams for adult, youth, and dislocated workers. These set-asides are commonly referred to as “governors’ discretionary funds” and can be used to support statewide activities as well as special initiatives.

Through the creation of the One-Stop workforce development service delivery model, WIA aims to provide at a single location access to “core” services (for example, self-directed job search) to anyone seeking assistance, regardless of income or program eligibility, and more intensive services (for example, assessments, case management) and training to those who need them. WIA requires that a number of publicly funded employment programs partner with the One-Stop, including Unemployment Insurance, veterans’ and seniors’ employment programs, and Job Corps, among others. Local WIBs oversee One-Stop Career Centers but generally are not directly involved with operating them.

²⁰For an overview of WIA policy, see Jensen (1998) and Employment and Training Administration (1998).

WIA has the potential to become a universal service delivery system through which low-wage workers access work supports, job retention, and career advancement services. WIA stresses local private and public sector partnerships that can be used to improve outreach and service delivery to working families directly through their employers, community colleges, or community-based organizations. Indeed, many One-Stops have multiple partners located on-site, providing easy access to a range of services. Additionally, in many states and localities, the workforce system via the One-Stops has been the primary provider of employment services for welfare recipients. Finally, WIA provides flexible voucher-based funding for training or related career advancement services, through Individual Training Accounts (ITAs), which can be a valuable resource to low-income populations who may be ineligible for traditional financial aid and are seeking to build additional skills.

The Challenges of Balancing Constituents and Missions Under WIA

Like TANF's potential, the One-Stop system's ability to provide a broad range of services for low-wage workers has also yet to be fully realized, given WIA's "dual-customer" focus and the disincentives to serving a broader population that result from the system's policy and guidelines and resource limitations. WIA does include a provision requiring that, if resources are limited, the local WIBs must first provide intensive services and training to welfare recipients and other low-income individuals, including low-wage workers. At the same time, however, WIA funding is tied to specific performance measures that have consequences.²¹ Some of these measures — namely, newly entered employment levels and earnings gains — provide disincentives to serving individuals who are already working and instead favor the unemployed or other groups (such as youth and dislocated workers). For example, larger earnings gains will generally be realized for moving an unemployed client into a job than for moving a working client into a higher-wage job, thus providing an incentive to serve the unemployed over the working population. Additionally, there are limited dollars under WIA for training and other services that could benefit low-wage workers. Although states have some flexibility in allocating WIA funds, the costs of establishing the One-Stop system's infrastructure have been a significant drain on those resources.

Finally, policymakers and practitioners view the workforce development system as serving two customers — individuals and employers — and some think that the main purpose of the system is to connect employers who are seeking workers with individuals who are seeking jobs. Some believe that expanding the mission of the One-Stop system to include access to

²¹Failure to meet performance measures for two years can lead to sanctions of up to a 5 percent reduction in WIA funding to a state, while exceeding performance expectations can earn states incentive grants. State WIBs negotiate the target levels for each measure with the federal government, and, in turn, local WIBs negotiate their particular levels with their state WIB (Jensen, 1998).

work supports and other social services will result in its being viewed as a “social service agency,” which might discourage employers from participating.

The Challenges of Reaching Low-Income Working Families

Many public systems and programs are striving to serve low-wage workers and their families. However, many individuals who are eligible for work supports or for job retention and advancement services do not seek or obtain them. The following sections detail the challenges of accessing work supports and enrolling in employment retention and career advancement services, particularly in the context of the fiscal crisis affecting state budgets.

Work Support Programs: Factors Impeding Access

Despite being eligible for a range of work support programs, low-wage working families who are not associated with the TANF system and former TANF recipients have much lower rates of participation in work supports than do current TANF recipients.²² While participation in the EITC is estimated to be as high as 75 percent to 86 percent among some subgroups of the eligible population, participation in food stamps, Medicaid, and child care is much lower.²³ It is widely acknowledged that a number of factors prevent eligible low-wage workers from accessing the full range of financial work supports.

Complex application, eligibility, and recertification procedures. Though a number of states have made progress in simplifying initial application processes for TANF recipients, some state and county programs have distinct applications and recertification processes that may be conducted in separate locations. Working parents may have to fill out more than one lengthy application and may have to return to one or more public agency offices several times

²²Fishman and Beebout, 2001.

²³The EITC is the only work support program with overall participation rates near this level; as noted, studies estimate receipt by eligible families to be between 75 percent and 86 percent, with lower participation among some subgroups, including workers who have language barriers and very low-income families (General Accounting Office, 2001; Scholz, 1994). Participation rates in Medicaid and the Food Stamp Program are significantly lower. Of Medicaid-eligible adults, 51 percent are enrolled, and 27 percent are uninsured (Davidoff, Garrett, and Yemane, 2000). Just over one-third of eligible welfare leavers report having Medicaid coverage (Garrett and Holahan, 2000), and only 41 percent of low-wage workers who are eligible for food stamps receive them (Cunningham, 2002; Food and Nutrition Service, 2001). Further, many working families continue to be eligible for welfare benefits through TANF earnings supplements; yet estimates are that just 38 percent of these families actually receive them. Research also shows that a fraction of income-eligible families receive subsidized child care assistance, though the low rate of receipt reflects insufficient state and federal funding rather than lack of demand. While no current body of research examines participation rates from this perspective, experts in the field estimate that between 20 percent and 30 percent of low-income working families who are eligible for multiple programs receive all the benefits for which they qualify.

throughout the year to maintain eligibility for various programs. Separate processes are also costly to low-wage workers in terms of transportation expenses and lost wages resulting from time away from the job.²⁴

Lack of knowledge about available programs. Current TANF recipients and recent TANF leavers are generally aware of the supports for which they may be eligible, since case-workers typically ensure that work support applications are processed along with TANF paperwork, and they monitor clients' ongoing eligibility. Low-wage workers who have not been attached (or recently attached) to the public benefits system are less likely to know about these supports, how to apply for them, or how they can be combined with work to supplement family income.

Limited access points. Although the majority of those who are eligible for work supports are not welfare recipients, the welfare system continues to be primarily responsible for administering these programs; in most locations, low-wage workers must go to a welfare agency in order to apply for work supports. Some states and localities have attempted to increase access by colocating eligibility staff within One-Stops and other community-based organizations, though these staff are typically focused on assisting TANF recipients rather than non-TANF clients who are already working.

Stigma. Because of the administrative links between the welfare system and work support programs, the stigma that is often associated with public benefit programs appears to prevent some working families (including former welfare recipients) from applying.²⁵ Some families may decide that the value of work supports may not offset the perceived stigma and “hassle” of obtaining them.

Though persistently low participation rates suggest that there is much room for improvement in addressing this issue, Chapter 3 highlights ways in which states and localities have improved access to work supports by using the flexibility of current laws governing eligibility, technological advances, and marketing campaigns.

Retention and Advancement Services: Challenges to Participation

Simply offering job retention and advancement services to low-wage workers does not ensure that the services will be utilized. The manner in which programs are delivered is as important as which services are offered. For example, welfare agencies and preliminary findings by the evaluators of the national Employment Retention and Advancement (ERA) project report

²⁴A recent study (O'Brien et al., 2000) calculated the average cost to a working family of applying for food stamps to be \$36.06.

²⁵Dion and Pavetti, 2000.

that it is an ongoing challenge to engage low-wage workers in postemployment services, particularly since most such services are not mandatory.²⁶ Even when participation is mandated, many of these workers — who are often receiving small cash grants — will decline to participate and will forgo cash assistance if the services are not attractive and easily accessible.

Low-wage workers may find it difficult to participate in job retention and career advancement programs for a number of reasons, including:²⁷

- Most One-Stops, welfare offices, and other organizations that offer retention-related services such as case management, assistance with benefit applications, and counseling are typically not open after traditional work hours or on weekends.
- For working parents who want to pursue training, limited access to supportive services such as subsidized child care, transportation options, personal counseling, and tutoring contributes to low participation, as does the inaccessible location of many training programs.

In addition, most skills training and education classes continue to be offered during traditional work hours, and the long-term commitment and investment that are required by most degree- and credential-granting programs also preclude many working parents from participating. Finally, individuals may not be well informed about the economic benefits of additional training and education.

Service Delivery in a Period of Uncertainty

TANF and WIA face reauthorization in the 108th Congress — a process that could impact the mission and capacity of both systems to serve low-wage workers. A number of welfare reauthorization proposals include increases in required work hours and new limits on education or training activities as well as additional funding for child care through the Child Care Development Fund. Under several of these proposals, most education and training for welfare recipients will have to be delivered in combination with employment. As a result, the program innovations and policy options that are presented in this report for improving service delivery to working individuals become increasingly relevant to the welfare system. WIA reauthorization, for example, could present an opportunity to change the system's performance measures to reflect career advancement goals and could encourage One-Stops to provide work supports and training and advancement services for low-wage workers.

²⁶Bloom et al., 2002.

²⁷Matus-Grossman and Gooden, 2002.

Besides the complications of welfare reauthorization, states are in a severe fiscal crisis — the worst since World War II. After an annual growth rate of 6.5 percent in state spending between 1995 and 2001, state spending rose by only 1.3 percent and 0.3 percent in 2002 and 2003, respectively, and it is expected to decline by 0.1 percent in 2004.²⁸ States have significantly reduced their spending as a result of declining revenues and accelerating health care rates, and they are not likely to have new resources to support program development or to launch initiatives. Some states are postponing or cutting back on planned job retention and advancement services. Recent budget cuts demonstrate that services for low-income working families may have a lower priority than services for more vulnerable populations. States may curtail or cut work supports or may require higher copayments for supports like child care and health insurance, which were made available under less restrictive budgets.

The fiscal situation does not lessen the need for improving service delivery to low-income working families. Instead, it becomes more critical to make the most efficient use of existing services and resources, to better coordinate service delivery across public systems and private organizations, and to improve outreach efforts to this especially vulnerable population.

Conclusion

Despite the many challenges identified in this chapter, site visits and exploratory work by MDRC and the NGA Center have uncovered a number of service delivery approaches that states, localities, agencies, and employers have adopted to help low-wage workers overcome their barriers to accessing work supports and to address the issue of their low participation in postemployment services. These existing practices can serve as the building blocks for providing a comprehensive range of supports and services for this population. Chapters 3 through 5 present promising practices in linking low-income working families with work supports and with employment retention and career advancement services.

²⁸Fiscal Survey of States, 2003.

Chapter 3

Promising Practices in Work Supports

Public, private, and nonprofit agencies and employers have adopted numerous strategies to make work supports more accessible for low-wage workers. Many of the sites that MDRC and the NGA Center visited have made progress in particular areas, such as simplifying work support application procedures or providing job retention services. The challenges are to coordinate these supports and services across agencies and to bring relatively small efforts to scale. In addition, because few if any of these practices have been formally evaluated, there is little research evidence to guide practitioners. Although local policies and procedures may vary widely, the programs highlighted below provide examples of how states and localities have used four key strategies to ease the administrative burdens associated with work support programs and to promote participation among low-income working families:

- Aligning eligibility policies across work support programs
- Simplifying and aligning application and recertification procedures
- Expanding access points
- Launching outreach, marketing, and educational campaigns

Each section describes examples of how states and localities have addressed a particular aspect of access to work supports. Table 3.1 presents additional examples.

Aligning Eligibility Policies

States and localities can ease access to work supports by capitalizing on flexibility in policies governing eligibility for Temporary Assistance for Needy Families (TANF), food stamps, Medicaid, the State Children’s Health Insurance Program (SCHIP), and subsidized child care. Often the first step in easing access to such supports has been to align some aspects of eligibility criteria — such as vehicle limits and family asset tests — to make them uniform and complementary across programs.¹ States may also conform to the definition of what counts as income in the Food Stamp Program with TANF cash assistance and family Medicaid. States and localities are somewhat more limited in setting income eligibility levels — especially with

¹Many work support programs place limits on the monetary value of vehicles that a family can own at the time of application — referred to as “vehicle asset tests” — as well as limits on such financial assets as savings and retirement accounts.

Building Bridges to Self-Sufficiency

Table 3.1

Access to Work Supports: Additional Examples

| Focus/Organization | Strategy |
|---|---|
| <p>Aligning eligibility policies State of Ohio</p> | <p>Ohio eliminated the vehicle asset test across all work supports. Further, the asset test for savings was eliminated for all work support programs except food stamps. Income limits are graduated across programs, with family Medicaid available up to 100 percent of the federal poverty level, child care available up to 150 percent, and children’s Medicaid available up to 200 percent of poverty.</p> |
| <p>Simplifying and aligning application and recertification procedures State of Utah</p> | <p>Utah developed a 10-page combined application for TANF, food stamps, Medicaid, and subsidized child care, and it also produces pre-populated renewal forms that are sent to recipients at required intervals. Additionally, Utah has implemented a document-scanning system that stores images of required supporting documentation (such as driver’s licenses, Social Security cards, and birth certificates), which are then accessible to eligibility caseworkers across programs.</p> |
| <p>Expanding access points State of Washington</p> <p>WIA One-Stop Centers in Alameda, Sacramento, San Mateo, Santa Cruz, Sonoma, and Ventura Counties, California; Ohio; Utah</p> | <p>In Washington, applications for work supports are available via the Web and can be printed out and mailed in for processing or can be submitted directly online. Eligibility determination is not automatic: Welfare staff must review and approve applications and then schedule in-person interviews when required. Recipients can also complete and submit renewal forms online. To expand access to the state’s diverse ethnic populations, applications have been translated into some 30 languages.</p> <p>These One-Stops colocate welfare eligibility staff on-site at career centers, though staff in several locations noted that eligibility workers primarily targeted welfare recipients utilizing One-Stop services. Existing relationships between WIA and TANF have the potential to be expanded to capture a broader population of the One-Stops’ low-income clients.</p> |

(continued)

Table 3.1 (continued)

| Focus/Organization | Strategy |
|--|---|
| <p>Outreach and marketing campaigns</p> <p>Louisville Asset Building Coalition, Louisville, KY</p> <p>The TJX Companies, Inc., Framingham MA</p> | <p>This Louisville coalition launched a citywide effort, involving banks and service providers, to advertise free tax preparation services. Using billboards, posters, advertisements on buses, and inserts in Kentucky Fried Chicken food orders, the coalition seeks to help low-income residents learn about and file for the EITC. Building on this campaign, the coalition’s goal is to help individuals build wealth and assets.</p> <p>TJX, an international retailer, engaged in an employee outreach campaign led by the Human Resources Department (“TJXtra!”) to encourage employees to file for the EITC and Advance EITC, fuel assistance, SCHIP, food stamps, Fannie Mae financial education, and local supports such as discount transportation. Employers like TJX promote access to work supports and market them as an extension of the employee benefits package.</p> |
| <p>Outreach and marketing liaisons with public agencies</p> <p>Fayette County Community Action Agency (FCCAA), Fayette, PA</p> <p>Seedco, New York</p> | <p>FCCAA staff have been cross-trained to look holistically at families’ needs, including eligibility for work supports, and assisting clients in determining eligibility for programs. Any client who walks through the door can meet with a caseworker to connect with any of FCCAA’s programs. Staff assist clients with application forms, and they use a computer system linked to the county welfare office to submit e-mail applications for food stamps. Besides being selected for this pilot project by the welfare agency, FCCAA is also in the process of securing an agreement to access the agency’s database in order to determine the status of applications.</p> <p>Seedco, a workforce intermediary, trained its CBO partners to help clients in the EarnFair program apply for work supports. The partners are pilot-testing a facilitated access program to help clients file accurate applications for child care subsidies and to expedite processing in lower Manhattan. Case managers routinely inform clients about work supports, assist in completing the necessary paperwork, and serve as liaisons with the local welfare office to ensure that benefit applications and renewal forms are processed in a timely manner.</p> |

food stamps — and, at any rate, they often choose to stagger income cutoffs across programs, creating a continuum of coverage for low-income families and avoiding “income cliffs” that cause families to lose multiple benefits when their income increases. Alignment of asset policies and additional definitions of income can help ease administrative burdens for both applicants and welfare departments, and this approach can help create a cohesive “package” of programs that support working families.

