

Building Bridges to Family-Supporting Jobs

by Hilary Pennington and Marlene Seltzer

Women with low levels of formal education and income face extremely difficult challenges in today's labor market. Disproportionately concentrated in jobs at the bottom rung of the labor market, they find few routes into new work that can support a family. A recent study by the Education Testing Service, using 1998 data from the U.S. Census Bureau's Current Population Survey, found that 53 percent of female workers who worked consistently over a five-year period still earned less than \$25,000 at the end of the five years, compared to only 19 percent of male workers who worked consistently over the same period. Women are much more likely than men to remain in the ranks of the working poor.¹

The challenge is particularly acute for women leaving welfare and entering the labor market. These women face multiple barriers to employment. As many as one-third of them have children under the age of three. At least 42 percent lack a high school diploma. Three out of ten have never held a job for longer than six months. A sizable minority have physical and other learning disabilities that make work difficult. In addition, they face other, non-skill barriers to employment, including inadequate transportation to where jobs are located, a lack of daycare resources, and inexperience in strategies for finding suitable employment. The effects of these employment barriers are magnified when we consider that, for the most part, the jobs they enter as they move off of welfare pay very low wages. The hourly wage for most jobs that former welfare recipients hold is between \$5.50 and \$7.00 per hour, compared to the average hourly wage for the primary worker in working poor families of \$7.55, and the \$16.67 average hourly wage for the primary worker in non-poor families.²

Thus, while welfare reform is moving many women out of dependence on public assistance and into work, it is not moving them and their families out of poverty. Reaching self-sufficiency requires a level of income beyond the reach of many. The Economic Policy Institute calculates that an employed single-parent family with two young children — the typical family that receives welfare — needs an income between \$20,000 and \$35,000 to meet its basic needs (this includes expenditures for food, housing, transportation, healthcare, childcare, taxes, and other necessities) — a value about twice the federal poverty line.

How can we help people, especially women, advance from a first job at the low end of the labor market into "second tier" jobs that pay better? What combination of supports and opportunities do low-income women need for advancement in today's labor market? How do we structure organizations and public policy to give women these supports? Jobs for the Future (JFF), a national public policy and demonstration organization, focuses on connecting people to opportunity in the changing economy. JFF both studies and tests new models for education and career advancement for low-income workers and young people.

Hilary C. Pennington is the vice chairman and CEO and Marlene B. Seltzer is the president of Jobs for the Future. Their organization is involved with initiatives working around the country to help design and implement effective strategies for welfare recipients to obtain family-supporting jobs. A major part of these initiatives is to work with whole communities to bring them together to learn from each other in an effort to improve the nation's learning and working experience.

Our experience in the field over the past two decades points to two critical issues that need addressing:

- **Public policy and state and local practices do not adequately support what we know works best in moving women into family-supporting employment.** An extensive body of research demonstrates that successful programs emphasize advancement, rather than retention (i.e., instead of placing women in readily accessible jobs, they focus on helping them progress to consistently better jobs). Successful programs place women in the highest quality, first jobs available, giving them access to broad-based skills, as well as occupation-specific training, helping them navigate non-work barriers to training, and providing post-placement support once women are employed. Such programs are not the one-shot, short-term interventions that characterize most welfare-to-work programs. A wide gap looms between what we know and how we construct public policy and public resources.
- **Despite all the innovative activity in job development, few programs have the capacity to expand to the scale required.** In part, this is because most programs are not designed to meet the needs of employers in a way that creates recurring demand for their services. And in part, it is because effective programs are not designed for scale. They tend to be run by undercapitalized, small, community organizations and are almost exclusively local in their reach.

In this article, we share some insights on these issues, based on our experience with many different programs such as Workforce Innovative Network (WINS),³ Welfare to Work,⁴ and the Casey Jobs Initiative.⁵ We start by reviewing the characteristics of several best-practice programs for helping women advance in the labor market and close with a description of a new venture being launched by JFF in partnership with entrepreneur Jeff Jablow.

Best Practice Programs

The models profiled here include a range of organizational forms — varying from an employer-based program, to a program run by a community college, to a partnership between a community-based organization and large financial-service corporations.

