

# TRANSITIONAL COMMUNITY JOBS, CHICAGO ILLINOIS

*A summary report on the program and its outcomes*

**June 2002, revised June 2003**

In September 2000, Catholic Charities commissioned Heartland Alliance's Mid-America Institute on Poverty (MAIP) to conduct an evaluation of four employment service programs that work with hard to employ welfare recipients and non-custodial parents of children who live in households receiving welfare. This report highlights the findings from one of these programs, Catholic Charities Transitional Community Jobs (TCJ) program. This program operated throughout the city of Chicago from January 2000 through June 2001 and was funded through a contract with the Mayor's Office of Workforce Development. The current subsidized jobs program operating in Chicago is called the Transitional Community Service Jobs Program. An evaluation report on this program will be released in the fall of 2002.

## ***Transitional Community Jobs Program Overview***

The Transitional Community Jobs program provided typical employment services, including job readiness classes, resume writing, and interviewing skills, coupled with one unique feature: a subsidized transitional job placement component. The subsidized job provided participants with up to six-months paid employment experience in a non-profit setting as a stepping-stone to unsubsidized employment. The goal of the program was to help employ individuals who had not been able to obtain or retain employment by:

1. providing work experience and job skills;
2. developing the ability to manage money and family life in order to facilitate work;
3. improving the accuracy of the assessment of employment barriers by identifying and addressing the barriers that emerge while participants are on the transitional job;
4. creating a record of successful employment to show to potential employers; and
5. providing valuable service to communities through their efforts in transitional jobs.

## ***Evaluation Overview***

This evaluation summary is in large part based on a comparison of a *Limited Services* group (300 participants that received at least one day of employment services, but not a subsidized job) and a *Subsidized Job* group (255 participants that received employment services and a subsidized job for at least one day). Participants were not randomly assigned to these groups. The evaluators formed these groups after assessing service utilization patterns in order to best assess the impact of the subsidized job on employment and other outcomes.

## ***Key Outcomes of the Transitional Community Jobs Program***

The results outlined in this report show that **the subsidized job appears to have had an extremely positive impact on employment, earnings and reliance on welfare for hard to employ welfare recipients**. The *Subsidized Job* Group had significantly better outcomes on all measures than the *Limited Services Group*. For example:

- Ninety days after program involvement, almost three fourths (70.7 %) of the *Subsidized Job* group was employed in unsubsidized jobs as compared to half (49.1%) of the *Limited Services* group.
- The *Subsidized Job* group also stayed employed longer, with significantly higher rates of unsubsidized employment at both three and six months after the program.
- By six months following the program the *Subsidized Job* group had experienced a 196 percent increase in quarterly earnings (from \$811 to \$2407), 32 percent higher than the *Limited Services* group.
- Finally, the *Subsidized Job* group had a 68 percent decrease in the TANF amount received, while the *Limited Services* group had less than a two percent decrease.

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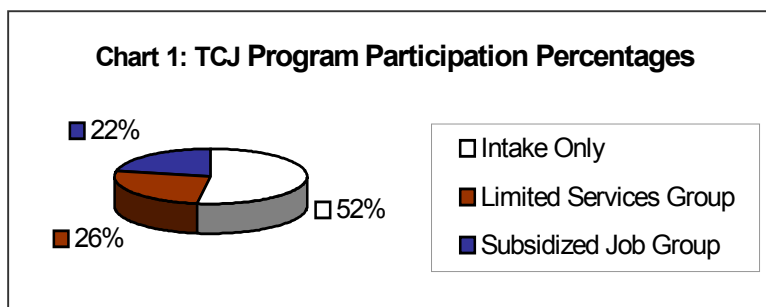
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## PARTICIPANT CHARACTERISTICS

Over half of the 1161 people who completed the TCJ intake did not participate in the program<sup>1</sup>. Of the two groups who participated in the TCJ program (*Limited Services* and *Subsidized Job*), there were no statistically significant demographic differences between them.



The typical TCJ program participant was a thirty-three year old African American female. Less than three percent of participants were non-custodial fathers, though they were eligible for the program. This could be related to a number of factors, including that the primary program referral source was the state welfare agency, whose emphasis was on TANF recipients, not non-custodial fathers.

In terms of employment barriers, there were no statistically significant differences between these two groups. Detail on employment barriers is outlined in table 1.