The State of New Jersey, for example, aligned its vehicle asset limit and other asset tests for both TANF and the Food Stamp Program, raising the latter’s vehicle asset limit to \$9,500; and it eliminated the asset tests altogether for Medicaid, SCHIP, and subsidized child care. Income limits are staggered across programs so that some level of benefit is available for families whose incomes range from 51 percent to 250 percent of the federal poverty level.

Simplifying and Aligning Application and Recertification Procedures

States and localities can also focus on simplifying the administration procedures for work supports. Renewal or recertification periods can be aligned and made longer to reduce the frequency of contacts or of submitting forms; application forms for different work supports can be combined; and face-to-face interview requirements can often be waived. Technology such as document-imaging systems can facilitate information-sharing across programs and can also reduce paperwork by producing pre-populated recertification forms.² Many states have shortened their applications or renewal forms and use them for multiple programs.

The State of Washington uses a four-page combined application for TANF, food stamps, Medicaid, and SCHIP. The state also uses a consolidated eligibility review form and has aligned the recertification periods for TANF, food stamps, and Medicaid. Child care applications and reviews are handled entirely by telephone.

Box 3.1 gives more examples of how states are using technology to simplify client procedures and to improve case management and program features.

Expanding Access Points

Realizing that welfare offices need not be the only locations where low-income families can apply for work supports, many states and localities have undertaken creative efforts to

²A “pre-populated form” is one that is partially filled out with a recipient’s/client’s personal information taken from previous forms.

Box 3.1

Using Technology to Link Low-Wage Workers with Services and Supports

These programs use technology to support case management services in innovative ways, to improve service delivery and client tracking both before and after employment.

Postemployment Case Management Tools

- *Work Central Call Center in North Carolina* has adapted low-cost private sector software to create Connect, a system that generates automated client mailings and reminders to case managers, produces online assessments, and provides client tracking and access to state TANF and Employment Security Commission records. This software includes geographic information system (GIS) mapping tools and a resource database that includes child care, transportation, training opportunities, and health care so that case managers can quickly locate the most accessible resources.

Benefit Screening and Online Applications

- *The Family and Social Services Agency in Indiana* developed HELP Indiana, an online tool that lets case managers simultaneously screen clients for 23 public work supports and benefits. The information is also available as clients visit various public or private partner agencies, and efforts are under way to develop online applications.
- *In New York City, Seedco works with the Women's Center for Education and Career Advancement (WCECA)* to train case managers at the CBOs in the EarnFair LLC program to use WCECA's self-sufficiency calculator as a career-planning tool for clients. The calculator illustrates the impact that various wages have on eligibility for work supports. Case managers then help clients make reemployment decisions that maximize their participation in work supports while moving toward self-sufficiency.
- *The U.S. Department of Agriculture, Food and Nutrition Service*, has a Web-based eligibility calculator that provides a preliminary estimate of food stamp benefits for a household, by state. In some instances, the site links to a state-based site. To view the eligibility calculator, see <http://209.48.219.49/fns/>.

Combined Approaches

- *Fayette County (Pennsylvania) Community Action Agency, Inc.*, developed client-tracking and case management software — the Family Access Management System (FAMS) — now used by other agencies and organizations. Programs with common clients can share forms, applications, and eligibility information as well as track clients' contacts with various partners. FAMS supports the agencies' intake assessments and helps determine eligibility for work supports and services. Public agencies in Nebraska have also purchased FAMS, and other states may follow.
- *Seedco's EarnFair LLC program* also uses an MIS to track client services and outcomes across participating CBOs. In partnership with WCECA and with funding from the U.S. Department of Commerce's Technology Opportunity Program, Seedco is expanding the MIS capability to include online tracking and processing of applications for public benefits. It is also developing an online resource guide to help caseworkers identify work supports and private programs (like IDAs and emergency loans), as well as training and education resources, for low-income clients.

increase the number of access points for such programs in low-income communities. Access can be expanded by:

- Making application forms available online, either to be printed out and mailed or to be submitted directly via the World Wide Web
- Establishing call centers for programs that do not require face-to-face application interviews
- Creating such online tools as a Web-based “eligibility calculator” to help potential clients determine whether they might be eligible and to provide information about application procedures
- Outstationing eligibility staff in One-Stop centers, faith- and community-based organizations, schools, clinics, and other locations throughout the community³

Working in consultation with government agencies, the national advocacy organization Community Catalyst, in Boston, has developed a rules-based system called RealBenefits™ that uses technology to expand access to work supports. Computerized tools enable staff in community-based and nonprofit organizations as well as in county and municipal agencies to calculate clients’ potential eligibility and to print application forms for work supports and other benefit programs. Application forms for multiple programs are pre-populated with previously gathered data common to all programs, and completed forms are then printed out from the RealBenefits system and are either faxed or mailed to the relevant agencies for processing. Staff at sponsoring agencies can act as liaisons between their clients and government eligibility workers. RealBenefits can also be used to file applications electronically, and Community Catalyst is working with government agencies in two states to develop workflow systems that include electronic applications.

Launching Outreach, Marketing, and Educational Campaigns

In their efforts to get the word out to low-income families about the availability of work supports, some public agencies have engaged community-based organizations, community action agencies, nonprofit intermediaries, and employers to get involved in outreach, marketing, and educational campaigns.

³Outstationed staff should be available at the alternative sites as often as possible, to maximize clients’ access to staff and services.

For example, through the Delta Initiative, the U.S. Department of Health and Human Services (HHS) has partnered with the National Organization of Black County Officials and the Internal Revenue Service to increase the number of welfare recipients and working-poor families who file for the Earned Income Tax Credit (EITC). The project's sites include low-income rural and some urban areas in seven states in the Mississippi Delta region: Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee. The partners have focused on educating local officials about the financial benefits that EITCs can bring to their communities and on building local capacity for outreach, including:

- Forming local coalitions of public officials, community- and faith-based organizations, labor unions, and private employers
- Creating public service announcements, training videos, print materials (distributed via utility bills, school nurses, and other means), advertisements (on fast-food trays and city buses), and media events
- Opening new Volunteer Income Tax Assistance (VITA) sites and training staff across the partners about outreach and tax preparation

HHS plans to expand this program to include the 10 large metropolitan areas participating in its Urban Partnership Initiative, which focuses on building local capacity to serve welfare recipients. It is also exploring the use of mobile tax preparation services for rural areas that lack VITA centers and other free tax preparation services through a partnership with Historically Black Colleges.

Conclusion

Work supports can provide a financial cushion for low-income working families who are striving to maintain employment. The working poor may also face a wide range of nonfinancial employment barriers. Chapter 4 highlights promising job retention and career advancement services to help low-wage workers stabilize their employment and move into higher-paying jobs.

Chapter 4

Promising Practices in Employment Retention

Retaining employment is key for low-wage workers, as individuals progress toward the long-term goal of raising their family's household income. Recognizing that some amount of job change is natural and can be beneficial, the emphasis of employment retention efforts is not just on retaining one particular job but on retaining attachment to the workforce. The key is to shorten periods of unemployment between jobs and to help workers make choices so that each succeeding job moves them farther up the career ladder.

In terms of factors that could jeopardize employment, low-wage workers have the following disadvantages compared with higher-wage workers:

- More fragile child care arrangements because of limited subsidies and fewer low-cost options
- Greater likelihood that children or others in their care have special needs
- Limited access to employer benefits (such as paid sick or vacation leave and dependent-care benefits)
- Less flexible work schedules and greater likelihood of working night shifts¹

Given these many challenges, low-wage workers can benefit from employment retention services, which many potential partner organizations already provide for welfare recipients or other groups. Although retention services for low-wage workers were much less widespread than preemployment services at the sites visited in this study, the field research discovered promising strategies across three major categories:

- Enhanced approaches to postemployment case management
- Working with employers to improve job retention
- Offering additional retention services to fill in gaps (for example, emergency child care, financial literacy education and asset development, and transportation services)

¹Heymann et al., 2002.

Providing Enhanced Postemployment Case Management

Providing or continuing case management after clients become employed usually involves helping them to connect with available services, assisting them with job and personal problems, and providing assessment and counseling to help them retain employment.² To be effective, case management is often combined with other work supports and services and may include long-term problem solving and planning as well as helping clients in a short-term personal crisis.³

Many case managers described going the extra mile to help working clients survive short-term emergencies with their jobs intact. One retention specialist at Working to Achieve Growth and Employment (WAGE) Connection — a TANF-funded service center in Harford County, Maryland — described her job as mostly “putting out fires” for employed welfare clients, such as visiting the Motor Vehicle Administration or child care providers on her clients’ behalf, to prevent them from missing a day’s work.⁴ Case managers also described preparing clients for future changes in work supports or employment status. Case managers for Westmoreland Human Opportunities — a community action agency in Pennsylvania — described helping clients make financial contingency plans for when they reach “income cliffs” in making transitions from welfare to work or are between jobs.

Because case management often involves referrals to programs and services offered by other public or private providers, collaboration is an essential component, as evidenced by the following example from the field.

Work Central Call Center

One innovative model for postemployment case management is the Work Central Call Center, in Rocky Mount, North Carolina, operated by Connectinc., a community-based organization. The center provides case management services to low-income workers via the telephone — at convenient daytime, evening, and weekend hours — through a partnership with public and private organizations. The ultimate goal for Work Central is to prevent future reliance on cash assistance. The call center serves former TANF recipients, dislocated workers from the tobacco industry, and other families with incomes up to 200 percent of the federal poverty level. It is able to maintain 8,200 cases across 10 rural counties in the state, using technology to link clients with training, placement, and family support resources in their communities as well as with pro-

²Relave, 2001.

³Strawn and Martinson, 2000.

⁴Personal communication with retention specialist at Harford County Department of Social Services.

spective employers. Work Central's seamless and nearly paperless case management processes address four customer goals:

- **Reemployment** typically involves job-finding and job placement activities such as job matching, interview scheduling, and résumé assistance. The North Carolina Employment Security Commission supports this goal by assigning a full-time employee to serve Work Central's customers.
- **Job retention services** include assistance with applications for family-management supports (like daycare, emergency economic relief, child support, and domestic violence services), addressing employment barriers through counseling and referrals, and providing consistent social support for the development of optimism, persistence, and a work ethic.
- **Career advancement** is promoted by supporting longevity of employment and by encouraging customers to upgrade their academic and employment credentials. Strategies include referral to low-cost correspondence or community-based programs for General Educational Development (GED) classes and skills training; facilitating registration at local postsecondary and adult education and training institutions; accessing financial aid, Individual Training Accounts (ITAs supported by Workforce Investment Act [WIA] funds), and other resources to support education and training; and encouraging the completion of such programs.
- **Asset accumulation** — viewed as a significant motivating factor for the three preceding goals — is addressed through outreach concerning the Earned Income Tax Credit (EITC), helping customers open accounts at cooperating banks, making referrals for credit repair and financial literacy counseling, and connecting customers to resources to purchase vehicles and homes.

Work Central is principally a call center, but its systems include automated mail service as well. Outreach letters are mailed to prospects included in an electronic database imported from the North Carolina Department of Health and Human Services, another public agency partner. Other automated correspondence congratulates customers who reach their goals, notifies them of failed attempts to reach them by phone, and ensures that they receive promotional information about opportunities like the EITC.

Work Central's case management software automatically schedules outreach and follow-up calls for case managers and allocates incoming calls to a toll-free number. Technology makes it possible to serve a large caseload over a wide service area for just over \$100 per customer. State TANF funds and a combination of county Department of Social Services contracts,

private foundation dollars, and in-kind contributions from partners (such as phone service from Sprint) support Work Central for just under \$800,000 per year.

Box 4.1 features additional examples of innovative practices in case management at sites participating in the U.S. Department of Health and Human Services' Employment Retention and Advancement (ERA) project.

Working with Employers to Improve Job Retention Efforts

Employers are important partners for public or private organizations that are interested in promoting employment retention for low-wage workers. Recognizing the high costs associated with employee turnover, some employers are providing retention services themselves. Through field explorations, MDRC and the NGA Center spoke with private employers who have been testing a number of strategies to retain their low-wage workforce. Field researchers also found intermediary or community-based organizations (CBOs) that have sought to partner with employers to offer retention services to low-income individuals, both preemployment (including soft-skills and job-skills training) and postemployment (counseling, training, or referrals to social services or work support programs). Another option is for partner organizations to provide benefits or services typically offered by employers, such as Employee Assistance Programs (EAP) or similar approaches that provide counseling and help with employees' personal problems related to health, family, finances, substance abuse, legal issues, and stress.⁵ Companies that employ low-wage workers are less likely to offer such services, but following are two examples of initiatives that are attempting to bring corporate EAP services to a broader spectrum of employees.

EarnFair® LLC

Seedco, a nonprofit intermediary organization, has created EarnFair LLC, a limited-liability staffing agency, to place low-income (WIA-eligible) clients with New York City employers and to provide them with postemployment services. After a trial period, employers either can put successful temporary employees on their own payroll or can retain them as contract workers for up to two years. While working in temporary placements, EarnFair LLC clients receive postemployment services and supports, including health benefits, case management, and an Employee Assistance Program through partner CBOs. The EAP includes such services as:

- Seedco's family loan program (a resource to cope with emergencies)

⁵For more information, see "What Is an Employee Assistance Program (EAP)?" on the Employee Assistance Professionals Association Web site: <http://www.eapassn.org/public/pages/index.cfm?pageid=507>.