- **Cessna Aircraft Company** in Wichita, Kans., trains welfare recipients to work as sheet metal assemblers at their plant in the 21st Street Training Program. As described in the publication *Working to Learn*,⁶ trainees are employed by Cessna, working from 7 a.m. to 3:30 p.m. for \$7.50 per hour. After the first phase of training (about six weeks), trainees work on actual airplane parts and the hourly wage goes up to \$8.30 per hour. Training graduates get a raise to \$10.38 per hour and are transferred to the main production facilities. From the outset, participants also work with a Cessna “support services counselor.” In addition, Cessna offers benefits that greatly improve retention by providing women with support for childcare and housing. It has an on-site

daycare center and six units of transitional housing on the 21st Street campus (supported in part with public funds).

- **The Advanced Technology Program (ATP) of Oakland Community College** was started in 1995 to serve welfare recipients. According to *Working to Learn*,⁶ “Training cycles are 20 weeks, five days a week from 9:00 a.m. to 3:30 p.m. Each cycle is custom-designed for major, local area information technology employers, who hire graduates in jobs paying between \$18,000 and \$25,000. To qualify for training, participants must be employed 25 hours a week at jobs (most of which are unrelated to training) that they find for themselves or through their Work First Job Clubs. During the last four weeks, part of the trainees’ time is spent in paid internships with the participating employer. Oakland Community College also relies on a network of community-based agencies that provide support services for trainees.”⁷
- **The Private Industry Partnership (PIP) Program of Wildcat Service Corporation**, a non-profit, social service agency in New York City, has partnered with Citigroup and other large financial service employers to help women move from public assistance into jobs that pay an average starting salary of \$25,000. The PIP program is demand-driven and employer-oriented, performing a service — providing prescreened, well-trained individuals at a price and quality competitive with private-sector placement firms. Eight companies now participate in the PIP, including Morgan Stanley Dean Witter and the ad agency McCann-Erickson, as well as Salomon Smith Barney.

Three times a year, about 150 of Wildcat’s most skilled public-assistance clients enter the PIP program. Over the following 16 weeks — the pre-employment portion of the program — the participants alternate between a week of classroom training and a week of subsidized employment, where they perform jobs similar to those for which they are preparing. Public funding provides money to pay them minimum wage for the work. At the end of this period, Wildcat refers candidates to employers for the final decisions about which candidates to accept as interns.

A work-site internship constitutes the PIP’s second 16-week segment. Participating employers treat the interns like other employees: If someone is not working out, she returns to Wildcat. But Wildcat tries to ensure that it indeed provides a valuable product: competent personnel for hard-to-fill vacancies. Thus, Wildcat case managers ensure that prospective interns have solved housing, childcare, and other problems. During the internships, Wildcat staff stay in touch with the employers to anticipate issues that could undermine job performance. Some employers provide additional supports to help interns understand and function in their firms. For example, Salomon Smith Barney offers a workshop on receiving and using performance feedback — particularly supervisors’ first appraisals.

At the end of the training, participants can compete for permanent jobs. For example, Citigroup hires approximately 100 people per year through the PIP. It hires some interns directly; some interns get other jobs at other Citigroup

companies; and others return to Wildcat for more skill development. The retention rate for PIP graduates at Citigroup has been extraordinarily high: Ninety percent of those hired by Salomon Smith Barney still work there after three years.

PIP staff and the employers meet three times a year to discuss business developments that might affect the instruction. For example, in the fall of 1997, during the merger that formed Salomon Smith Barney, the firm's customers called so often to ask about how the change would affect them that the firm decided to open a customer service center. Wildcat shifted training to focus on skills needed for the center and, within a few months, provided about 20 of its 30 employees.

Wildcat's Improved Performance 1995-2000	
Wildcat Services—1995	Wildcat Services Today
• 65 percent placement rate	• 85 percent placement rate
• \$14,000 annual income	• \$28,000 annual income
• 55 percent employment retention after six months	• 90 percent employment retention after five years
• Annual revenues--\$8 million	• Annual revenues—\$60 million

Prior to launching the PIP program, Wildcat used a more traditional approach to job training and placement. A comparison of the outcomes before and after launching PIP's more demand-oriented approach is telling (see table below).

