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**Post-Employment and Job-Retention Report:
Identifying best practices to increasing participation
rates through pre and post-employment
services**

Prepared in partnership with
Lifetrack Resources

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Post-Employment and Job-Retention Report: Identifying best practices to increasing participation rates through pre and post-employment services

January 2007

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Introduction

For the past 13 years Lifetrack Resources has contracted with Ramsey, and more recently (2001) Hennepin County, to provide Employment Services to approximately 1,400 welfare recipients per year. Lifetrack's welfare-to-work program, called Minnesota Family Investment Program (MFIP) operates with over 30 staff and a budget of approximately \$1,700,000 per year. One primary measure of the MFIP program's success is the "participation rate" of clients in activities that satisfy federal guidelines (work, education, job search etc.). Ongoing federal welfare reforms cause regular revisions to performance guidelines and results in local service providers continually adapting their programs to satisfy new requirements. In recent years Ramsey County, including Lifetrack, has not met "participation rate" goals, resulting in the County not having eligibility to receive up to 2.5 percent of its federal aid, totaling over \$5 million per year. This directly impacts the budget of Lifetrack and its ability to meet its mission.

The purpose of this report is to evaluate Lifetrack's current welfare-to-work program and identify best practices that maybe used to increase the participation rate. Avoiding a comprehensive evaluation, this study focuses on the impact of follow-up and job-retention services on the participation rate of program participants. This is part of an emerging welfare-to-work strategy that goes one step beyond traditional services focused on helping applicants get a job to an increasing focus on how one keeps a job.

The key research questions to be considered in this report are:

- What impact do follow-up and retention services have on the success of program participants in the labor market;
- What factors have been found to increase the length of time program participants retain employment and reduce the time between jobs (retention rate);
- Does Lifetrack employ these activities in its current program and;
- If not, what additional activities may Lifetrack adopt to increase the retention rate of its welfare-to-work program participants.

The report addresses these questions in two parts. Part one reviews research related to job-retention and post-employment services. An extensive body of experimental and non-experimental research has been conducted over the past ten years on welfare-to-work programs nationally and locally. Most relevant experimental research is the Post Employment Services Demonstration (PESD)¹ evaluation conducted between 1994 and 1999 and the Employment Retention and Advancement (ERA) currently underway by the Manpower Demonstration Research Corporation (MDRC).² Together these evaluations

¹ A 1994-1999 study by the US Department of Health and Human Services
http://www.acf.hhs.gov/programs/opre/welfare_employ/post_employ/index.html

² The MDRC most recent findings can be viewed at http://www.mdrc.org/project_20_9.html

span programs operating in good and bad labor markets as well as provide feedback on a variety of post-employment and job-retention services. Part one also reviews the Anne E. Casey Jobs Initiative as one program model that has been very effective at increasing retention rates among hard-to-employ workers.

Part two of this report discusses research on Lifetrack Resources' MFIP program. The methods involved in this section are unscientific but do rely on staff interviews and a survey of MFIP participants at Lifetrack's main office and experimental studies. The key findings and conclusions from this research are discussed in detail below. Part two concludes with recommendations of specific actions that can be taken to increase the job-retention rate of Lifetrack Resources' clients.

Part I

National Findings On Follow-Up and Job-Retention Services Research

While many welfare recipients are entering the labor market, many find it difficult to maintain employment and advance. This leaves many welfare recipients in a cycle of getting a job, losing or quitting the job and then going long periods of time between jobs. In response, job-retention programs have been developed to help participants keep their jobs. Since changing jobs is often a requirement for advancement, the term "retention" means staying steadily employed and reducing the time between jobs. Evidence has shown that broad case management services aimed at employed participants have little impact on job-retention and advancement but positive wage changes following initial placement are strong predictors of long-term retention. As a result recent programs have focused on these later factors by impacting job-retention through training and other *pre-employment* services which are discussed below.