Box 4.1

Case Management Examples from the Employment Retention and Advancement (ERA) Project

The Employment Retention and Advancement (ERA) project — initiated and funded by the U.S. Department of Health and Human Services, with supplemental funding from the U.S. Department of Labor — is a comprehensive multisite evaluation of employment stability and wage progression programs for low-wage workers. Fifteen sites in eight states are participating in the evaluation and are testing a range of services, staffing configurations, and program goals. A number of sites are working intensively with employed TANF recipients and former TANF recipients to help them advance in the workplace by assisting them to (1) identify and articulate career goals, (2) map out career ladders and steps to advance in their career track, (3) identify barriers to job retention, and (4) connect to local resources. Case management practices are designed to help support these working parents in reaching their goals.

- *The PROGRESS program in Eugene, Oregon*, uses teams of caseworkers and career development specialists to target newly employed TANF recipients and working individuals who are receiving Medicaid, and they provide structured case management aimed at addressing barriers to employment and identifying career advancement opportunities. PROGRESS teams encourage participation by marketing the program's benefits (for example, the potential for increased income) and by following up intensively within the first few months after employment — a critical time for building rapport and trust with participants. During the initial meeting with a client, staff use an interview guide to gain a complete picture of the individual's work history and personal circumstances, and from this they develop an income improvement plan with specific steps that the client can take toward accomplishing the stated goals.
- *The South Carolina ERA program, Moving Up*, operates in six rural counties and serves former welfare recipients who left welfare between October 1997 and December 2000. Moving Up case managers provide individualized employment assistance based on participants' personal circumstances. As an incentive to encourage clients to retain employment and advance in the workplace, case managers provide stipends (ranging from \$10 to \$150) that are linked to the successful achievement of such milestones as finding a better job, maintaining employment, receiving a promotion, or completing a training class. To maintain participation and make services more accessible, Moving Up staff work flexible hours and are available to meet participants at home or at other locations off-site.
- *The Illinois ERA program* operates in St. Clair and Cook Counties and serves welfare recipients who have worked at least 30 hours per week for the past six months. The Chicago provider, Employment and Employer Services (EES), has trained a team of seven staff dedicated to supporting clients as they pursue advancement opportunities. The Career and Income Advisors (CIAs) provide customized case management that addresses the full range of customers' personal and social service needs while remaining focused on advancement. Staff have developed creative marketing materials that focus on program outcomes rather than program services. These materials and a variety of incentives have proved useful in outreach efforts and in sustaining clients' participation. Another tactic for maintaining engagement is sharing clients' success stories through a newsletter and celebratory dinners.

- Referrals for work supports, social services, and postsecondary, adult education and training programs (Some training options are available on-site at the CBOs.)
- Asset development and financial literacy services, including free Citigroup checking accounts, personal financial management training, Individual Development Accounts (IDAs), and assistance filing income tax forms⁶

The project is a result of the EarnFair Alliance, a large-scale collaboration between Seedco and a host of other public and private organizations, including the New York City Human Resources Administration, the Local Initiatives Support Corporation (another intermediary organization), nine CBO service providers, and the City University of New York. As an intermediary, Seedco has developed new foundation and public funding resources, has offered economies of scale, and has assumed for the smaller CBOs the risks involved in performance-based contracting. The program is supported by nearly \$20 million in private funding from foundations, a range of innovative financing strategies (including welfare diversion grants, wage subsidies, and loans), fees from employer clients, and financial or in-kind contributions from other partners.

Portable Employee Assistance Program

Another employer-focused retention initiative is the pilot test of a Portable Employee Assistance Program (EAP) for low-wage workers in St. Paul, Minnesota, sponsored by the McKnight Foundation. The program involves an unusual private-public partnership to reach both low-wage workers and their employers. The St. Paul Port Authority is managing the project in conjunction with its affiliated workforce development organization, Employer Solutions, Inc., and an established EAP provider for low-income families, Family Service Employee Resources. The pilot test aims to bring intensive EAP counseling, soft-skills training, and referral services to employers of selected low-wage workers (earning \$12 or less an hour), in an effort to increase the workers' job retention rates and career mobility opportunities. If the low-wage clients switch employers, they take their EAP services with them. A secondary benefit may be to influence the employers to provide greater advancement opportunities more broadly throughout their workforce. If successful, the Port Authority hopes to provide the portable EAP on a much broader scale. The pilot test draws on existing EAP and community services, including:

⁶IDAs are similar to savings accounts but are set up for specified purposes (home ownership, college, and small business development) and typically involve matching funds from a variety of public or private sources. See Ewing Marion Kauffman Foundation, 2001.

- An intake interview to evaluate clients' soft skills, job skills, and psychological status
- A consultation by Employer Solutions regarding the employer's advancement opportunities and barriers to advancement for all workers
- An individualized advancement plan for each worker
- Face-to-face counseling, including referrals to services offered by the EAP (such as domestic violence counseling); by Family Services, Inc., the parent organization of Family Service Employee Resources (regarding, for example, housing and legal services); or by other community providers (for such problems as substance abuse)
- One-on-one soft-skills training (in such areas as contingency planning and workplace conduct) and help accessing adult or postsecondary education programs

Directly helping employers to improve their workers' job retention rates is a promising approach that benefits both low-wage workers and the companies that hire them.

Offering Additional Employment Retention Services to Fill Gaps

Several public and private organizations are working together to provide unique employment retention services that attempt to address some basic threats to job stability in the low-wage workforce: fragile child care arrangements, poor financial literacy skills and limited assets, and transportation problems. Table 4.1 presents additional examples of postemployment case management strategies, employer-focused retention efforts, and other retention services featured in this chapter.

Emergency Child Care

While the availability of quality child care has itself been described by working parents as a critical work support, temporary problems with child care arrangements can also be a major barrier to retaining a job. Some employers of higher-wage workers have offered emergency child care benefits, but low-wage workers are unlikely to have access to similar benefits, until now. Seedco and the New York City Human Resources Administration have joined with other public and private organizations to offer a pilot program, Community Child Care Assistance, to working former TANF recipients in the Bronx and to some of Seedco's EarnFair clients (low-wage workers) in other areas of the city. The program is supported by funds from New York State Children and Family Services, the local Human Resources Administration, and private

Building Bridges to Self-Sufficiency

Table 4.1

Employment Retention Services: Additional Examples

| Focus/Organization | Strategy |
|---|--|
| <p>Postemployment case management Involving the entire family, Sonoma County Department of Human Services (SCDHS), CA</p> <p>Workplace-based services Cascade Engineering, Grand Rapids, MI</p> | <p>By working with clients’ entire families before job placement, SCDHS case managers believe that they are able to interest more clients in retention services. They provide both pre- and postemployment family activities, like outings and events, as well as simultaneous events for children (like homework clubs) while their parents are attending retention activities.</p> <p>Cascade Engineering partnered with Michigan’s Family Independence Agency to provide on-site retention case management for welfare-to-work hires. Cascade found the services so effective in increasing retention that it donated funds to the agency to cover the staffing costs of outstationing TANF case managers. Cascade also offers a home-purchasing program in partnership with the Home-Link Employer Assisted Housing Program. Employees take money management classes and can save up to \$1,000 for home down payments through matched payroll deductions.</p> |
| <p>Partnering with employers America’s Family, Colorado Springs, CO</p> <p>Goodwill/Easter Seals (a member of the Neighborhood Employment Network), Minneapolis, MN</p> <p>Achieve Program, Towards Employment, Cleveland, OH</p> <p>Aramark Staffing Centers, Aramark Corporation, Philadelphia, PA</p> | <p>America’s Family is a nonprofit organization that works with employers in several sectors. One of its program features is training employer partners’ staff to be an “ambassador” — a point person who directs entry-level peers to community supports and services. Ambassadors are often located in participating partner locations; for example, when an employee visits a health clinic that belongs to the program, ambassadors are available.</p> <p>Goodwill offers mentoring through group support with its “Lunch and Learn” series for low-wage employees of the local banking industry. Thirty or so employees meet once a month for lunch to discuss retention issues and career advancement plans.</p> <p>In this program, a community based organization (Towards Employment) provides employer-based services for low-wage workers, including training modules for frontline supervisors; lunchtime workshops (“Lunch-and-Learns”) that facilitate discussion and provide information on topics that threaten job retention and career advancement (budget management, on-the-job conflicts); and one-to-one customized support by Achieve Advisors. This is a site in the Employment Retention and Advancement evaluation (Box 4.1).</p> <p>Aramark created its own staffing agency to hire welfare recipients and other disadvantaged individuals. After six weeks, hires can become permanent employees of Aramark or the employer who initially contracted their services. In Philadelphia, the center partners with the local One-Stop to recruit staff and provide preemployment training. Supervisors also frequently connect with clients’ outside case managers to address employment barriers.</p> |

(continued)

Table 4.1 (continued)

| Focus/Organization | Strategy |
|--|--|
| <p>Other retention strategies</p> <p>Asset development Seedco, New York</p> <p>Transportation Cascade Engineering, Grand Rapids, MI</p> | <p>Seedco is offering Individual Development Accounts (IDAs) to low-income families in New York City with a grant from the U.S. Department of Health and Human Services and matching foundation and Seedco funds, through its EarnAssets IDA Program. Many of the 76 IDAs open thus far have been used for home ownership, followed by education or training purposes.</p> <p>Cascade Engineering’s working welfare recipient employees can access door-to-door transportation services for the first three months on the job as well as stipends to purchase cars through the Family Independence Agency. Cascade has also funded a CBO, Angels Wings, to provide employees with free van rides to and from work, for all shifts.</p> |

foundations. Seedco staff discovered that family child care providers typically had several slots available at any given time, and so they created a database of emergency care providers. Working parents can enroll for services through local CBOs and at participating employers, and they can visit local providers to keep their preferences on file. Enrolled participants can call to arrange for emergency child care on the same day that their regular arrangements fail.

Financial Literacy and Asset Development

To help low-wage workers prepare for personal crises that can threaten job stability, some public and private organizations include financial literacy education or counseling as part of their package of services.⁷ Such programs aim to improve financial literacy and help low-income working families build assets; they may refer clients to money-management classes in the community or may offer these classes on-site. Organizations may also offer Individual Development Accounts (IDAs) for low-wage workers, or they may partner with banks or credit unions to try to expand access to low-interest savings or checking accounts in low-income communities. For example, through the Finanzas program, a public-private partnership in Delaware provides bilingual instruction in financial literacy and home ownership to low-wage Latino immigrants working at

⁷For a number of reasons, it can be difficult for low-income families to maximize their limited income to weather future financial crises. Low-income families are less likely to use financial services than higher-income families because of the limited availability of financial services in low-income neighborhoods, a lack of familiarity or wariness concerning banking, and the high costs of financial services (such as minimum balance requirements). Further, predatory lending practices like check-cashing services (which can charge fees as high as 20 percent), payday loans, and rent-to-own plans can erode low-wage workers’ already-limited earnings. See Carr and Schuetz, 2001.

Perdue's chicken-processing plants; besides the employer, the partners include the state's housing authority, NCALL Research (a housing counseling agency), the Fannie Mae Delaware Partnership Office, Citizens Bank, and the U.S. Department of Labor. NCALL Research provides an instructor to teach a six-week, 12-hour course, in English and Spanish, on the fundamentals of the U.S. banking system. As part of the program, participants open bank accounts and establish direct deposit, and they receive paid release time from Perdue for hours spent in class. After completing the first course (or instead of the first course, for more advanced students), workers can take a two-week, 4-hour course about predatory lending and how to avoid and repair poor credit. Finally, participants are referred to a home ownership counselor.

Transportation

Another major job retention issue is securing reliable transportation to and from work and other destinations, such as child care providers and work supports or social services. Lack of transportation is a particular problem in rural areas, which rarely have public systems in place. One strategy is to create new public transportation options for low-income working families. For example, the Sonoma County Human Services Department in California, working with several community partners, launched a van pool to help incumbent workers get to their jobs and to the local One-Stop. The vans have logged over 4,000 trips since the fall of 2001. The partners are also pilot-testing a new service to transport clients' children to and from school and child care, so that parents do not have to disrupt their work.⁸ Another approach is to help low-wage workers access loans to purchase cars; many state and local welfare agencies partner with CBOs and car dealerships to provide low-cost or used cars for low-income families.⁹

Conclusion

Connecting families with employment retention services can prevent returns to cash assistance for former welfare recipients or costly spells of unemployment for low-wage workers in general. Helping workers maintain entry-level employment is only part of the puzzle in promoting long-term economic stability. To complement the promising practices in work supports and job retention efforts for low-wage workers, Chapter 5 next describes promising state and local practices in promoting career advancement.

⁸Funding for transportation-related services was recently cut, and both programs were discontinued on July 1, 2003.

⁹For examples of public-private car loan partnerships, see Table 4.1 for Cascade Engineering's employer-sponsored transportation program; for additional car loan examples in New York, Minnesota, and other states, see the Welfare Information Network's Web site: <http://www.financeprojectinfo.org/win/transport.asp>.

Chapter 5

Promising Practices in Career Advancement

Career advancement services represent a longer-term strategy to link working-poor families with higher wages and better jobs. Additionally, because eligibility for many work supports is limited by time or income, workers should try to achieve increasingly higher levels of financial stability in order to replace resources that they might lose. Such efforts often involve education and training and reemployment or job placement services to help workers find higher-wage jobs, and these services are linked with available work supports to encourage participation and program completion. While job retention services for low-wage workers were limited in most of the venues visited for this study, a focus on career advancement was even scarcer. Like retention services, career advancement services should be customized to individual clients' skill levels, work experience, and career interests; career advancement services are not "one size fits all." Further, pursuing these services can be a real challenge for low-wage workers, who often need to balance a host of family and employment responsibilities and often lack the financial resources and work supports needed — for example, to return to college.¹

This chapter profiles some of the career advancement approaches that were identified through site visits, in the following four areas:

- Adult education and occupational training
- Postsecondary education
- Reemployment services
- Career ladder approaches

Adult Education and Occupational Training

Low basic skill levels can be a barrier to career advancement and can keep low-wage workers from qualifying for higher-paying jobs that offer employer-provided fringe benefits.² At a number of sites in this study, Adult Basic Education (ABE), English as a Second Language (ESL), and General Educational Development (GED) classes are offered on-site or through re-

¹For low-wage workers' perspectives on the challenges of balancing work, family, and college responsibilities, see Matus-Grossman and Gooden (2002).

²Working-poor adults are much more likely to have lower education levels than higher-income workers; for example, 22 percent have less than a high school diploma or GED certificate, compared with only 4 percent of higher-income workers (Acs, Phillips, and McKenzie, 2001).

ferrals, often through community partnerships. Adult education classes can be tedious, however, particularly for adults who have had difficulties with school in the past. One promising approach to providing career advancement training for adults who have limited English proficiency is a vocationally based English as a Second Language (VESL) program, which integrates language skills with occupational skills training. Some organizations have focused their career advancement efforts on occupational training, to prepare working or unemployed clients for new career areas, often in high-growth industries. Employers have also provided education and training to improve the basic skills of entry-level workers.