**Table 1: Employment Related Barriers<sup>2</sup>**

	<b>Limited Services Group</b>	<b>Subsidized Job Group</b>
<i>Domestic Violence</i>	3.7%	10.3%
<i>Less than GED/HS Diploma</i>	64.2%	57.9%
<i>Physical Health Problem</i>	7.5%	5.1%
<i>Receipt of TANF &gt;30 Months</i>	72.3%	71.5%
<i>Substance Abuse</i>	31.5%	27.5%
<i>Felony Criminal Record</i>	5.7%	2.6%

The majority of program participants experienced human capital deficits, in the form of limited work experience and/or not having a high school diploma or GED, as inhibitors to employment. Human capital development is important for securing even entry-level jobs. Holzer (1996) found that three fourths (75%) of entry level jobs required a high school diploma, general experience and references; 65 percent required specific experience; 40 percent required training and over half required applicants to pass a test.

Roughly one-third of participants had health related problems that interfere with employment including poor physical health, mental health issues or substance abuse. Research has consistently demonstrated a positive association between employment and health, and a number of studies have found that alcohol and drug use negatively impact employment and earnings (Kalil, 1998).

The TCJ program was designed with these employment barriers in mind and had components that addressed the needs associated with these barriers, as outlined in the program design and operations flow chart on page 3.

<sup>1</sup> Substance use was a major factor with participants dropping out at intake. This is not surprising given that part of intake was a screening for eligibility and those who tested positive for drugs were ineligible for the program. They were given referrals to treatment. If treatment was completed they were eligible to re-enter the TCJ program.

<sup>2</sup> The barriers of domestic violence, physical health, substance abuse and criminal record are likely to be under-stated here as information was not systematically documented in the program case files that the evaluators utilized. Mental health status was not recorded in the files but other research has shown this to be a major factor in the lives of welfare recipients (Danziger, 2000; Kalil, 1998).

## PROGRAM DESIGN & OPERATIONS

**Referrals:** The program received referrals of prospective participants from Illinois Department of Human Services (IDHS) caseworkers. IDHS caseworkers referred TANF recipients who were deemed available to work but were not engaged in an approved employment activity. Typically those referred to the programs had been on cash assistance for an extended period of time and/or had not succeeded in other programs.

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**Intake:** This session focused on participants' needs and barriers in the areas of employment history, educational background, family composition, income, employment goals, and medical, mental health, criminal, and domestic violence issues. In addition, prospective participants took the Test of Adult Basic Education (TABE) in language, math and reading, and also took a drug test during intake. For participants identified as having a substance abuse problem, referrals were made for treatment services. Once treatment was successfully completed they were eligible to re-enter the program.

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### Employment Services

#### **Job Skills Class:**

After intake, interested and eligible participants entered a job skills class. This pre-employment prep focused on developing appropriate behavior for the workplace. Topics included punctuality, work ethic, attitude, conflict resolution and appropriate work attire. Attendance at all sessions was mandatory.

#### **Job Bank:**

The formalized unsubsidized job search component was called Job Bank, a mandatory weekly meeting. Participants developed a plan for obtaining employment, followed up on job leads developed by job developers, faxed resumes and scheduled interviews.

#### **Pathways Group:**

Pathways sessions were peer led and focused on developing life skills necessary for balancing work and personal life. Pathways Groups focused on issues such as budgeting, preparing for transition from benefits, time management and problem solving.

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**Transitional Community Job:** Upon class completion, participants were placed in community service jobs within Catholic Charities. The jobs were 20 hours per week, paid minimum wage<sup>3</sup>, and lasted a maximum of six months. There were a variety of transitional jobs including clerical, childcare, warehouse, retail and janitorial positions. Participants were closely supervised and trained on the job and received intensive case management to identify and address employment barriers that arose. Participants were encouraged to find unsubsidized jobs as soon as possible.

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#### **Unsubsidized Placement:**

Placement in unsubsidized employment was the program goal, though program services did not terminate at this point. Job developers tried to maintain contact with participants after they were placed so that they might provide assistance in obtaining employment in the case of job loss, or assist in helping the participant upgrade their initial placement. As indicated by the faint arrows, some participants went straight into unsubsidized employment from the point of intake or directly after the job skills class, skipping the subsidized transitional job component.

<sup>3</sup> Earnings were \$5.15 per hour and were treated as wages for tax purposes, hence participants were eligible for the Earned Income Tax Credit.

## PROGRAM OUTCOMES

### How has the program impacted employment outcomes?

The subsidized job appears to have had an extremely positive impact on the rate of employment among participants. The majority of participants in both groups had not been employed in the months prior to entering the program.

