DOCUMENT RESUME

ED 466 759 CE 083 510

AUTHOR Conway, Maureen; Zandniapour, Lily

TITLE Industry-Based Employment Programs: Implications for Welfare

Reauthorization and Key Survey Findings. Policy Brief.

INSTITUTION Aspen Inst., Washington, DC.

SPONS AGENCY Mott (C.S.) Foundation, Flint, MI.

PUB DATE 2002-04-00

NOTE 13p.; Produced as part of the Economic Opportunities Program

Sectoral Employment Development Learning Project.

AVAILABLE FROM Publications Department, The Aspen Institute, P.O. Box 222,

Queenstown MD 21658. Tel: 202-736-1071; Web site:

http://www.aspeninst.org/eop/eop\_sedlp.html.

PUB TYPE Reports - Evaluative (142)

EDRS PRICE EDRS Price MF01/PC01 Plus Postage.

DESCRIPTORS Adult Education; Career Development; \*Education Work

Relationship; Educational Legislation; Employment Level; Employment Patterns; Federal Legislation; Federal State Relationship; \*Job Training; Longitudinal Studies; Low

Income; \*Outcomes of Education; Policy Formation;

Postsecondary Education; Promotion (Occupational); Public Policy; Salary Wage Differentials; \*Welfare Recipients;

\*Welfare Reform; Working Poor

IDENTIFIERS Impact Studies; \*Industry Based Employment Programs;

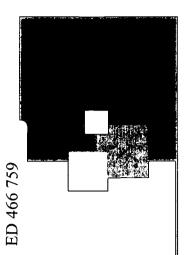
Reauthorization Legislation; Temporary Assistance for Needy

Families

#### ABSTRACT

The Sectoral Employment Development Learning Project (SEDLP) examined industry-based ("sectoral") approaches to employment training to determine whether they can help low-income individuals advance in the labor market. The SEDLP sample included 732 individuals at baseline, including 185 recipients of Temporary Assistance for Needy Families (TANF). Of the 185 TANF recipients, 143 were interviewed 1 year after their SEDLP training and 94 were interviewed 2 years after the end of training. Of the TANF recipients surveyed 2 years after their SEDLP training, 68% were working year round; 45% received health insurance through their jobs; 48% had moved out of poverty based on their individual earnings alone, and 82% believed that their sectoral training program had improved their job or career prospects. It was recommended that TANF laws be revised to include the following provisions: (1) offer states flexibility to develop and implement appropriate education and training services for welfare recipients, including pre-employment training; (2) encourage states to invest in effective training, such as the industry-based training models studied in SEDLP; (3) encourage states to monitor outcomes such as employment, job retention, job quality, earnings, growth, and job advancement; and (4) provide sufficient funds to states to enable them to offer quality programs and monitor programs' effectiveness. (Contains 26 footnotes.) (MN)





This policy brief has been produced as part of The Aspen Institute's Sectoral Employment Development Learning Project, a multi-year study of six industry-based employment training programs.

U.S. DEPARTMENT OF EDUCATION Office of Educational Research and Improvement EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

\_\_\_\_\_

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)



Economic
Opportunities
Program

# Industry-Based Employment Programs: Implications for Welfare Reauthorization and Key Survey Findings

By: Maureen Conway and Lily Zandniapour

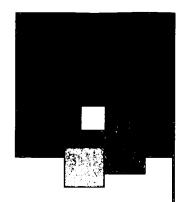
#### Summary

Through its Sectoral Employment Development Learning Project (SEDLP), the Aspen Institute has examined industry-based or "sectoral" approaches to employment training to discover if and how they can help low-income individuals advance in the labor market. As part of this study, a number of welfare recipients who participated in these sectoral programs were surveyed over time. The purpose of this paper is to review key findings from that research to spotlight their implications for welfare reauthorization. In general, SEDLP findings point to the important role industry-based training can play in helping welfare recipients advance in the labor market. Briefly, the survey reveals that welfare recipients who received this training, also referred to as "sectoral" training, dramatically improved their situation in the labor market after participating in this training. Specifically, two years after training we find:

- o 68 percent of respondents report working year round at their jobs;
- 45 percent report receiving health insurance through their jobs;
- Employed respondents report median annual earnings of \$15,015,39 percent higher than in the previous year and 381 percent higher than the year before training;
- 48 percent of respondents moved out of poverty on the basis of individual earnings alone;
- 82 percent of survey respondents report that their job or career prospects are better today because of the sectoral training program.