Ideally, adult education or training strategies should be linked to future postsecondary education and training opportunities and to labor market demand, as is the case with career ladder initiatives, described later in this chapter. Completion of an individual training program may have its own rewards in terms of job placement or advancement opportunities. Table 5.1 presents additional examples of education and training approaches. The following example from the field illustrates how an intermediary organization and a large number of community organizations can collaborate to connect low-wage workers with adult education and occupational training for career advancement.

The Career Advancement Center

Some community-based organizations (CBOs) and public agencies are partnering with local employers to bring new education and training services to their incumbent workers. The San Francisco Department of Human Services and Goodwill Industries pilot-tested an unusual approach to connect workers with advancement services through the Career Advancement Center (CAC). This nonprofit intermediary organization brought together — in a neutral location in the metropolitan area — public and private education and training providers as well as low-wage workers (earning less than \$15 an hour) and short-term unemployed families. Despite positive outcomes, however, insufficient funding led the CAC to cease operations in July 2003.

The two partner organizations had created the CAC in response to local demand for career advancement services, especially education and occupational training. Although CBOs and local community colleges already offered potential courses and workshops, most of these providers lacked adequate resources or faced logistical challenges in offering services at hours when working clients could access them. Goodwill donated the use of a new facility for evening and weekend hours, and the Department of Human Services staffed the CAC. Local providers offered advancement-focused classes at the CAC several weekday evenings and on Saturdays.

The CAC partnered with a wide range of providers, including the local Workforce Investment Board, San Francisco City College, the Bay Area Video Coalition, SF Works, Goodwill, SF Earn, the East Bay Local Development Corporation, Jewish Vocational Services, and

Table 5.1

Career Advancement Strategies: Additional Examples

| Focus/Organization | Strategy |
|---|--|
| <p>Vocational English as a Second Language (VESL) Pillsbury United Communities, Inc. (PUC), Minneapolis, MN</p> | <p>PUC used TANF funds to create a VESL program in partnership with Home Depot. Initially, the program served incumbent workers, but it is now used for preemployment training and screening. Three-week trainings are held on-site at Home Depot stores, focused on helping Spanish speakers pass the store’s applicant exam. PUC also provides support services to participants.</p> |
| <p>Public-private education partnership Sales and Service Training Center at Arundel Mills, Hanover, MD</p> | <p>This skills center offers on-site ABE, GED, ESL, and vocational training in sales and service occupations for potential hires and incumbent workers of the Arundel Mills mall, through a partnership with Anne Arundel Community College and local welfare and workforce development agencies. The National Retail Federation, a key partner, has launched similar centers in other states.</p> |
| <p>Training for high-growth industries Opportunities Industrialization Center West (OICW), Menlo Park, CA</p> | <p>OICW provides low-income residents with assessment, job training, and placement services. On-site training opportunities are available in allied health, information technology, construction, culinary arts, digital publishing, office skills, and electronics/telecommunications. Clients can access “Smartforce,” a self-paced e-learning program offering 44 certificate programs and 64 courses in technology, business, and soft skills. OICW has also partnered with Cañada College to offer ESL and occupational classes on-site at its One-Stop, Peninsula Works.</p> |
| <p>Employer-sponsored training Career Advancement Training (CAT) Program, Marriott International, Indianapolis and Maryville, IN</p> | <p>The CAT program includes more than 10 training modules focused on job and life skills for entry-level associates, leading to promotional opportunities. Training includes classroom and experiential components covering customer service, goal setting, teamwork, and accessing community services. Career development activities are also included, such as mapping out career plans and creating a résumé. Additional CAT programs are under development in South Bend, Indiana, and St. Louis, Missouri, with proposals pending in additional states.</p> |
| <p>Postsecondary education Montgomery Job Center, Dayton, OH Fast Track to Work (FTW), Cabrillo College, Aptos, CA</p> | <p>The Montgomery Job Center, the local One-Stop, offers clients on-site opportunities to enroll in Sinclair Community College classes.</p> <p>For certificate- and degree-seeking students, FTW provides dedicated academic advisors who are familiar with welfare and workforce development regulations, an on-site welfare caseworker, and career development classes.</p> |

(continued)

Table 5.1 (continued)

| Focus/Organization | Strategy |
|--|--|
| <p>Reemployment services Work Central Call Center, Rocky Mount, NC</p> | <p>Work Central includes reemployment as a specific goal of its phone-based case management services, based on the understanding that career advancement depends on work experience. (See the text for more information.)</p> |
| <p>Career ladder approach Sacramento Works, Inc. (SWI), Sacramento, CA</p> <p>Connecting “rungs” of the education ladder, Urban College, Boston, MA</p> | <p>SWI meets the hiring needs of local employers through partnerships with employers, workforce and welfare agencies, and education providers, and it has developed a health care career ladder program with Los Rios Community College, Sutter Hospital, Kaiser Hospital, and Catholic Healthcare West. Participants receive entry-level training for Certified Nursing Assistant and Licensed Vocational Nurse certificates, job placements, and upgrading training to earn nursing credentials. SWI also has customized, employer-based upgrade training in the hospitality, construction, technology, and customer service industries.</p> <p>Urban College was created by a local community development organization, Action for Boston Community Development (ABCD), to serve low-income and working clients’ education needs. The college has negotiated agreements with local four-year universities so that credits from its two-year occupational programs count toward four-year degree programs.</p> |

the San Francisco Department of Human Services. Over the two years of its existence, the CAC offered a range of activities, including:

- Classes in Adult Basic Education (ABE) and in English as a Second Language (ESL) and vocationally based ESL (VESL)
- Workshops on obtaining key work supports (the Earned Income Tax Credit [EITC], food stamps, Supplemental Security Income [SSI]); job opportunities in different fields; nutrition; and financial literacy and asset development (Individual Development Accounts [IDAs], money management)
- Short-term occupational training in high-growth sectors (information technology, health care, and business services)
- On-site work supports and social services, including food, child care, security, transportation, job placement, and vocational counseling (offered by the CAC itself or by providers)

In addition, some local providers offered legal services, support groups, and enrichment activities for children or families. Participants often received access to other services offered by the providers, and those who participated in San Francisco City College programs were automatically enrolled as students.

Postsecondary Education

Many low-wage workers are unaware of specific postsecondary programs and supports available in their communities (such as financial aid and college advising services).³ Further, enrolling in college courses can be intimidating for adults, even if college education could be a ticket to better jobs. Some organizations have attempted to make college more accessible by offering classes or services at convenient, off-campus locations. Often, agencies and organizations refer clients to colleges and assist them with enrollment and other aspects of the system. Some colleges also provide services on-campus that aid working students in navigating the system, from admissions to graduation.

For programs that offer both adult education and postsecondary options, there are a number of strategies to provide a “bridge” between GED or basic skills and postsecondary programs, to encourage working adult students to continue their studies. For example, Fayette County Community Action Agency works with graduates of the organization’s Certified Nursing Assistant training program to encourage them to move along the health career pathway by applying to college and working toward a Licensed Practical Nurse or a Registered Nurse credential. The agency also invites college representatives to workshops and support groups to discuss the application process and financial issues. Table 5.1 gives additional examples of career advancement strategies based on postsecondary education.

Lorain County Community College

As part of MDRC’s Opening Doors demonstration, the Lorain County Community College Foundation will provide a \$150 stipend for each of two consecutive semesters to help working adult students cover costs that are not paid by federal, state, or college assistance (such as books, fees, meals, transportation, and child care). Students will receive this stipend during the first week of classes, unlike traditional financial aid, which often involves several weeks of lag time. In addition to such “fill-the-gap” financial assistance, the college — serving a region consisting of two cities and some small rural communities in northeastern Ohio — will provide a team of support staff to offer these same students a host of enhanced services, including academic and financial advice, personal and career counseling, loan information, and tutoring —

³Matus-Grossman and Gooden, 2002.

with much lower staff-to-student ratios than community college students typically receive. The students will also be grouped into cohorts, in order to build peer support networks.⁴

Reemployment Approaches

While improving basic skills or earning a college degree can lead to better employment opportunities, many career advancement programs also focus on services to place low-wage workers in better jobs without emphasizing education and training. Welfare programs that focus up-front on placing clients in better jobs in certain high-growth, high-wage industries, or on strategically switching to such jobs, have been shown to provide better wage-progression opportunities than do placements in low-wage industries.⁵ Some programs have combined both reemployment and education and training approaches, helping clients find progressively better jobs with higher wages and more generous fringe benefits while they obtain additional work experience and education.

Reemployment services can be structured in several ways. Service providers for low-wage workers can focus on reemployment and career advancement as part of a counseling or training strategy. In the Employment Retention and Advancement (ERA) project, case managers in two Illinois counties are pilot-testing individualized advancement plans for welfare clients. (See Box 4.1 in Chapter 4 for more information about the ERA project.) Some service providers combine reemployment planning with education or training services. The Ventura Business and Employment Services Department in Ventura County, California, is targeting training to incumbent workers who then will qualify for higher-level positions, leaving new entry-level openings that can be filled by welfare and workforce development clients. Table 5.1 gives additional examples of career advancement strategies based on reemployment services.

Career Ladder Approaches

A more comprehensive advancement strategy defines sector-based career ladders, creating “maps” of job opportunities that are linked to increasingly higher levels of education and training within particular occupational fields. Integral components for career ladder, or “pathway,” programs include basic skills training for students requiring remediation, an entry-level job-skills training, and further upgrade training for higher-paying positions requiring additional skills.⁶ In addition to these training components, career ladder programs include an emphasis on

⁴For more information about Lorain County Community College, see <http://www.lorainccc.edu>. For more information about MDRC’s Opening Doors demonstration, see http://www.mdrc.org/project_14_2.html.

⁵Strawn and Martinson, 2000.

⁶Alssid et al., 2002.

job development and partnerships with employers, helping participants to plan for and access advancement opportunities as they achieve each higher “rung” of education or training.⁷ Finally, by focusing on specific industry sectors, career ladder programs can help clients enter jobs that have the potential for career advancement and higher wages.⁸

Public welfare and workforce development agencies have taken the lead in several cases to map out or implement career ladders in local industries, working closely with many partners, including employers, in an attempt to strengthen connections between education and training resources and employment opportunities. Community colleges and intermediary organizations are also logical partners in any career ladder initiative, given their many key post-secondary education and training offerings and existing linkages with community organizations and employers.⁹ In many instances, they have taken the lead in working with employer and public agency partners to define career ladders and create customized training programs. For example, the Workforce Strategy Center — a national intermediary workforce development organization — is working with consortiums of community colleges, public agencies, employers, CBOs, and other partners to launch career pathways in five regions around the country. In New York City, a group of colleges is providing training in information technology to low-income participants who are recruited from local social service agencies and CBOs; and business intermediary groups including the New York Software Industry Association and EarnFair LLC (the staffing agency created by workforce intermediary Seedco, described in Chapter 4) are placing program graduates in entry-level, computer-related jobs at wages of at least \$12 an hour. Other partners — including the city’s One-Stop system and three CBOs — are providing case management and social services.¹⁰

One of the challenges on the education side of the career pathway design is to make sure that each rung of the ladder connects to the next-higher rung, in terms of articulation between education programs. Workers can enter employment or education programs at different levels, depending on their individual skill and experience. If they have to repeat different versions of the same coursework because credits do not transfer between programs, they may lose motivation. Given the complex partnerships involved among education providers, public agencies, employers, and CBOs, career ladder programs can be very difficult to implement and bring to scale.¹¹

⁷Poppe, Strawn, and Martinson, 2003.

⁸Foster-Bey and Rawlings, 2002.

⁹Alssid et al., 2002.

¹⁰Personal communication with Julian Alssid, Workforce Strategy Center, 2003. For more information, see <http://www.workforcestrategy.org/careerpathways.html>.

¹¹For a discussion of challenges in launching career ladder initiatives, see Fitzgerald and Carlson (2000).

Conclusion

From the promising practices described in Chapters 3 through 5, it is clear that elements of a local service delivery system do exist in many places — public and nonprofit organizations have expanded access to work supports and have created innovative services to foster employment retention and career advancement. Many of the examples described are the exception rather than the rule. Likewise, there are still many gaps in low-wage workers' access to such supports and services, as well as in the availability of retention and advancement services themselves. For one model of how localities might combine these three key sets of services into a comprehensive strategy for reaching low-wage workers, see Box 5.1, which gives an overview of MDRC's Work Advancement and Support Center demonstration currently being launched in conjunction with the U.S. Department of Labor; the project is focused on expanding the role of WIA One-Stops in reaching and serving the low-wage working population.

Next, Chapter 6 suggests some promising state policy options to broaden the availability of work supports and of job retention and career advancement services for low-income working families — and to promote the partnerships needed to improve local service delivery.

Box 5.1

MDRC's National Work Advancement and Support Center Demonstration

In 2001, MDRC began developing the Work Advancement and Support Center demonstration, a national research project to test approaches to improving the economic prospects of low-wage workers. Using a two-pronged approach to service delivery, the demonstration's support centers will:

- Address the relatively high rates of job turnover among low-wage workers and the low rates of advancement, by offering tailored career development counseling, job retention services, and links to skills training.
- Ensure that low-wage workers are receiving the “full package” of work supports for which they are eligible, including the EITC, subsidized health and child care, food stamps, and other supports available locally.

Rather than creating a new network of agencies, the National Work Advancement and Support Center demonstration will function as a unit of staff within a WIA One-Stop or an affiliated organization, building on existing strengths and service delivery frameworks and expanding their capacity to better reach and serve the low-wage working population. The demonstration will test both service approaches and changes in policies and procedure that inhibit access to retention and advancement services and work supports for low-wage workers, such as performance measures and complicated application processes.

After a year of exploratory work into the opportunities and challenges in serving low-wage workers, MDRC has secured funding from the U.S. Department of Labor and from the Ford, Rockefeller, Annie E. Casey, James Irvine, and Lucile and David Packard Foundations to launch a formal demonstration in six to eight sites to test promising strategies aimed at substantially increasing low-wage workers' participation in job retention and advancement services and work supports. The demonstration will include a rigorous research agenda that seeks to distill lessons about “what works” in improving service delivery to low-wage workers and their families. Selection of sites began in late 2003, and the demonstration is slated to conclude in 2007.

Chapter 6

State Policies to Support Promising Practices

Even though most of the delivery of services and supports to low-income working families occurs at the local level, state policies can have a significant impact on the provision of work supports and career advancement opportunities for low-wage workers and their families. This chapter explores the ways that state policies can influence practice, focusing on the following policy areas:

- Improving access to work supports
- Using Temporary Assistance for Needy Families (TANF) policies to support employment retention
- Adjusting TANF, workforce development, and higher education policies to support education, training, and career advancement for low-wage workers
- Providing employer-based incentives to promote work supports, job retention, and career advancement

How Can State Policies Influence Practice?