Ninety days after program involvement, almost three fourths of the *Subsidized Job* group was employed in permanent, unsubsidized jobs, as compared with approximately half (49.1 percent) of the *Limited Services* group. **The *Subsidized Job* group had significantly higher rates of permanent employment than the *Limited Services* Group at both three and six months after leaving the program.** Both groups had slightly lower rates of employment at 180 days than they had at 90 days, but the *Subsidized Job* group still maintained employment at rates as high as or higher than other welfare recipients with employment barriers. (Strawn, 2000)

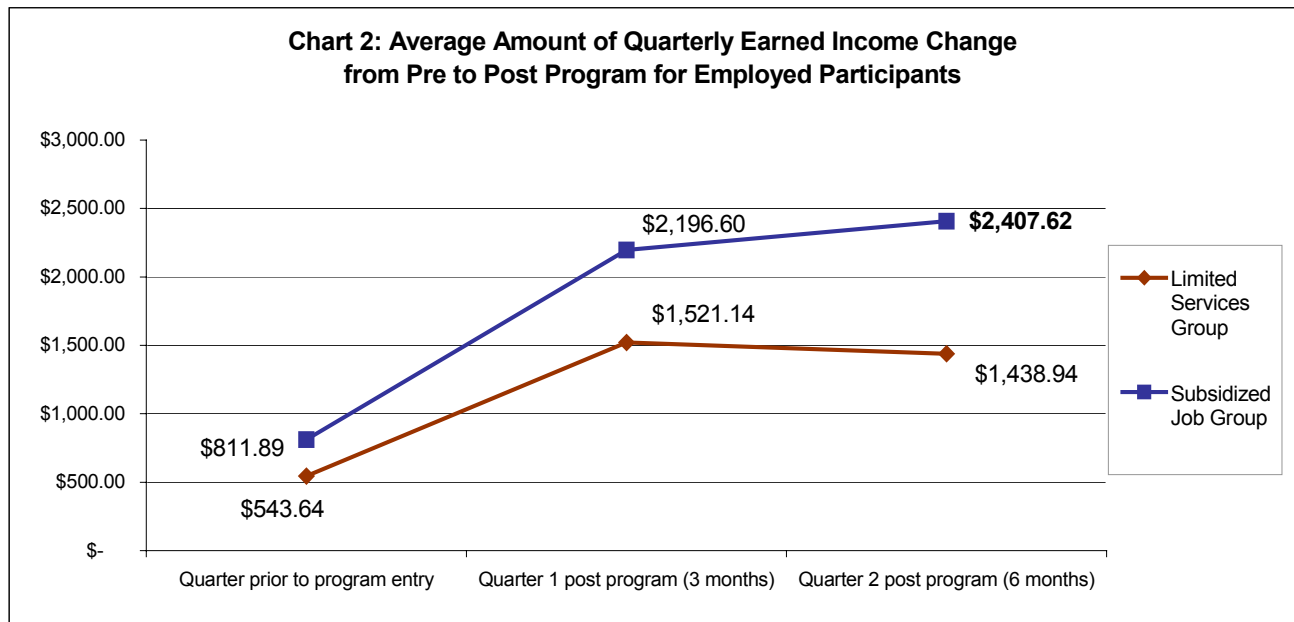
**Table 2: Percent of Participants in Unsubsidized Jobs**

	<i>Limited Services</i> Group	<i>Subsidized Job</i> Group
Employed 90 Days after Program Participation*	49.1%	70.7%
Employed 180 Days after Program Participation*	47.2%	64.9%

\* Significant at .05

### How has the program impacted earnings?

The subsidized job appears to have had a positive impact on the amount of earnings of participants. The majority of participants in both groups had zero earnings in the six months prior to program enrollment. After program participation, over three fourths of participants in both groups had increases in earnings as compared to their earnings prior to entering the program. The groups differ greatly in the amount of earnings, as outlined in chart 2. **The *Subsidized Job* group had higher earnings than the *Limited Services* group at all points, and at six months had experienced a 196 percent increase in earnings.** This is a 32 percent higher increase in wages than the *Limited Services* group. In addition, the *Limited Services* group began to show a reduction in earnings after six months, whereas the *Subsidized Job* groups sustained earnings growth over time.