Several important lessons emerge across these examples. First, the quality of the jobs that women receive matters greatly to their prospects for retention, as well as advancement to higher-skilled, better-paying positions. The successful programs profiled here find the best jobs clients can possibly fill and train them to succeed at those jobs and in the company's work environment. In addition, these programs ensure that women receive the support services, especially childcare, that allow them to retain employment.

Yet, despite their impressive successes, these programs remain small, and it has proven very difficult to replicate them in other places. Which brings us to the second set of questions posed at the beginning of this article: How do we structure organizations and public policies to give women the opportunities and supports they need? The final section of this article describes JFF's efforts to address these questions.

Necessary Changes in Organizational Structures and Public Policy

Origin LLC. Early in 2001, Jobs for the Future decided to step off the sidelines and into the trenches by partnering with Jeff Jablow, the founder of PIP, to

design a new organization capable of expanding to significant scale nationally. JFF, a non-profit, public policy organization, is taking this step for three reasons:

1. We believe it is important to counteract the conventional belief about people who are poor by creating ventures that demonstrate how poor people are able to succeed in jobs that require advanced thinking skills;
2. We want to test whether a demand-driven model using commercial, market-based practices can grow more quickly than traditional attempts to replicate non-profit operations; and
3. We want to test whether partnerships between local, community-based organizations and a national organization with strong relationships to multi-site employers can strengthen the capacity of community-based programs to connect their low-income clients to high-quality jobs.

In pursuit of these objectives, Jablow and Jobs for the Future have formed a new company, Origin LLC. Origin will train new job entrants for information technology-related jobs that can be filled by adults without a college education after a moderate training period. Origin will also provide skills training and upgrading services to incumbent workers, leveraging both government and corporate training dollars. Origin chose the information technology industry because of the sector's well-paying jobs and growing demand for qualified workers. Of an estimated 1.6 million information technology (IT) openings in 2000, half will go unfilled. Yet, 40 percent could be filled by those with less than an associates degree (two-year degree).

Services

Origin will reverse the typical sequence of most employment programs. It will start by helping employers identify business problems they could solve through improved human resource practices. Origin will then offer job preparation customized to those employers' needs. It will produce highly focused referrals to help firms lower recruitment-to-hire ratios, reduce turnover, and secure better-prepared job candidates.

A large IT outsourcing company for example, does not have enough college-trained and experienced IT support specialists to fill its entry-level PC support and help desk positions. This firm is willing to reexamine its recruitment and hiring practices. Origin analyzes the actual job requirements for these entry-level positions and determines which positions can be filled by non-college graduates who complete a customized training program designed by Origin.