State policies can support and promote the promising practices described in previous chapters in a number of ways. For example, state welfare reform, workforce development, and higher education policies can influence the following:

- The amount of public resources committed to serving low-income working families
- The commitment of the relevant systems to serving these families
- The range of services and benefits for which these families are eligible
- The convenience and ease in accessing these services

Additionally, states can stimulate innovative practices by:

- Funding grant programs and demonstrations
- Establishing performance outcome measures, such as retention and earnings gains, that focus on serving low-income working families

- Facilitating the coordination of services among different systems
- Offering incentives to the private sector to provide greater support to low-wage workers

While state fiscal crises make this a tough time to develop new state programs and policies, difficult fiscal times can also be the impetus for more creative approaches that include improved coordination, blending of funding, and more efficient service delivery. This chapter discusses specific policy and program options available to states to encourage and facilitate the delivery of work supports, job retention services, and career advancement opportunities for low-wage workers and their families.

State Policies to Improve Access to Work Supports

Chapter 3 identifies a number of local service delivery innovations that are making it easier for low-wage workers to access work supports. While fiscal crises preclude most states from expanding eligibility for these supports, states do remain interested in ensuring that eligible families receive the supports they need — such as food stamps, child care, and Medicaid/State Children’s Health Insurance Program (SCHIP) — to help them remain employed and avoid welfare dependence. Some states are focusing on improving outreach and access to the Food Stamp Program. While the states share in administrative costs, food stamp benefits are 100 percent federally funded. Likewise, the program has long been recognized as having a countercyclical effect during economic downturns, because it injects new spending into the economy.

Similarly, helping to ensure that all eligible families know about and apply for the federal Earned Income Tax Credit (EITC), in particular, is a low-cost strategy that benefits families and brings more income into the state and local economy. For example, West Virginia estimates that, during the first year of its statewide EITC outreach campaign, a modest expenditure of \$25,000 contributed to 1,500 more families’ filing for the EITC and credits of approximately \$5 million dollars for these families.¹ For work support programs that have state fiscal implications, increasing outreach also requires states to plan for sufficient budget increases, in case participation in those programs should rise significantly. Box 6.1 describes several state efforts to conduct outreach and promote asset building as ways to support the work efforts of low-income families.

¹Conversation with Terrell Ellis, West Virginia Welfare Reform Coalition, December 2002. For more information, see www.wvwelfarereform.org.

Box 6.1

State Policies and Initiatives to Promote the Federal Earned Income Tax Credit (EITC) and Asset Development

States can join existing efforts or can launch collaborative statewide campaigns to increase awareness of the EITC and other credits. They can conduct outreach efforts; increase the amount of credit that families receive by helping them reduce transaction costs and loans; and promote asset building, which helps support long-term economic security.

- *In West Virginia*, for the second year, Governor Bob Wise actively supported a statewide EITC campaign coordinated by the West Virginia Welfare Reform Coalition in collaboration with the Internal Revenue Service, the West Virginia Chamber of Commerce, the AFL-CIO, business and industry associations, community organizations, and state agencies. The governor's picture and endorsement are featured prominently on the informational brochures, and the state's Department of Tax and Revenue and Department of Health and Human Resources have provided some funding for the campaign, which is also supported by private foundations. The coalition has also worked with Legal Services of West Virginia to expand the availability of Volunteer Income Tax Assistance (VITA) sites in rural areas.
See <http://www.wveitc.org> for more information.
- *In Delaware*, Governor Minner created the Governor's Task Force for Financial Independence to identify and implement public policies to help low- and moderate-income individuals build assets and achieve long-term economic stability. Comprising 29 business, government, and community leaders, the task force issued 15 recommendations in June 2002, including supporting an EITC outreach campaign; training state caseworkers to incorporate financial literacy into meetings with clients; making financial literacy training an allowable work activity under TANF; expanding education about predatory lending practices and providing pre-purchase housing counseling; enacting a state EITC; and providing support for mainstream and nonprofit alternatives to high-cost fringe banking services.
See <http://www.state.de.us/governor/publications/index.htm> for more information.
- *In Delaware*, state officials have also played a leading role in creating the Delaware Financial Literacy Institute, a nonprofit organization that promotes financial education through the Delaware Money School — an annual program of more than 300 free money-management courses on such topics as debt reduction, investing, retirement planning, and managing life changes; the courses are offered across the state by professionals.
See <http://www.delawaremoneyschool.com/index.cfm> for more information.

Examples of Policies to Improve Access to Work Supports

- **Adjust the state’s application or recertification policies to make work supports more accessible to working clients.** States can adopt administrative changes to ease access to work supports, including lengthening recertification periods, simplifying application forms and/or developing a single application for multiple programs, and creating common definitions for “income” and “assets” across programs. States can also adopt rules that reduce the frequency of required in-person visits and can encourage local agencies to offer evening and weekend hours and/or to colocate or outstation eligibility staff at convenient locations (such as One-Stop Career Centers and health clinics). (Chapter 3 gives examples of related state practices, and Box 6.2 expands on these policy alignment options to increase access to work supports for low-wage workers.)
- **Implement “e-government” strategies to improve access to work supports.** States can develop user-friendly Web sites to provide basic information about program benefits and eligibility; to screen applicants for preliminary eligibility; to calculate benefits; and to provide downloadable, printer-friendly application forms. Online information should be easy to locate on a state’s Web site and should cover multiple programs. Some states provide information in various languages and accept electronic submission of application forms.²
- **Conduct statewide outreach to inform low-wage workers about work supports.** A number of states are partnering with localities and community-based organizations to launch statewide outreach, marketing, and education campaigns related to work supports.
- **Connect work support outreach to asset development and financial literacy initiatives, particularly concerning the EITC and child tax credits.** States can establish and fund Individual Development Accounts (or seek alternative sources of funding, such as foundations) and can encourage filers to save their tax credit dollars in these IDAs or in traditional savings accounts. States can also help families maximize the value of their income and tax credits. Currently, more than two-thirds of families do not realize the full

²Richer, 2003.

Box 6.2

State Policies to Better Align Work Support Programs

Aligning policies and procedures among work support programs can make it easier for working families to access and retain supports. While TANF, Medicaid, SCHIP, and child care subsidies have had a great deal of flexibility, many states have felt hampered by the restrictions and requirements of the Food Stamp Program. However, the passage of the 2002 Farm Bill opened up a number of new opportunities for states interested in streamlining and coordinating access to work supports. The following information was adapted from *Aligning Policies and Procedures in Benefit Programs: An Analysis of the Opportunities and Challenges Under Current Federal Laws and Regulations*, published in 2004 by the Center on Budget and Policy Priorities. In addition to making it easier for families to access and retain benefits, it is probable that the states will experience administrative cost savings.

Combining and/or Simplifying Application Forms

Most states have created simplified two- or three-page mail-in application forms for Medicaid and SCHIP. By adding a few additional questions, these forms can be used as preliminary screening to determine potential eligibility for food stamps and child care. Families who appear likely to be eligible can then be given additional information on how to apply, and the state can begin the application process. (Creating a single application form to collect the needed data for all work supports may actually result in a longer, more complicated form.)

In addition, states can ease the burden of applying for work supports by allowing online filing of applications (with the required signature being sent by mail, fax, or electronic signature). The Food Stamp Program is the only program that requires a face-to-face interview by applicants prior to certification. Finally, states can use a single worker to determine eligibility for multiple programs. However, for Medicaid and food stamps, the final eligibility decision must be made by a state employee, unless the state has received a waiver from the federal government.

Aligning Reporting Rules

Most benefit programs require recipients to report changes in circumstances that might affect eligibility or benefit levels, such as changes in earnings, household composition, or resources. A state may require written reports on a periodic basis (regardless of whether changes have occurred) or may require recipients to report changes within a specified time after they occur.

The 2002 Farm Bill provides states with the option of semiannual reporting for food stamps. During this six-month period, families need not report any changes in earnings unless their income rises above 130 percent of poverty (and during this period, states are not held accountable for any errors associated with these changes). With the flexibility in TANF, child care, and Medicaid, states could adopt a six-month reporting requirement for these programs as well, requiring families to submit the information only once. While this action would ease access burdens for families, it can result in fiscal inefficiencies because some families will be receiving higher benefits than they would actually be eligible for, given their changed circumstances. States also have the flexibility to collect information about changes through phone, fax, and e-mail as well as traditional mail.

value of the EITC, losing as much as \$200 because of high fees associated with commercial tax preparation services and “rapid refund” loans.³ States can encourage communities to work with the Internal Revenue Service (IRS) to establish Volunteer Income Tax Assistance (VITA) sites that provide free tax preparation assistance to low-income filers.

- **Establish a state EITC.** Fifteen states and Washington, DC, have established an EITC, which is typically based on the federal tax credit. Refundable credits are available in the District of Columbia and ten states (Colorado, Indiana, Kansas, Maryland, Massachusetts, Minnesota, New Jersey, New York, Vermont, and Wisconsin), and five states offer nonrefundable credits (Illinois, Iowa, Maine, Oregon, and Rhode Island).⁴ States can count expenditures on the refundable portion of the credit toward their TANF maintenance-of-effort requirement, or they can use TANF dollars. Although it may not seem possible during a fiscal crisis to establish a new refundable credit, a state EITC can help offset cuts to work supports and services for low-income families and can lessen the impact of tax increases.

State TANF Policies to Support Employment Retention

State policies and program initiatives to help low-wage workers retain employment have focused largely on current and former TANF recipients. The TANF block grant provides a flexible funding source for postemployment retention efforts, and the TANF High Performance Bonus includes the employment retention of former TANF recipients as one of its primary measures. Although TANF funds can be used more broadly to help working-poor parents who have not been recent recipients of welfare cash assistance, resource limitations have caused most efforts to be more narrowly targeted to former welfare recipients.

State policy options in the area of employment retention include the following:

- **Provide ongoing case management and other support services for current welfare recipients who are working and for individuals who have left TANF for work.** As described in Chapter 4, case managers play an important role in helping former welfare recipients deal with work-based issues or problems, access work supports, and handle family emergencies. States usually set a time limit on the availability of these case management services, such as 12 months or 24 months after leaving TANF. States can also fund

³Berube, Kim, Foreman, and Burns, 2002.

⁴Patel, Greenberg, Savner, and Turetsky, 2002.

mentoring services for former TANF recipients; state and local agencies have contracted with community-based providers (including faith-based organizations) to recruit, train, and supervise both volunteer and paid mentors.

- **Provide incentives and additional financial support to offset the costs of working that are incurred by former TANF recipients.** Several states award job retention bonuses or cash incentives to former TANF recipients who have remained employed at specified intervals, such as six months, nine months, and twelve months. States can also provide more generous earnings disregards, work expense allowances, or supplemental payments to help offset some of the costs of working (such as transportation, uniforms, and child care). Under current TANF regulations, these allowances or supplemental payments do not trigger the time-limit clock if they are intended to offset work expenses rather than to supplement income. States have also used TANF to create transportation subsidies. Finally, TANF funds can be used to prevent low-income working families from losing their jobs, by providing “diversion payments”: one-time-only, lump-sum financial assistance to help deal with emergencies that might lead to job loss, such as a housing crisis or car repairs.
- **Adopt employment retention as an explicit goal of the state’s welfare reform efforts.** States can track retention outcomes and establish performance measures related to employment retention at the state, local, and (where appropriate) grantee level.

Examples of State Policies to Improve Employment Retention

- **Postemployment case management and other retention services.** In South Carolina, six counties are pilot-testing “Moving Up,” a program that provides “mobile” case management services to individuals who have left welfare, bringing these services directly to clients in very rural areas. (See Box 4.1 in Chapter 4 for more information.) Another example is the Transitional Opportunities Program (TOP) — launched in 2000 by New York State’s Office of Temporary and Disability Assistance, Division of Transitional Supports and Policy — to improve service delivery to working current or former welfare recipients. Initially using \$3 million in startup funding for 18 counties that administer the welfare system in the state, TOP programs were implemented in two additional counties with subsequent state funding in 2002. The overall goal is to provide postemployment supports and services that are focused on job retention and career advancement and to make them accessible in non-

stigmatizing community-based settings. TOP ensures that working families receive the transitional work supports they are eligible for, such as food stamps, medical assistance, and child care. Case managers connect clients with additional community and public services, including but not limited to free tax preparation services, adult education programs, and substance abuse treatment.

- **Incentives and additional financial support to offset work costs.** Tennessee has encouraged work and employment retention by providing cash bonuses ranging from \$75 to \$250 at critical junctures, such as remaining employed for nine months or attaining a General Educational Development (GED) certificate. Although studies show that the payments were effective in motivating participants, Tennessee has had to curtail this program due to budget cuts. In New Jersey, the Supplemental Work Support Program provides \$200 per month for working TANF recipients for up to 24 months to offset work expenses, as an incentive to voluntarily close their case. Recipients need to have worked at least 20 hours per week for the preceding four months.

State Policies to Support Education, Training, and Advancement

State workforce development, welfare reform, and higher education systems have begun to adopt policies and programs that help low-wage workers access and succeed in postsecondary education and training. Additionally, in some states, promising practices and policies are emerging through collaborative efforts that involve multiple agencies and combine a variety of funding sources.

State TANF Policies

While most states emphasize quick placement into employment for those who are “job-ready,” many states also offer the option of limited education and training to help welfare recipients become better qualified for jobs at higher skill levels. TANF can also fund supports for individuals who are enrolled in education programs.

State policy options include the following:

- **Permit postsecondary education to count toward the TANF work requirement either when combined with work or as a stand-alone activity.** Federal law allows states to count up to 12 months of “vocational educational training” toward an individual’s work requirement, for up to 30 percent of the caseload. Most states have not reached this limit. In addition, because the

“caseload reduction credit” has effectively reduced the work rate for all states, there is significant flexibility to allow individuals to participate in education and training. A few states have also created a separate program with TANF maintenance-of-effort (MOE) dollars to permit postsecondary education as a stand-alone activity for more than 12 months and to stop the TANF time-limit clock while parents are engaged in full-time education.

- **Use TANF/MOE funds to provide college campus-based supports for welfare recipients and former recipients.** To support the education efforts of low-income working students, states have funded new college-based services, including child care, counseling, case management, and tuition assistance.