### Has the program decreased reliance on welfare?

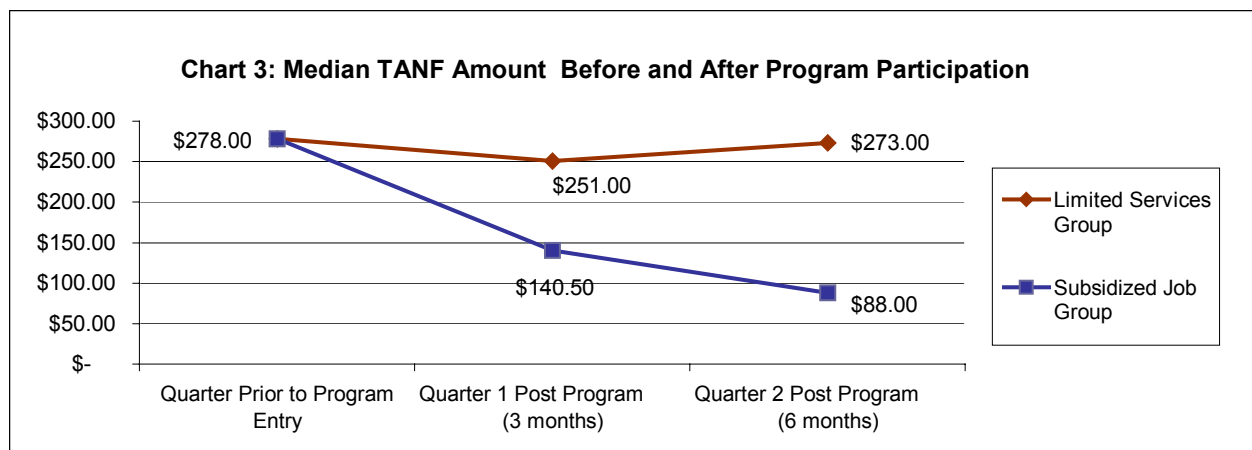
The subsidized job appears to have had a positive impact on both the degree and rate of TANF use among participants, thereby reducing their reliance on welfare. The majority of both groups (over 70 percent) had been receiving TANF for more than 30 months at the time of program entry. Participants in both groups also were generally receiving the same amount of TANF per month (median = \$278) prior to the program.

At six months post program, both groups had a reduction in TANF, though the *Subsidized Job* group's was more drastic, as shown in table 3. Over half (59.3 percent) of the *Subsidized Job* group saw a reduction compared to 44.4 percent of the *Limited Services* group.

**Table 3: Change in TANF Levels Received**

Difference from Pre-Program to Six Months Post Program	Limited Services Group	Subsidized Job Group
Decrease in TANF	44.4%	59.3%
TANF Amount Stayed the Same	31.3%	25.6%
Increase in TANF Amount	24.1%	15.2%

There has also been a reduction in the median amount of TANF received from pre to post program for both groups, though again the *Subsidized Job* group had a much more pronounced drop, as shown in chart 3. **The *Subsidized Job* group had a 68 percent reduction in the median TANF amount received, while the *Limited Services* group had less than a two percent reduction.**



Furthermore, after participation in the TCJ program, nearly one third (31.7 percent) of the *Limited Services* Group no longer received TANF as compared to 42.7 percent of the *Subsidized Job* group.

## SUMMARY

The Transitional Community Jobs program, which served welfare recipients with employment related barriers, provided typical employment services and a subsidized transitional job placement. The program proved beneficial in terms of higher earnings, higher rates of employment, and decreased reliance on welfare. However, participants who received a subsidized job had significantly better outcomes in all of these areas than participants who received only employment services without a subsidized job. These outcomes include a 32 percent higher increase in earnings, a 20.2 percent higher rate of employment, and a 66 percent greater reduction in median TANF amount received.

### **Evaluation Design Note:**

1,161 people were screened for the program. Their program utilization breakdown is as follows:

- I. the *intake only* group, comprised of those referred to the TCJ program who completed intake but did not participate in the program (606 people);
- II. the *limited services* group, comprised of those program enrollees who participated in at least one day of employment services, but not a subsidized job (300 people); and
- III. the *subsidized job* group, comprised of those who participated fully in the program, including placement in a subsidized job for at least one day (255 people).

The analysis in this report is primarily based on a comparison between the *Limited Services* group and the *Subsidized Job* group in order to capture the effect of the subsidized job on employment, earnings and welfare receipt up to six months after program completion. The *Limited Services* group serves as the 'control group' which is compared to the *Subsidized Jobs* group, the 'experimental group'. Participants were not randomly assigned to these groups, but they chose the services of which to take advantage. The evaluators compared these natural groupings of participants after program completion. Data was collected from program case files and the Illinois Department of Human Services and Illinois Department of Employment Security.

### **Citations:**

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Kalil, A., M. Corcoran, Sandra Danziger, R. Tolman, K. Seefeldt, D. Rosen, and Y. Nam. 1998. "Getting Jobs, Keeping Jobs, and Earning a Living Wage: Can Welfare Reform Work?" Discussion Paper 1170-98. Institute for Research on Poverty, University of Michigan, Ann Arbor.

Strawn, Julie and Martinson, Karin. June 2000. *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*. Manpower Demonstration Research Corporation, New York, New York.

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