The first study to rigorously evaluate follow-up and job-retention services was the Post-Employment Services Demonstration (PESD) conducted by Mathematica Policy Research, Inc between 1994 and 1999 on behalf of the Department of Health and Human Services, the federal agency that administers the welfare program. Examining four programs with job-retention focused case management services aimed at newly employed welfare recipients, the PESD found that "overall, the [post-employment services] programs had little effect on increasing earnings, reducing welfare, or promoting the move toward self-sufficiency."³

The programs evaluated provided intensive post-employment case-management services that included 1) counseling and support 2) job search assistance 3) help with benefits 4) service referrals and 5) support service payments for work-related expenses. As cited in the report, the modest results may be due to a number of conditions including the services they deliver, the populations involved, the availability of these services prior to the

³ Page 6. The Struggle to Sustain Employment: The Effectiveness of the Post employment Services Demonstration. Final Report 1999.

program or strong economic conditions that existed during the demonstration (during this time over half of all participants were employed). These findings have been largely reconfirmed by the Employment Retention Assessment (ERA) study currently underway and is now the most comprehensive project assessing retention and job advancement factors in their jobs⁴.

One operational lesson for programs wanting to offer job-retention services is to distinguish between the two types of participants present and target services accordingly. In the PSED study 60 to 80 percent of participants were able to retain employment for 2 years and likely needed only short-term types of assistance such as medical care and childcare. The other 20 to 40 percent of participants had more difficulty retaining any employment and thus required more intensive on-going case management services. Thus, programs that are able to successfully identify and target services based on education, health and other characteristics may have better program outcomes.

Annie E. Casey Jobs Initiative

Some of the most innovative and successful work on increasing job-retention among the hard to employ groups is the Annie E. Casey Jobs Initiative (JI) which has been piloted in 15 cities. This program includes a case management strategy focused on job-retention and advancement that employs both pre and post-employment components. The Seattle Jobs Initiative (SJI) has experienced great success with a program that has yielded 1 year retention rates approaching 68 percent. Part of this strategy assumes that retention starts on day one when the job counselors begin to identify barriers to employment and begin to help the participant to internalize the core elements of retention: problem-solving skills, coping in the workplace, seeing things from the employer's perspective and knowing where to turn when difficult issues arise.

The SJI model includes an assessment process that occurs during trainings and case manager meetings that accurately categorizes participants into a low, medium and high needs category allowing job counselors to manage each case accordingly⁵. Also highlighted as an important part of the program's success is the customized job-retention and advancement-focused case management training that job counselors go through. Developed by the SJI, the 60-hour Case Management Best Practices and Standards training series includes separate modules by experts in the fields of special interest (such as mental health, domestic violence) giving job counselors confidence in the area of comprehensive assessments and making successful referrals and employment plans. Further details on the retention focus case management training curriculum was not available at the time of this report⁶.

⁴ Minnesota: Hennepin County (Minneapolis) is one of the fifteen sites and demonstration project is currently underway and focuses on enhanced services to participants with acute mental health problems.

⁵ The Road to Good Employment Retention: Three Jobs Initiative Programs with High Retention: http://www.nycfuture.org/images_pdfs/pdfs/employment_retention.pdf

⁶ To obtain further information or to inquire about details of the case-management training curriculum contact program director Gloria Hatcher-Maze at 206-628-6967 or Patcie at 206-628-6975

The SJI program also works with Seattle Vocational Institute to offer a 22-week occupation training classes in office, manufacturing and construction that include a 4-week internship. These trainings are free to those that qualify. The program ends with case managers assisting in placement in a job paying \$9/hour plus benefits and to date the program has placed 4,100 participants in jobs⁷.

⁷ <http://www.seattlejobsinitiative.com/jobs/faqs/index.html>

Part II

Findings From Job Training, Job Search Activities and Education Survey

To assess program activities in areas that impact job-retention a 12-question survey was conducted at Lifetrack’s 709 University Ave office between November 15th and December 8th. The surveys were confidential and read to each participant by someone from a team of non-MFIP staff which included a graduate research assistant, interns and volunteers who were all trained in how to give the ten-minute survey. Responses collected from the seventy-four (74) individual respondents are displayed below with each question being followed by a brief discussion. In general, it was found that participants were able to identify those issues most impacting job-retention (living wage and educational level), however these same respondents did not fully participate in the training curriculum offered at the Lifetrack Resource Center.