Examples of State TANF Policies

- **New Jersey.** Through the Career Advancement Voucher program, employed former TANF recipients in New Jersey are eligible to receive a \$4,000 voucher to pay for education and training that will facilitate upward career mobility.
- **Kentucky.** Welfare recipients in Kentucky can participate in full-time postsecondary education for up to 24 months. Additionally, welfare recipients at the state’s community colleges have access to TANF-funded campus-based Ready to Work coordinators, who help them enroll and provide such additional support services as tutoring, mentoring and counseling, work experiences, job placement activities, and special initiatives to remain in school. The program is a partnership between the Cabinet for Children and Families and the Kentucky Community and Technical College System.
- **Washington.** Using TANF funds, the State of Washington developed a comprehensive approach to help employed current and former recipients and other low-wage workers access career advancement opportunities. Programs include tuition assistance for parents who have incomes up to 175 percent of the poverty level and who are participating in job-related vocational training at any of the state’s community and technical colleges; campus-based child care assistance; funding for skills-based, short-term preemployment training for colleges that partner with employers; and grants to community colleges to design more “worker-friendly” programs (for example, with flexible scheduling and shorter, modularized course offerings).

- **Louisiana.** More than \$13 million of state TANF funds are being used to provide customized tuition and upgrade training — work-related basic skills and high-demand technical skills — in Louisiana’s community and technical colleges, in partnership with employers. Low-income parents (below 200 percent of the poverty level) qualify for tuition, supplies, and supports, including counseling, through an Education/Employment Action Plan, \$6 daily transportation stipend, and child care in a licensed center (up to \$15 per day per child). To date this initiative has served more than 7,000 low-income parents.

State Workforce Development Policies

State workforce development systems typically include an array of training and education programs that have distinct and varying purposes and are often targeted toward specific populations. Given the breadth of workforce development, low-wage workers make up just one subgroup of potential beneficiaries, and they often get lost in the mix of programs.

Increasingly, however, as states look to meet both the short-term and the longer-term needs of employers in growth industries, they are recognizing the value of focusing on upgrade skills training and on education for low-skilled, low-wage workers. To do this, states are improving coordination and are developing collaborative efforts between employers and state workforce development, economic development, and postsecondary education systems. While states’ authority over the bulk of Workforce Investment Act (WIA) funds is limited — since the majority of funds go directly to local Workforce Investment Boards — states can use their discretionary WIA dollars (15 percent of their allocation) to fund innovative programs and state priorities. Additionally, states can launch collaborations by bundling small amounts of funding from adult education, WIA, and incumbent worker training programs.

States can explore the following options to increase the focus and commitment of the workforce development system to assist low-skilled, low-wage workers:

- **In addition to the WIA-mandated partners in the One-Stop Career Centers, states can require the participation of additional partners to facilitate access to career advancement services and supports.** States could include welfare agencies, colleges, education and economic development agencies, and other related programs as formal partners in the One-Stop system and could include representatives as members of state and local Workforce Investment Boards.
- **Establish a set of shared performance outcome measures for the state’s workforce development programs that support career advancement (in-**

cluding welfare reform, adult education, and some postsecondary programs). These measures could include completion of educational degrees or certificates or of occupational skills training, wage gains over time, and employment retention. Separate goals or standards could be set for individuals who have incomes below 200 percent of the poverty level, to emphasize the importance of promoting career advancement for these workers.

- **Combine discretionary funding from several programs to create programs that support skills training and career pathways for low-wage workers.** Options include funding demonstrations of sectoral or cluster-based strategies for training low-skilled individuals and creating models of career pathways that incorporate preemployment training and adult education with postemployment training provided by community colleges. States can create competitive grants and can leverage additional funds by requiring a local public or private match.
- **Adopt incentives, targets, or set-asides to expand opportunities to use incumbent worker training funds for low-skilled, entry-level workers.** Almost every state funds employer-focused training programs to help firms remain competitive and to retain employees by upgrading their skills.

Examples of Workforce Development Policies

- **Combine discretionary funding.** The Building Essential Skills through Training (BEST) Initiative in Massachusetts is a multiagency effort of the governor's office, the Commonwealth Corporation, the Department of Labor and Workforce Development, the Department of Education, and the Department of Transitional Assistance. BEST funds regional partnerships of employers, industry associations, One-Stop centers, unions, community colleges, and other training providers to tackle skills shortages in key industries, including bio-manufacturing, health care, finance, and manufacturing. The partnerships provide basic and occupational training to entry-level workers who lack the education and skills to advance in the industry, thereby promoting long-term employment and career advancement. To support this initiative, Massachusetts has pooled resources from Adult Basic Education, the Workforce Investment Act, and the incumbent worker training fund. In 2002, the Commonwealth awarded over \$3 million through six partnership grants.⁵

⁵For more information, see <http://www.commcop.org/cwi/best/BESTRound1.htm>.

- **Adopt incentives, targets, or set-asides to expand use of incumbent worker training funds to help low-wage workers.** Louisiana’s Incumbent Worker Training program gives preference to employers who hire recent recipients of public assistance (such as TANF cash assistance) or of unemployment benefits and those recently released from a correctional facility. Likewise, California’s customized incumbent worker training program — known as the Employment and Training Panel — earmarks a portion of funds to help train current or former welfare recipients. Another example is Advance Indiana, the state’s customized training program, which requires the training to result in a portable skills credential such as a GED, apprentice status, a certificate, or a college degree. Training can be provided to low-skilled individuals including welfare-to-work clients.⁶
- **Reexamine state higher education policies.** Most higher education policies are not geared toward working adults, especially parents who are balancing education with family and work responsibilities. Traditional financial aid programs, state institutional funding formulas, and curriculum design and course scheduling favor full-time, continuous enrollment in academic degree-granting programs. However, working adults prefer to participate part time or even less than part time (less than six credit hours); frequently enroll in discrete occupational or technical skills programs, offered by nontraditional providers, that do not result in an academic degree or certificate; and may enroll intermittently to accommodate other demands on their time.⁷

As the proportion of nontraditional students has grown — and as public education and training providers have come to face stiff competition from proprietary institutions — states have begun to reexamine their higher education policies with an eye toward improving the opportunities for low-wage workers to access and persist in postsecondary education and to successfully gain credentials that will further their career opportunities. (As described previously, this includes the use of TANF funds to provide on-campus supports and services.) Many state-funded initiatives and system reforms are targeted to community and technical colleges, which have historically been responsive to diverse student populations and which provide a variety educational options — credit, noncredit, remedial, vocational, and academic.

⁶Golonka and Matus-Grossman, 2001.

⁷Bosworth and Choitz, 2002.

States can consider adopting the following policies and practices:

- **Develop state-funded need-based financial aid programs to fill gaps and cover unmet needs in existing federal and state programs.** This could include need-based assistance to part-time or less-than-part-time students who are enrolled either in degree-granting or in non-degree-granting programs, including students in short-term, career-focused programs. Financial aid eligibility guidelines and levels could also take into account the additional living expenses of working students who are also parents, including child care and transportation costs.
- **Reform state financing of postsecondary education so that more funds are available for “alternative” programs, noncredit courses, and vocational programs.** States can accomplish this by allowing tuition retention or increasing full-time equivalent (FTE) reimbursement for these programs and/or providing special funding. Currently most states reimburse institutions at much higher rates for credit courses than for noncredit courses, or they do not provide any FTE reimbursement for the latter.⁸ States can also provide seed money or startup funds to encourage community colleges to adopt program innovations — such as short-term training, modular curricula, and career ladders — that will make it easier for working parents to participate in education.
- **Support career pathway initiatives, and encourage greater coordination between adult education programs and certificate- and degree-based vocational or technical programs.** States can support the institutional practices and strategies described in Chapter 5, such as contextualizing adult education programs to help bridge the gap between noncredit and credit programs, increasing the availability of adult education programs at community colleges, and fostering the development of career ladders.
- **Adopt performance measures for career or technical programs at community colleges and technical institutions that focus on low-wage workers.** These measures could include the percentage of disadvantaged students who completed the program and/or the percentage who were placed in high-wage jobs.⁹

⁸Golonka and Matus-Grossman, 2001.

⁹Roberts, 2002.

Examples of Higher Education Policies

- **Develop state financial aid programs to fill gaps for working students.** Vermont has a long-standing, need-based Part-Time Grant Program designed for adult students taking three to nine hours of credit toward a certificate, diploma, or undergraduate degree. With an appropriation of \$1.3 million, approximately 5,000 students are served per year, and grants can be as high as \$8,650, depending on the institution. Vermont also has a Non-Degree Grant Program serving about 2,000 students per year, with maximum grants of \$625 for two courses per semester. In determining need, the higher living expenses of working adults and their dependents are taken into account.¹⁰ A newer financial aid program is West Virginia's Higher Education Adult Part-Time Student (HEAPS) Grant Program, implemented in 2000. The initial program helped to cover tuition and fees for students enrolled less than full time at a public or private degree-granting college or university or at Pell-eligible vocational-technical schools. The average grant was \$5,548 in 2000. In state fiscal year 2002, the legislature set aside 25 percent of the \$2 million appropriation to be used for students in shorter-term, technical certificate programs in high-demand occupations that require less than a year to complete.¹¹
- **Reform state financing of postsecondary education.** North Carolina has made a strong commitment to funding noncredit career-oriented training. Its Occupational Continuing Education (OCE) Program, run by the state's community colleges, provides noncredit training in 1,400 approved courses (including some customized training that is delivered at the workplace) to nearly 300,000 workers annually. The cost of this training is covered by a nominal per course fee for participants, and state reimbursement to the institution, which is based on FTE hours. Reimbursement has increased over time to result in closer equivalence between credit and noncredit courses.¹²
- **Support career pathway initiatives and coordination between adult education and occupational programs.** North Carolina also supports career pathways using both TANF and adult literacy funds (state discretionary dollars under Title II of WIA) for the development and operation of programs at community colleges across the state. Basic skills and remediation trainings are

¹⁰Bosworth and Choitz, 2002.

¹¹Bosworth and Choitz, 2002.

¹²Bosworth and Choitz, 2002.

being linked with short-term occupational training, which, in turn, is connected with more advanced classes to create a career pathway within an industry.¹³

- **The Arkansas Workforce Improvement Grant.** In 2003, the Arkansas Workforce Improvement Grant was created to provide need-based financial aid of up to \$1,800 per year to working adults who are enrolled in at least three credit hours in a degree or certificate program. This grant program is designed to aid lower-income adults who are not eligible for Pell Grants or other aid. To fund this initiative, the Arkansas General Assembly transferred \$500,000 per year (for the first two years) from the existing Student Assistance Grant Program, which has typically aided more traditional students.

Employer-Based Incentives to Promote Work Supports, Employment Retention, and Career Advancement

In addition to funding or providing services directly, state tax policies can create incentives for the private sector to take a proactive role and make a commitment to meeting the needs of low-wage workers and their families. For example, tax policies can create incentives for employers to increase the supply of certain services, such as child care and health insurance coverage. Although low-wage workers per se are not targeted by these tax policies, they can be major beneficiaries. Tax credits can also create incentives for employers to hire individuals who have barriers to employment and to invest in education and training of lower-skilled workers.¹⁴

State options for employer-based incentives include:

- **Job training and education tax credits to partially offset the cost of employer-based training and education.** Some states offer a credit for training that is provided to any employees, while other credits are targeted to lower-skilled, lower-wage workers.
- **Tax credits for employer-sponsored child care or other benefits.** States may provide a tax credit against an employer's cost of constructing new facilities or may reimburse a portion of the employer's cost of providing on-site or sponsored child care. Although a small number of states offer credits to businesses to subsidize health insurance coverage to employees, studies

¹³Alssid et al., 2002.

¹⁴Palladino, 2000.

have found that the marginal relief of these credits relative to the high costs of health insurance is not a strong enough inducement for most businesses.¹⁵

Examples of Tax Code Policies

- **Job training and education tax credits.** To encourage workers who lack a high school diploma to attend classes for a General Educational Development (GED) certificate, Kentucky adopted an incentive program that combines a tax credit for the employer with a tuition discount for the employee. Under the program, employers receive a state income tax credit for a portion of the paid release time that they give to full-time employees who participate in a GED program. For each hour of release time, the employer receives a credit equal to half the employee's hourly wage, up to a maximum of \$1,250. In turn, those employees who successfully attain a GED certificate receive a discount of \$250 per semester for a maximum of four semesters at any Kentucky public postsecondary institution.¹⁶ Another state that uses tax credits as an employer incentive is Rhode Island; it aims several tax credits at encouraging the hiring and training of low-wage workers. The Adult Education Tax Credit is equal to 25 percent of the costs of vocational training or basic education, whether it occurs on the worksite or not, up to a maximum of \$300 per employee and \$5,000 per employer. Additionally, the New Employment Tax Credit, which is similar to the federal Work Opportunity Tax Credit (WOTC), provides a one-time credit of \$2,400 for new hires who have been unemployed and received Unemployment Insurance at any time in the previous 52 weeks or who have received TANF for at least one year preceding the date of hire.¹⁷
- **Tax credits for employer-sponsored benefits.** Georgia's tax credit "reimburses" employers a generous 75 percent of the cost for on-site or sponsored child care for their employees' children. An employer that constructs on-site facilities is eligible to receive a credit of 10 percent of the construction cost per year for 10 years; the maximum credit is 50 percent of the employer's total income tax liability.¹⁸ Because a state's income tax liability may be small, some feel that this tax credit may not provide a large enough incentive. In

¹⁵California Budget Project, 2000.

¹⁶For more information, see http://adulthood.state.ky.us/GED_Employee_Tuition_Discount_Flyer.doc.

¹⁷For more information, see

<http://www.rihric.com/hrictaxcredits.htm#RI%20Adult%20Education%20Tax%20Credit>.

¹⁸For more information, see <http://www.state.ga.us/gccc/businesses/>.

Kansas, if the amount of the Child Day Care Assistance Credit exceeds the employer's tax liability, the excess is refunded to the business.

Conclusion

The policies and programs described in this chapter illustrate the potential options and resources available to states — especially within the welfare, workforce investment, and higher education systems — to better serve low-income working families. A state may choose to focus on particular areas or may adopt a variety of initiatives across programs and systems for a comprehensive approach. Even though the evaluation and outcome data on these state approaches are limited at this point, they are representative of the most promising practices encountered in this research.

Chapter 7

Guiding Principles for Service Delivery

The exploratory work for this report uncovered a common set of principles and service delivery approaches that states, localities, agencies, and employers are adopting as they address barriers to program access and low participation rates among low-wage workers. These principles can be considered “preconditions” for organizations to better assist low-income families achieve their long-term goals of economic well-being and stability. This concluding chapter discusses these principles and provides an overview of potential partner organizations to join with in serving low-income working families.

The guiding principles in formulating policy and operating decisions include:

- Make an explicit commitment to serve low-income working families by making them part of the organization’s core mission.
- Adopt the goal of helping families raise their household income in order to achieve long-term well-being and economic stability.
- Create service delivery structures that are readily accessible to working families and that provide services in a nonstigmatizing, user-friendly fashion.
- Develop collaborative relationships with other organizations, and identify ways to coordinate services and share information across multiple public and private partners.