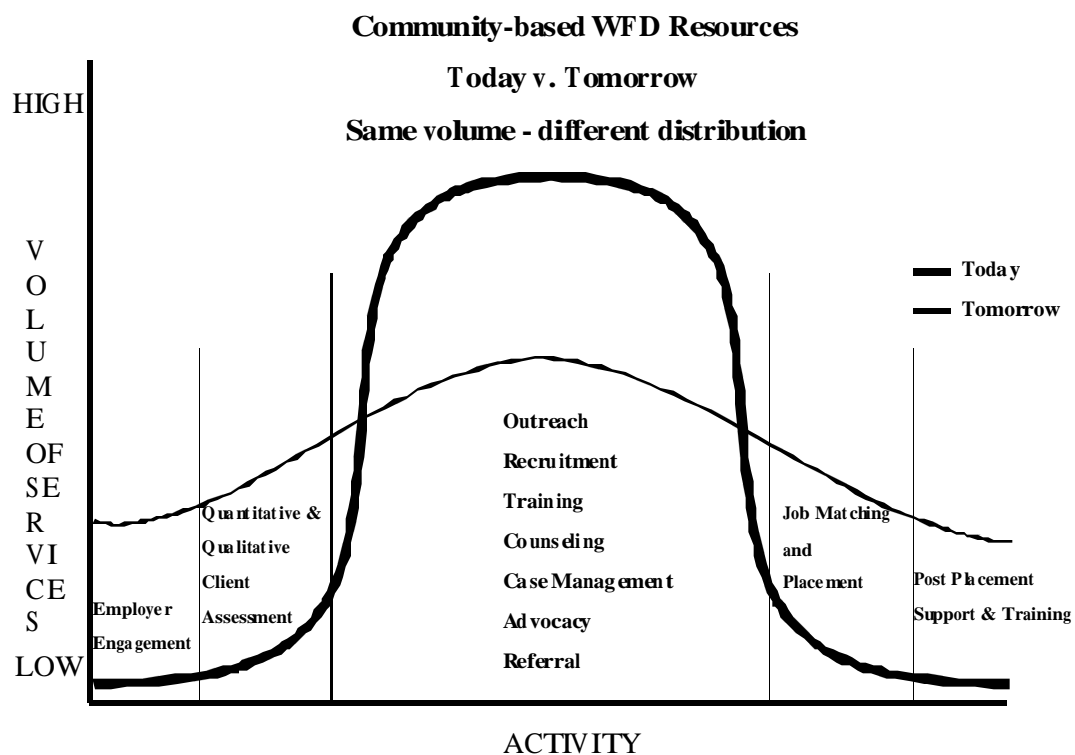
Strategy for Partnerships and Expansion

By establishing up to eight New York sites, and sites in at least five other large cities, Origin can secure multi-city job orders from large corporate customers. Origin can then partner with community-based organizations in different cities, the vast majority of whom have only limited capacity to effectively market their clients to potential employers and secure corporate job orders.

Franchise and licensing arrangements will ensure scale and effectiveness. By offering a “brand identity,” supported by a sophisticated national sales and marketing operation, the ability to serve multi-site employers, training methods and curricula that match employer demand, and expertise in leveraging public funding streams, Origin can strengthen the capacity of non-profit organizations and public agencies to deliver high-quality training while relieving them of the burden of job placement. It is pre- and post-employment services, we argue, that add value for corporate customers and increase wages and job quality the most for low-income women.

Public Policies

Models like Origin LLC are important, yet they are not enough if women trapped at the bottom of the labor market are to receive the help they need — they must be accompanied by new public policies. Especially important is a set of public policies that incorporate what we know about women’s needs if they are to advance to family-supporting careers. Such policies, for example, would improve women’s access to postsecondary education and promote the



development of progressive and modular models for training and skill certification. Moreover, public policy should support the “intermediary organizations” that can provide, coordinate, and advocate for the diverse pre-placement and post-placement services that make it possible for low-skill women to advance to and succeed in middle class jobs.⁷

Like Origin LCC, tomorrow’s model for helping low-wage women advance in the labor market will be as employer-centered as it is worker-centered. Whereas

today's service model focuses on outreach, counseling, case management, advocacy, and referral — all of which are worker-centered and all of which are necessary — tomorrow's will begin by engaging *employers*. It will move into high gear with an assessment of the kinds of jobs those employers need to fill, then provide women with specific training focused on the skills needed for those jobs. And it will promote women's success at the workplace and in the labor market with on-the-job support and advanced training and education after the first placement. These next-generation strategies are the kind America needs to accelerate low-income women's moves from poverty to the jobs they deserve.

Endnotes:

¹ Carnevale, Anthony P., and Stephen J. Rose. Forthcoming. Low-Earners: Who Are They? Do They Have a Way Out? In *Low Wage Workers in the New Economy*, edited by Richard Kazis and Marc S. Miller. Urban Institute Press.

² Ibid.

³ Workforce Innovation Networks (WINs) is a joint project between Jobs for the Future, the National Association of Manufacturers, and the U.S. Chamber of Commerce whose purpose is to create new partnerships that address the workforce development needs of businesses and communities.

⁴ Future @ Work: A Welfare-to-Work Urban Technical Resources Initiative is a joint project between Jobs for the Future and Manpower Demonstration Research Corporation to help ten large urban communities design and implement effective strategies to help welfare recipients obtain family-supporting jobs.

⁵ The Annie E. Casey Foundation Jobs Initiative program provides funding and support for community-based initiatives in six cities in order to help young, low-income workers find meaningful jobs and to identify national employment and training models.

⁶ Stillman, Joseph. 1999. *Working to Learn — Skill Development Under Work First*. Working Ventures — A Publication of Public/Private Ventures, p. 12.

⁷ Ibid.

⁸ For more information on public policies that would help low-wage workers advance in employment and earnings, see *Low Wage Workers in Today's Economy: Strategies for Productivity and Opportunity*, at www.jff.org/whatsnew.html.