Table 1. Age of Survey Participants
(35) 48% 18-24 years of age
(13) 18% 25-34 years of age
(19) 26% 35-44 years of age
(4) 4% 45-54 years of age
(4) 4% 55-65 years of age

Demographics

The demographic profile of the seventy-four (74) survey participants roughly matches in sex and age that of the approximately 1,000 MFIP clients served by Lifetrack Resources in 2005 in both Ramsey and Hennepin Counties. In regards to sex of survey participants, sixty (60) or 81 percent were women and fourteen (14) 19 percent were men. As can be observed in table one, the largest age cohort is 18-24 years of age.

Table 2. Employment Status Among Survey Participants
(52) 70% of all participants surveyed were unemployed
(22) 30% of all participants surveyed were employed
(11) 15% of those employed were employed part-time

Survey Results

Below are the results and analysis for individual questions included in the Job Training, Job Search Activities and Education Survey.

Question #1. When asked, “*what is the biggest challenge to finding the job you want*”, of 74 total participants:

- 26% (19) responded-family responsibilities
- 26% (19) responded-other (labor market, motivation, mental/physical health, ESL)*
- 22% (16) responded-job skills**
- 19% (14) responded-transportation**
- 5% (4) responded- don’t know
- 3% (2) responded-legal

*Unless otherwise noted, detailed responses marked in “()” signify one response.

** For those respondents that are employed, 40% (9) identified skills and 36% (8) identified transportation as the biggest challenge to finding the job they want. The increased difficulties with transportation among participants who are employed likely reflects a “spatial mismatch” that exists in the Twin Cities by which entry level and better paying low skill jobs are located in the suburbs while the potential, low-skill inner city, workers not having access to these jobs. Thus access to good (suburban located) jobs is likely to be a challenge to participants as they seek to advance in their career. One recommendation from one surveyed participant was to organize job leads posted in the Resource Room and elsewhere by geography.

Question #2. When asked, “*do you feel your Job Counselor understands your challenges to employment*”, of 69 total participants:

85% (59) responded-yes*

15% (10) responded-no**

*Among those that answered “yes”, the qualities mentioned included listening, honesty, giving specialized (for felons) job leads, supportive, found good programs for participant.

**Among those that responded “no”, the most common explanations included that his/her job counselor doesn’t help with job leads (3) while other comments offered more general statements regarding not listening or not being understanding. Four (4) comments had to do with bus cards, medical waivers and other MFIP guidelines that the job counselor seemed to be blamed for. Understanding all MFIP guidelines, is likely difficult for many participants. Further, it has been estimated that one-third to one-half of welfare recipients have learning disabilities⁸ suggesting that explanation of benefits and expectations need to be done in a clear, concise way that all participants can understand.

Question #3. When asked “*What is the most important part of advancing your career?*”, of 73 total participants*:

55% (40) responded-additional education**

14% (10) responded-finding the right employer (advancement opportunities, job skills)

11% (8) responded-other (showing up to work, financial support)

8% (6) responded-additional support services ((2)child care, disability services)

7% (5) responded-good work history

5% (4) responded-don’t know

*Unless otherwise noted, detailed responses marked in “()” signify one response.

**Further analysis of these 40 respondents showed that when asked in question #10 “at any time during the past 12 months did you do any of the following training activities”, 76% of this group said they had NOT attended a training teaching a specific skill while

⁸ P.22 Moving people from welfare to work: lessons from the National Evaluation of Welfare to work strategies. MDRC, July 2002.

55% said they had attended job readiness training and 79% said YES to attending job search program or job club in the past 12 months. The contradictory responses (respondents stating the importance of additional education but these same respondents not taking advantage of opportunities for additional education) may suggest that the training curriculum be marketed as job advancement training and a corresponding curriculum be offered.

Question #4. When asked “*Even if you are not currently working, how confident are you that you can find a good job and become financially self-sufficient?*”, of 73 participants:
(36) 48% responded-very
(26) 35% responded-somewhat
(11) 15% responded-not
(2) 2% responded- not at all

Question #5. When asked “*What is your target job and what is your plan to get that job?*”, of 76 participants:
38% (28) responded- with a specific job title and a plan*
62% (46) responded- without specifying a job title or position and a plan**

*For example, respondents stating “nursing assistant” were categorized as having a target job while those stating “health care sector” were not. Of all job titles identified, nearly half were nursing or health care related positions.

**This may reflect the degree to which trainings directly relate to the labor market and/or how thorough employment plans are in setting specific, realistic employment goals.