Guiding Principles for Partners

Many organizations in this study were interested in exploring how they could better serve low-income working families and were initiating innovative strategies. From this examination of promising practices — and based on discussions with a wide range of agency staff and policymakers — a set of principles has emerged for institutions to use in seeking to identify, reach, and serve low-wage workers. The principles address both how individual organizations might change their own missions and activities and how they might improve their collaboration with partners.

Make an explicit commitment to serve low-income working families by making them part of the organization's core mission

Partner organizations understand that the needs of low-wage workers and their families differ from those of the unemployed or of higher-income earners, and they tailor services accordingly. For example, low-wage workers have fewer resources to meet work-related needs than higher-income earners do, and they are less likely to have flexible work schedules and such benefits as sick leave or vacation time.

In order to realize this commitment to serving low-income working families, staff and administrators can:

- Assess the extent to which the organization's mission, services, and delivery structure are responsive to the unique needs of low-wage workers and their families.
- Evaluate the organization's internal and external constraints (such as funding or statutory restrictions), and identify available resources to enhance services.
- Define the outcomes that the organization hopes to achieve for low-wage workers and their families.
- If low-income working families are not currently a primary customer of the organization, identify how to target and market services to them.

Adopt the goal of helping families raise their household income in order to achieve long-term well-being and economic stability

Low-wage workers may face many personal barriers to retaining employment, and low-wage work alone is not enough to provide long-term financial security. The organizations will have to address workers' current needs as well as their future advancement goals. Building on their own strengths, organizations can provide one or more of the following services, and they can link with partner organizations in the community for other needed services:

- Help low-wage workers meet short-term needs through access to or the provision of work supports and job retention services.
- Facilitate wage progression and career advancement through services to promote placement in higher-wage jobs that have benefits. Such services should be responsive to employers' needs and local labor market demands so that workers are prepared for local or regional job opportunities that have wage-growth potential.

- Promote access to appropriate additional services that address both short-term crises and long-term career plans, such as financial literacy education and asset accumulation (for example, opening savings, checking, or retirement accounts).

Create service delivery structures that are readily accessible to working families and that provide services in a nonstigmatizing, user-friendly fashion

When organizations minimize the burden in accessing services, low-wage working families are better able to receive the work supports and services that will help them advance. Organizations can improve the accessibility of services and can decrease the stigma associated with seeking assistance in the following ways:

- Provide customized services that respond to the particular needs of each client and family served.
- Use computers and telephone technology to provide services remotely, in lieu of face-to-face interviews and appointments.
- Operate at locations and during hours that are convenient for working families.

Develop collaborative relationships with other organizations, and identify ways to coordinate services and share information across multiple public and private partners

Since few organizations can address all the needs of low-income working families, potential partners need to work with each other to identify ways to coordinate services and make efficient use of available resources. Organizations can do this by building partnerships that capitalize on each partner's strengths. For example:

- Map out the range of services provided by each potential partner, and develop an efficient process for referrals, follow-through, and support across partners.
- Leverage or merge resources to fill service gaps, and jointly fund initiatives that target this population.
- Encourage communication and information-sharing across all levels of the organizations' administrators and staff, and engage partners in common planning processes.

Key Partners in Service Delivery

The road to creating comprehensive services for low-wage workers and their families is certainly not an easy one. Because it is typically beyond the scope and capacity of any one agency or system to address the multiple and complex needs of this population, enhancing local service delivery will necessarily involve partnerships among and linkages across multiple organizations, building on the strengths of each partner. This study's site visits identified public and private organizations that have made significant strides in realizing the foregoing principles by offering a range of work supports, employment retention and career advancement services, and reemployment opportunities. The organizations — Action for Boston Community Development (ABCD); Montgomery County Jobs Center, in Dayton, Ohio; and Fremont Family Resource Center (FRC), in Fremont, California — have all collaborated with community partners to make a broad spectrum of supports and services possible. These three organizations also serve as examples of how other agencies can work toward offering services to low-income working families. (See Appendix A for details of the organizations' services, strengths, and challenges.)

As reflected in the examples throughout this report, key partners include the following types of organizations:

- Temporary Assistance for Needy Families (TANF) agencies
- One-Stop Career Centers created by the Workforce Investment Act
- Community-based organizations (including community action agencies, family resource centers, faith-based organizations, and other employment and social service agencies)
- Community colleges and other adult education and postsecondary institutions
- Workforce intermediaries
- Private employers¹

¹Private employers differ from the other partners in that they are not direct work support or employment service providers, nor are they public or philanthropic organizations. To be profitable and successful, employers do depend on the low-wage labor force, and they are directly affected by high turnover rates or skills shortages that other public or private partners hope to address through work supports and employment retention and career advancement services. As a result, employers provide a natural access point to low-wage workers and are potential partners in service delivery.

Table 7.1 summarizes the viewpoints of policymakers, program administrators, and staff across states and localities as they identified their organizations' unique challenges and opportunities in reaching and serving the low-wage working population.

Conclusion

Adopting the principles set forth in this chapter and creating new partnerships will be a challenge for any organization. Given the current state budget crisis and limited resources, improving service delivery to low-wage workers and their families may seem even more difficult. However, given the scarcity of resources, it is imperative for public systems and their partners to work together to enhance local service delivery for low-income families. By improving existing services, leveraging additional funds across agencies, and streamlining work supports, agencies may realize administrative efficiencies and even cost savings. Equally important, the product of these efforts — comprehensive services to support employment retention and career advancement — can help to promote economic stability for low-income working families.

The hope is that future research will build on the joint work undertaken here, to identify the impact of the approaches described in this report and of other innovative approaches not yet uncovered. Knowing which approaches are the most effective will help policymakers and agency officials make important decisions about how best to serve low-income working families and help them achieve their economic and career goals.

Building Bridges to Self-Sufficiency

Table 7.1

Challenges and Opportunities for Organizations That Serve Low-Wage Workers

| Organization | Welfare (or Larger Social Service) Agency | One-Stop/Workforce Development Agency |
|----------------------|--|---|
| Opportunities | <ol style="list-style-type: none"> 1. Flexible funding (TANF) for serving low-income families 2. Wide range of work supports 3. Emphasis on family as unit of service 4. Growing experience, interest in providing retention and advancement services | <ol style="list-style-type: none"> 1. Wide array of public and private partners and often colocated with other agencies (for example, with welfare agency or CBOs) 2. Focus on involving employers in administration and operations 3. Less stigma associated with One-Stops than welfare offices 4. Commitment to universal access |
| Challenges | <ol style="list-style-type: none"> 1. Services/supports usually limited to current or former welfare recipients, given resource limitations 2. Current state budget crises mean less surplus available to serve broader low-income population 3. Stigma often associated with receiving cash assistance, services | <ol style="list-style-type: none"> 1. Focus on the individual, not the family 2. Performance measures act as incentive for serving the unemployed rather than workers 3. Some reluctance to provide social services and work supports |
| Organization | Community College or Other Education and Training Institution | Community-Based Organization (CBO) |
| Opportunities | <ol style="list-style-type: none"> 1. Many career advancement programs/services in one place 2. Lacks stigma often associated with public agencies 3. Already serves many low-income workers 4. Alternative credentialing options (for example, certificates) provide flexibility in program development | <ol style="list-style-type: none"> 1. Flexible private and public funding streams with a wide array of programs and services 2. May already have a related mission (such as poverty reduction or family support) 3. Less stigma, more likely than public agencies to offer worker-friendly hours, services 4. May already have relationships with low-wage workers in the community |
| Challenges | <ol style="list-style-type: none"> 1. Programs and services often geared toward traditional ages, nonworking students (for example, operating hours, entry-exit policies) 2. Limited availability of financial aid for working parents 3. Limited on-site social services and access to work supports | <ol style="list-style-type: none"> 1. Cannot provide direct access to some work supports due to federal statutory limitations 2. May lack stable funding base; strength of relationships with local public agencies or other key partners may vary widely 3. May not have operational or administrative capacity for large scale |

(continued)

Table 7.1 (continued)

| Organization | Employer | Intermediary Organization |
|----------------------|--|--|
| Opportunities | <ol style="list-style-type: none"> 1. Vested interest in improving employee retention rates 2. May offer nonstigmatizing alternatives to public agencies in crisis situation (for example, Employee Assistance Program) 3. Can directly tie retention or advancement milestones that benefit the company (for example, skill upgrading) to promotion or wage increases 4. Many recognize benefits of partnering with public agencies through welfare-to-work experiences | <ol style="list-style-type: none"> 1. Usually neutral observer, unaffiliated with actual service providers 2. Often brings management or program expertise to partnerships 3. May be better able to leverage flexible resources to address service gaps 4. Can take the lead in creating the local system, freeing up other partners' time and resources |
| Challenges | <ol style="list-style-type: none"> 1. Limited resources or expertise in addressing social service needs 2. Risk of negative public attention to low wages offered if participating in service delivery system 3. Limited experience with public or CBO service providers | <ol style="list-style-type: none"> 1. Difficult to institutionalize new programs or improvements in partner organizations 2. May be viewed as competition for public systems, especially workforce development system |

Appendix A

Summary of Program Services:

**Action for Boston Community Development (ABCD),
the Montgomery County Jobs Center,
and the Fremont Family Resource Center (FRC)**

These three organizations exemplify how agencies can work toward offering services to low-income families by collaborating with community partners as described in Chapter 7.

| Action for Boston Community Development (ABCD) Boston, MA | |
|--|---|
| Agency type | Community-based human services agency |
| Budget | \$107,558,845 in fiscal year 2002 |
| Funding | State, federal, city, and private foundation funds and individual contributions |
| Population served | Low-income individuals including many subgroups (welfare recipients, foster parents, the elderly, low-wage workers) |
| Mission | To promote self-help for low-income people and neighborhoods |
| Branches/ facilities | <p>Central office: provides administrative support</p> <p>Neighborhood support centers: 11 local offices; provide social, employment, and education and training services</p> <p>Urban College: a small accredited two-year, nonprofit college; prepares low-income residents for careers or four-year college programs; offers associate degrees and certificates in early childhood education, human services administration, and general studies</p> <p>Learning Works: a walk-in workforce development center with computer labs and on-site education, training, and support services for low-income adults and employers</p> <p>Additional facilities citywide: Boston Hispanic Center, Head Start and child care centers, an alternative high school</p> |
| Programs, services | <ul style="list-style-type: none"> • Head Start and child care • Job training, financial literacy, adult education, postsecondary education • Career development services • Assorted health and social services (housing, transportation, counseling) |
| Work supports | No direct enrollment but assists clients with applications and other case management services; also involved in citywide EITC campaign |
| Partners | State and local public welfare, workforce development, economic and community development, and housing agencies; universities and colleges; community-based organizations; private employers; schools; and many other local partners |
| Strengths in delivering services according to the guiding principles | ABCD offers many of the retention and advancement services that low-income working families need, in neighborhood-based, family-friendly settings. It also has experience providing pre- and postemployment assistance through its welfare-to-work career development programs — Work Pathways Project and Pathways to Success — funded by U.S. Department of Labor. These efforts included support services (child care, transportation assistance), education and training, and job development and placement. With a variety of education and training options offered through a number of facilities (including Urban College, which ABCD helped create) and a college-prep program targeted to adults, ABCD has supports in place to help working low-income adults access career advancement opportunities. |
| Challenges in delivering services according to the guiding principles | As a private agency, ABCD cannot directly enroll families, determine final eligibility, or speed up the application process for public work supports (although it can assist with filing for the EITC or help with work support applications). Also, organizations interested in replicating the ABCD service delivery model would likely need to emphasize partnerships with other service providers rather than build the comprehensive infrastructure that ABCD has developed, since it has taken nearly half a century for ABCD to build its vast network of community programs and services. |

| Montgomery County Job Center Dayton, OH | |
|--|---|
| Agency type | One-Stop Career Center |
| Budget | \$700,000,000 in fiscal year 2001 |
| Funding | State TANF funds, WIA, and county funds; county funds provide flexibility and also pay the salary for the director of the center |
| Population served | Some means-tested services and supports, some universal; some programs targeted to specific populations (working-aged adults, youth) |
| Mission | To serve as a resource for labor market exchange and workforce development while providing individuals and families with financial, medical, and other support services essential to strengthening the quality of life |
| Branches/facilities | One 400,000 square foot facility (6 acres) with single general reception area, unified telephone system, and child care services on-site for customers; includes a multiagency resource room for clients and employers |
| Programs, services | <ul style="list-style-type: none"> • Employment and unemployment services • On-site education and training (adult education, job readiness, financial literacy) • On-site enrollment in postsecondary courses at local colleges |
| Work supports | On-site enrollment in TANF cash assistance, food stamps, Medicaid, child care, and WIA Individual Training Accounts |
| Partners | 47 on-site partners including required WIA partners and other public agencies, community-based organizations, and education and training providers; also partners with private employers |
| Strengths in delivering services according to the guiding principles | Integrated service teams of case managers and mutually accepted case management protocol across partners allow for information-sharing and coordination of service delivery. The sheer size of the job center and the number of partners is a strength and a challenge. For example, staff have taken into account the difficulty of navigating the facility and available services by using a color-coded system of colored appointment cards that correspond to colored flags hanging in hallways that lead customers to their various destinations. Through the Targeted Community Based Collaborative (TCBC), the center contracts with 13 intermediary organizations that, in turn, work with over 70 community-based organizations to conduct outreach to “hard-to-reach” clients, including low-wage workers. The Partners’ Council represents the 47 on-site partners and meets frequently to share information, solve problems, and provide general oversight of the center. |
| Challenges in delivering services according to the guiding principles | Unemployed job center customers have greater support service options pre- and post-placement than do low-wage workers. In particular, there are few career advancement services for working clients, with the exception of small programs, such as a partnership with Sinclair Community College, that connect low-wage workers with short-term training programs and services. While the TCBC is reaching out to some low-wage workers and other special populations (such as the hard-to-employ), the job center has the potential to be overwhelming for community residents to navigate, given its sheer size and the number of service offerings — this is especially challenging for working parents who have competing demands on their time. |

| Fremont Family Resource Center (FRC) Fremont, CA | |
|---|---|
| Agency type | City-sponsored organization (the city owns the facility, and all core staff are employees in the city's Human Services Department); operates on a collaborative model with participation and decisionmaking by all 22 partners; has an affiliated nonprofit organization (Fremont Family Resource Center, Inc.) that supports it and other city programs serving families and children |
| Budget | \$1,769,184, which includes capital maintenance and debt service costs |
| Funding | City of Fremont, federal Community Development Block Grant, rent fees from partners, and private funding |
| Population served | Families, individuals, and children |
| Mission | To improve the quality of life and strengthen individuals, teens, and families through services and activities |
| Branches/ facilities | A patio connects two adjacent buildings: one for employment and economic services (workforce development agency, welfare-to-work services, housing discrimination) and one for mental health and social services |
| Programs, services | More than 100 services and programs including Women, Infants, and Children (WIC) and nutrition, employment and social services, immigration, veterans and disability services, housing assistance, child care referrals, workforce development (state Employment Development Department and satellite One-Stop center), and youth counseling and services; provides on-site drop-in child care for customers; through a TANF-funded pilot program (the Family Service Team, a multiagency, multidisciplinary effort) offers intensive case management and employment services for current welfare recipients who have multiple barriers to work |
| Work supports | Through the on-site welfare office, access to TANF, food stamps, Medicaid, subsidized child care, and WIA training vouchers; in 2003, launched an EITC and Child Tax Credit campaign through a Volunteer Income Tax Assistance (VITA) program, helping 288 families to secure more than \$426,000 in federal tax refunds, of which \$250,000 were in tax credits |
| Partners | 22 partners including state, county, local, private, and public organizations; major employment services provided by the county welfare office, a WIA One-Stop, and the state Employment Development Department |

(continued)

**Fremont Family Resource Center (FRC)
Fremont, CA (continued)**

| | |
|---|--|
| <p>Strengths in delivering services according to the guiding principles</p> | <p>The FRC has a strong family focus, with the majority of clients being low-wage workers, and it serves as a model for other organizations interested in serving the entire family, not just individual customers. A strong “no wrong door” policy is supported by all partners, and regular cross-agency meetings reinforce this message. Referrals across agencies happen frequently, and staff typically accompany clients to the new program to ensure that referrals are followed up. Centralized case management services help clients navigate multiple partner agencies; these services are provided in 11 languages. The collaboration of partner organizations is a noteworthy feature: Cross-agency teams of staff meet monthly to undertake coordination and planning activities in various service delivery areas.</p> |
| <p>Challenges in delivering services according to the guiding principles</p> | <p>The FRC lacks a centralized system to collect and track demographic and service usage data across agencies, although some partners do enter into data-sharing agreements. There is no on-site representation of community colleges or training providers, though referral links do exist. The majority of on-site agencies operate from 9 A.M. to 5 P.M., with workshops, educational programs, and support groups being offered in the evening; special programs like VITA are offered in the evening and on weekends.</p> |

Appendix B

Program Contact Information

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|--|------------------|--------------------|----------------------|----------------------|
| Action for Boston Community Development/Urban College Robert Cord, Executive Director 178 Tremont Street, Boston, MA 02111 Phone: 617-357-6000 www.bostonabcd.org/ | X | X | X | |
| Advance Indiana Indiana Department of Workforce Development Indiana Government Center South 10 North Senate Avenue, Indianapolis, IN 46204 Phone: 1-888-WORKONE www.in.gov/dwd/employer/advanceindiana/ | | X | | X |
| America's Family, Inc. Ovetta Sampson, Public Relations Manager Colorado Springs, CO Phone: 719-266-7740 http://www.amfol.com/ | X | | | |
| Aramark Staffing Centers Jennifer Tracy, Director of Staffing and College Relations Food and Support Services, Aramark Corporation Aramark Tower, 1101 Market Street, Philadelphia, PA 19107-2988 Phone: 215-238-5996 www.aramark.com/ | X | | | |
| Arundel Mills, Sales and Service Training Center Sandra Jones, Assistant Director Integrated Reading and English as a Second Language Programs Anne Arundel Community College 101 College Parkway, Arnold, MD 21012-1895 Phone: 410-777-2046 www.aacc.edu | | X | | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|---|------------------|--------------------|----------------------|----------------------|
| Cabrillo College/Fast Track to Work Dena Taylor, Program Manager 6500 Soquel Drive, Aptos, CA 95003 Phone: 831-479-6100 www.cabrillo.edu | | X | | |
| California Employment and Training Panel www.etp.cahwnet.gov/ | | X | | X |
| Career Advancement Center Dan McGrue, Director of Career and Homeless Services San Francisco Goodwill 1500 Mission Street, San Francisco, CA 94103 Phone: 415-575-2100 www.sfgoodwill.org/ | | X | | |
| Cascade Engineering Ron Jimmerson, Human Resources Manager 5145 Thirty-Sixth Street SE, Grand Rapids, MI 49512-2009 Phone: 616-975-4812 www.cascadeng.com/ State contact: Randy Koekkoek Kent County Family Independence Agency 415 Franklin SE, Grand Rapids, MI 49507 Phone: 616-247-6370 | X | | | |
| Community Catalyst, Inc. Enrique Balaguer, Director Access Programs and Technology Community Catalyst, Inc. 30 Winter Street, 10th Floor, Boston, MA 02108 Phone: 617-275-2804 www.realbenefits.org/ | | | X | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|---|------------------|--------------------|----------------------|----------------------|
| Delaware Governor’s Task Force for Financial Independence Report www.state.de.us/governor/publications/financial_independence_final_report.pdf | | | | X |
| Delaware Money School Ronni Cohen, Executive Director Delaware Financial Literacy Institute 3301 Green Street, Claymont, DE 19703 Phone: 302-792-1200 www.delawaremoneyschool.com/ | X | | | |
| Employment Retention Advancement Project Barbara Goldman, Vice President MDRC 16 East 34th Street, New York, NY 10016 Phone: 212-532-3200 www.mdrc.org | X | X | | |
| Fayette Community Action Agency: Fayette, PA James Stark, Executive Director Family Service Center 140 North Beeson Avenue Uniontown, PA 15401 Phone: 724-437-6050 www.fccaa.org | | | X | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|---|------------------|--------------------|----------------------|----------------------|
| Finanzas Program: Delaware Fernando Guajardo, Director of Community Affairs and Planning Delaware State Housing Authority 18 The Green, Dover, DE 19901 Phone: 302-739-4263 http://www2.state.de.us/dsha/ | X | | | X |
| Fremont Family Resource Center Judy Schwartz, Administrator Fremont Family Resource Center 39155 Liberty Street, Fremont, CA 94538 Phone: 510-574-2274 www.ci.fremont.ca.us/Community/FamilyResourceCenter/default.htm | X | X | X | |
| Goodwill/Easter Seals and the Neighborhood Employment Network Mr. Joe Stratig, Coordinator Goodwill/Easter Seals, Phillips Job Bank 2529 13th Avenue S, Minneapolis, MN 55404 Phone: 612-824-2857 www.mtn.org/net | X | | | |
| HELPIndiana Megan Jones, HelpIndiana Director Family and Social Services Administration, Office of the Secretary 402 W. Washington Street, Room W461, Indianapolis, IN 46204 Phone: 317-233-4702 | | | X | X |
| Kansas Child Day Care Assistance Credit Kansas Department of Revenue, Tax Assistance Docking State Office Building, Room 150 915 SW Harrison Street, Topeka, KS 66612 Phone: 877-526-7738 www.ksrevenue.org/taxcredits-daycare.htm | | | X | X |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|---|------------------|--------------------|----------------------|----------------------|
| <p>Lorain County Community College Judith Crocker, Director of Corporate and Community Outreach Services and Executive Director of Workforce Development Lorain County Community College 1005 Abbe Road North, Elyria, OH 44035-1691 Phone: 440-366-7417 www.lorainccc.edu/</p> | | X | | |
| <p>Louisiana Incumbent Worker Training Program Louisiana Works Louisiana Department of Labor www.ldol.state.la.us/bus_iwt.asp</p> | | X | | X |
| <p>Louisville Asset Building Coalition Mike Davis, Consultant P.O. Box 335 Henryville, IN 47126 Phone: 812-951-2897</p> <p>The Center for Women and Families Linnie Meyer, President 226 West Breckinridge Street P.O. Box 2048 Louisville, KY 40201-2048 Phone: 502-581-7212 www.louisvilleabc.org</p> | | | X | |
| <p>Marriott International Career Advancement Training Program Eladio Amores, Project Director Community Employment and Training Programs Marriott International, Inc. Tampa Airport Marriott #A-24, Tampa, FL 33607 Phone: 813-876-7311</p> | | X | | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|--|------------------|--------------------|----------------------|----------------------|
| Massachusetts Building Essential Skills Through Training (BEST) Cathryn Lea, Project Director Commonwealth Corporation The Schrafft Center 529 Main Street, Suite 110, Boston, MA 02129 Phone: 617-727-8158 www.commcorp.org/cwi/best/BESTRound1.htm | | X | | |
| Menlo Park Opportunities Industrialization Center West Sharon Williams, Executive Director Opportunities Industrialization Center West (OICW) 1200 O'Brien Drive, Menlo Park, CA 94025 Phone: 650-330-OICW (6429) www.oicw.org/ | | X | | |
| Montgomery County Job Center Danna Graves, Director Montgomery County Department of Job and Family Services 1111 S. Edwin C. Moses Boulevard, Dayton, OH 45420 Phone: 937-496-6720 www.thejobcenter.org/ | X | X | X | |
| New Jersey Career Advancement Voucher Program and Supplemental Work Support Program New Jersey Department of Human Services Division of Family Development Quakerbridge Plaza, Building 6 PO Box 716, Trenton, NJ 08625-0716 Phone: 609-588-2400 www.state.nj.us/humanservices/dfd/post-tanf.html | | X | X | X |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|--|------------------|--------------------|----------------------|----------------------|
| New York State Transitional Opportunities Program Frances Shannon-Akstull, TOP Unit County Liaison New York State Office of Temporary and Disability Assistance 40 North Pearl Street, Albany, NY 12243 Phone: 518-402-3219 www.otda.state.ny.us/ | X | | X | X |
| Pillsbury United Community Settlement House (PUC) Monique Brown, Employment Manager Pillsbury United Communities, Inc. Community Employment Strategies, Unity Neighborhood Center 2507 Fremont Avenue North, Minneapolis, MN 55411 Phone: 612-529-9267 www.puc-mn.org/ | | X | | |
| Portable Employee Assistance Program Janet Ludden, Chief Executive Officer Employer Solutions, Inc. 1900 Landmark Towers, 345 Saint Peter Street, Saint Paul, MN 55102 Phone: 651-917-4204 www.sppa.com/esi/ | X | | | |
| Kentucky Ready to Work Program Sandra Mayberry, Program Coordinator KCTCS P.O. Box 14092, Lexington, KY 40512-4092 Phone: 859-246-3142, Ext.1220 www.kctcs.net/readytowork/index.htm | | X | | X |
| North Carolina Occupational Continuing Education Program www.ncccs.cc.nc.us/Business_and_Industry/continuingeducation.htm | | X | | X |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|--|------------------|--------------------|----------------------|----------------------|
| Rhode Island Adult Education Tax Credit www.dlt.ri.gov/lmi/business/grants.htm | | X | | X |
| Sacramento Training and Response Team Robin Purdy, Deputy Director Sacramento Employment and Training Agency 925 Del Paso Boulevard, Sacramento, CA 95815 Phone: 916-263-3860 www.seta.net/ [See “Employer Services” there.] | | X | X | |
| Seedco: EarnFair Alliance Tracy Allard, Senior Program Associate Workforce Development 915 Broadway, 17th Floor, New York, NY 10010 Phone: 212-473-0255, Ext. 504 www.earnfair.com/ | X | X | X | |
| Seedco: Community Child Care Assistance Jaycee Pribulsky, Senior Program Manager 915 Broadway, 17th Floor, New York, NY 10010 Phone: 212-473-0255, Ext. 303 www.seedco.org/programs/economic_development/cca.php | | | X | |
| Sonoma County HSD Jerry Dunn, Director Employment and Training Services Sonoma County Human Services Department 2225 Challenger Way, Santa Rosa, CA 95407 Phone: 707-565-5550 www.sonoma-county.org/human/division.htm#d | X | | X | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|---|------------------|--------------------|----------------------|----------------------|
| Towards Employment (Achieve Program) Walter Ginn, Executive Director Towards Employment 1224 Huron Road, 2nd Floor, Cleveland, OH 44115 Phone: 216-696-5750 www.towardsemployment.com/ | X | | | |
| The TJX Companies, Inc. Patrick Flavin, Manager of Government Programs 770 Cochituate Road, Framingham, MA 01701 Phone: 508-390-3639 www.tjx.com | | | X | |
| Ventura County BESD Bruce Stenslie, Director Business and Employment Services Department County of Ventura 505 E. Poli Street, Third Floor Ventura, CA 93001 Phone: 805-652-7621 www.jobs.ventura.org | | X | X | |
| W.A.G.E. Connection Phyllis Atzinger, Office Manager The WAGE Connection 975 Beards Hill Road, Aberdeen, MD 21001 Phone: 410-297-6250 www.co.ha.md.us/economic_development/workforce.html#WAGE | X | | X | |
| Westmoreland Human Opportunities, Inc. Tay R. Waltenbaugh, CEO 203 South Maple Avenue, Greensburg, PA 15601 Phone: 724-834-1260, Ext. 105 www.who-inc.org | X | | | |

(continued)

| Program Contact Information | Retention | Advancement | Work Supports | State Program |
|--|------------------|--------------------|----------------------|----------------------|
| West Virginia Higher Education Adult Part-Time Student Grant Program (HEAPS) www.wv.gov/Offsite.aspx?u=www.hepc.wvnet.edu/ | | X | | X |
| West Virginia Welfare Reform Coalition www.wvwelfarereform.org/ | | | X | |
| Work Advancement and Support Center Demonstration Frieda Molina, Senior Operations Associate MDRC 475 14th Street, Oakland, CA 94612 Phone: 510-663-6372 http://www.mdr.org/ | X | X | X | |
| Work Central Call Center and Connectinc. Jackie Savage, President 1621 Eastern Avenue, Rocky Mount, NC 27801 Phone: 252-442-3467 www.connectinc.org | X | X | X | |
| Workforce Strategy Center Julian Alssid Director 678 East 22nd Street, Brooklyn, NY 11210 Phone: 718-434-4790 www.workforcestrategy.org | | X | | |

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About MDRC

MDRC is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and Oakland, California.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods to determine a program's effects, including large-scale studies, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

About the National Governors Association

Founded in 1908, the National Governors Association (NGA) is the instrument through which the nation's governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories, and two commonwealths. Through NGA's standing policy committees, the governors examine and develop policy and address key state and national issues. NGA also provides management and technical assistance to both new and incumbent governors.

The NGA Center for Best Practices is considered the nation's leading authority on state innovation, helping governors and their policy advisors develop and implement effective solutions to governance and policy challenges facing them in their states. The Center works in a number of policy arenas including education, health, technology, human services, workforce development, homeland security, and the environment. The Center provides tailored technical assistance, tracks and evaluates state innovations and best practices, and helps governors and their staffs develop cutting-edge solutions to stay ahead of problems.