Question #6. When asked “*Could you have gotten your last job without Lifetrack Resources help?*”, of 76 participants:
53% (40) responded: Yes
25% (19) responded: No*
22% (17) responded: Had not yet gotten a job
(continued on next pages)

*This is the primary component to identifying successful placement of participants- can the job counselor assist the participant in obtaining a better job than they could have obtained on their own. Job-retention is largely determined by the quality of the job (wages and benefits) and initial placement also plays a role in wage progression, thus a successful initial placement also involves the quality of the job.

Question #7. When asked “*What type of job would you like to have?*”, of 68 participants:
37% (25) responded-healthcare*
16% (11) responded-office

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15% (10) responded-self employed ((4)Daycare center,(3)small business, beauty shop, small engine repair)**

13% (9) responded-other (primarily social work and education)

12% (8) responded-manufacturing

7% (5) responded-restaurant

*This was also reflected in the large number of primarily females survey participants that identified as their “target job” a particular certified nursing position.

**Welfare-to-work programs that use microenterprise (self-employment) programs have shown great success with TANF recipients. A survey microenterprise programs by the Aspen Institute showed that among participants at 150% below the poverty, 53% of these participants were able to move over the poverty line and 61% were able to decrease their reliance on public assistance.⁹ Participants succeeded in a wide variety of businesses but the most common types included child care, personal services such as hair care, clothing and apparel, building, and vehicle repair. The Neighborhood Development Center and Women Venture are two local organizations that offer microenterprise programs.

Question #8. When participants that were currently employed were asked “*What resources at Lifetrack Resources have you used since being employed?*”, of 28 participants:

29% (8) responded- Job Search “Resource Room”*

25% (7) responded- Training Classes at the Job Search Center

25% (7) responded- None

21% (6) responded- Job Club**

*Changing jobs, in some cases multiple times within a year, is often associated with career advancement and positive wage gains. For this reason it may be necessary to tailor resources in the Resource Room toward those who are currently employed. One way may be to organize job posting by geography or skill level.

**One job club strategy that has been perceived as useful is the use of “mentors” that are welfare-to-work “success stories” that are able to discuss the transition into the work place or their personal career path.

Question #9. When asked “*about how much do you need to make an hour to pay all your bills?*” of 66 participants who answered the mean response was \$12.60 (ranging from \$8/hr to \$25/hr) and a median of \$13.5. The \$12.60 figure closely matches the \$12.50/hour wage that is 130% of the poverty level and is considered to be a “living wage” for a family of four and can be considered to be a realistic response by participants.

⁹ Aspen Institute FIELD program. Results documented in the Self-Employment Learning Project (SELP) 1999.

Question #10. When asked “*At any time during the past 12 months did you do any of the following training activities?*”, of 74 participants:

55% (41) responded YES to job readiness, resume writing, job interviewing, building self esteem leaving 45% (34) who responded NO to job readiness, resume writing, job interviewing, building self esteem

79% (59) responded YES to job search, job club, use resource center get referrals leaving 21% (26) who responded NO to job search, job club, use resource center get referrals

76% (57) who responded NO to attend a training program to learn a specific skill (computer etc) leaving 24% (18) who responded YES to attend a training program to learn a specific skill(computer etc).

Question #11. When asked “*Are there topics you would add or change about the Job Search Training Program such as financial education or life skills*” and “*Are there any other comments you’d like to share?*”, of 75 participants (31) 41% offered a response that:

(7) stated how positive their experience had been

(8) stated how they felt Lifetrack Resources/MFIP set unreasonable expectations, in most instances the participant did not distinguish between Lifetrack and the MFIP program which was marked by interchangeably using the terms.

(3) would like more clarity on timelines and expectations for MFIP benefits

(2) stated how classes should better meet existing skill levels

(4) stated that additional free classes should be offered in debt planning, “life after MFIP”, nursing and computer classes*.

*Requests for training classes signal a desire for both hard-skills (computer classes, budgeting) and soft-skills (stress management).

Conclusions and Recommendations

The Lifetrack Resources MFIP program successfully employs many of the best practices in the field of welfare-to-work programs. Strong ties with employers and technical colleges, a mixed-strategy of employment and education, coordinating with other MFIP vendors and capability to provide a variety of support services are all proven components of successful programs. Yet, for Lifetrack, long-term job-retention remains a challenge and attention toward offering effective job-retention services is occurring industry wide. Extensive research has shown impacting job-retention through post-employment services is difficult, however higher wages and employer benefits have been proven to be strongly associated with increased job-retention and can thus be held as a target for job placement and job-retention services.

Thus, likely the most important part of job-retention occurs in pre-employment services involving training and then job-placement. However, post-employment services also play a role, especially for those whose initial job prospects are limited. For these participants of higher need, post-employment services aimed at assisting the participant in identifying opportunities for advancement may be more necessary. Below are three recommendations that can be considered as first steps toward improving job-retention through pre-employment services.

Tailor Training Classes to the Participant

Matching the appropriate training class to the participant is essential to an effective training curriculum and increasing the likelihood of each participants' success in the labor market. Many organizations offer a spectrum of training classes from soft skills to hard skills. Currently Lifetracks' central office offers classes oriented toward job search activities (resumes, interview skills, searching classifieds). For participants that have recently completed the Diversionary Worker Program (DWP) and have already completed this curriculum, repeating these trainings may not prove as useful as a new curriculum¹⁰. Further more, participants that were not placed in jobs during four months of DWP job search may be considered harder to employ and needing more intensive job search assistance. Participants at Lifetrack's central office would benefit from picking up where DWP left off by having available trainings that build new skills (soft skills) such as confidence building, coping in the workplace and seeing things from the employer's perspective.¹¹ Employers of TANF individuals are concerned about work attitudes, dependability, and job turnover and understanding these labor market conditions are first steps toward success¹². Among the training topics requested during the survey are debt planning, "life after MFIP" and computer classes. Based on the success of these programs and the interest among participants in self-employment, partnering with

¹⁰ However repeating classes with more hands on trainings techniques such as interview role plays may be of value.

¹¹ Questions such as "why were you not able to get a job in DWP?" may allows Job Counselors to recommend a better course of action.

¹² <http://aspe.hhs.gov/hsp/private-employers04/execsum.htm>

microenterprise organizations may be considered¹³. Furthermore, ongoing education is a critical element of advancement and job-retention and should be encouraged for low, medium and high need participants. Although not all participants are able to complete a degree program, targeting employers with on the job training opportunities may be an important strategy for participants with the least developed skills. These training strategies highlight the important role trainers have in increasing participant's chances for job-retention.

Retention Focused Case-Management Training

Ongoing changes to MFIP performance guidelines create many opportunities for job counselors and participants to misunderstand the program¹⁴. MDRC found during its research that when implementing a new program (in this case work supports) staff consistently reported being confused during the initial stages¹⁵. Thus, implementing a new program initiative requires deliberate action and clear messages to staff to effectively change staff, particularly job counselors', behavior. Thus, additional case-management training is need to successfully impact the way job counselors approach and act on job-retention strategies. The Seattle Job Initiative's 60-hour Case Management Best Practices and Standards case-manager training curriculum suggests the value of job-retention focused trainings. The demographic make-up of participants and the program elements currently present at Lifetrack Resources (ties to vocational institutions, ties to employers) suggest that such a case-management style would be possible. Developing and adopting a curriculum similar to SJI should be considered by Lifetrack and could be potentially delivered by Workforce Solutions. Other steps that may be used to assist job counselors in job placement, job-retention and advancement services is for job developers to categorize job referrals based on clients needs (felon, first time employment, need for childcare, on-the-job-training etc). This may also provide the added benefit of allowing Job Counselors to effectively handle the initial placement allowing Job Developers to focus on currently employed participants and specialize in job advancement with those individuals.

Additional Research

There is room for further research into the participant, organizational and labor market factors impacting the success of MFIP participants at Lifetrack. However, focusing on how job counselors navigate MFIP participants into the labor market and how Lifetrack trainings prepare them to be successful should be first on the list. It is important to understand how services that impact job-retention and advancement are handled across the organization. Also important is evaluating how Job Counselors market occupational trainings and the degree to which assessments of the participant are used to inform job placement.

¹³ See notes from survey question #7

¹⁴ This misunderstanding was reflected in survey question #2

¹⁵ "How-to Guide." Making Work Pay. Manpower Demonstration Research Corporation. 2003

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