This experience stands in marked contrast to the experiences of former welfare recipients reported in many other studies. This study points to a potential strategy for helping welfare recipients make a more successful transition to the world of work. In particular, with respect to the reauthorization of TANF, the findings imply the following:





- TANF law should allow states flexibility to develop and implement appropriate education and training services for welfare recipients, including preemployment training.
- TANF law should encourage states to invest in *effective* training, such as the industry-based training models studied in SEDLP. Resources to find or develop effective training programs are needed to help states learn what approaches work best within the social and economic context of their state.
- TANF law should encourage states to monitor outcomes such as employment, job retention, job quality, earnings growth, job advancement and poverty reduction in order to judge the TANF program's success.
- TANF law should provide sufficient funds to states so they can offer and monitor the effectiveness of quality programs.

### What is a "Sectoral" Program?

The main goal of Sectoral workforce development strategies is to open paths to economic advancement to low-income individuals. Sectoral interventions do this by targeting a particular industry in which employment opportunities for low-wage individuals could be expanded or improved. Sector programs are characterized by their depth of industry knowledge and by their engagement within that specific industry. At the same time, sector projects have deep roots in the low-income communities they serve. Therefore, their understanding of the particular needs and challenges that individuals in these communities face, and their insight into the needs of targeted employers, shape the mix and design of the training and services offered.

Finally, sector projects aim to create changes that will have an impact beyond the individual participants the program serves. For example, programs may seek to create new paths into high-wage industry for low-income workers, or programs may aim to improve the job quality and chances for advancement in an industry that employs many working-poor individuals. Sector programs may engage a range of strategies to accomplish their mission, such as providing employment training, operating a business, providing consulting services to the industry, and engaging in policy advocacy work. Implementing a sector program often requires strong partnerships between several organizations. These may include employer associations, community-based organizations, labor unions, community colleges and local government offices. Brief descriptions of the sector programs participating in SEDLP can be found at the end of this document, and more detailed information is available through the series of case studies on each organization.



# Comparison of SEDLP Welfare Sample with National TANF Population

The SEDLP welfare sample included individuals who reported receiving cash assistance through TANF or State General Assistance during the year before they began training at the sectoral programs.<sup>1</sup> The full SEDLP sample included 732 individuals at baseline, and among them 185 were welfare recipients. Table 1 below shows a comparison of pre-training characteristics of the SEDLP welfare sample with the TANF population in general. The samples look similar in terms of participant age, number and age of children, and to some extent, education. Other characteristics, such as race and ethnicity, showed differences that could be at least partly explained by the fact that all SEDLP participants live in large urban areas where racial and ethnic minority populations are concentrated.

Table 1. Characteristics of SEDLP welfare sample and TANF population<sup>2</sup>

	l en regions	615 V V V V V V V V V V V V V V V V V V V
	SEDLP sample	TANF population
Participants with fewer than 12 years of education	43%	55%
Participants employed during the baseline year.*	45%	23%
Participants with children under 6	54%	54%
Members of a racial or ethnic minority	94%	64%
Married participants	11%	18%
Average number of children	2	2
Men	12%	4%
Average age	32 years	30 years

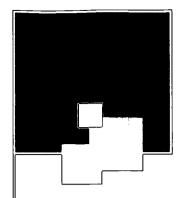
<sup>\*</sup>The SEDLP baseline interviews were conducted from February 1998 through March 1999. The data on the TANF population reflects publicly reported 1998 data.

# Outcomes for Welfare Recipients in the SEDLP Study

The welfare subsample constituted a full quarter of the SEDLP sample at baseline and in subsequent waves of the survey.<sup>3</sup> One year after participants completed training, survey findings showed that participants had greatly improved their position in the labor market; two years after training, participants reported further gains.<sup>4</sup> For more information on training outcomes, please refer to other publications of this project. Table 2 contrasts these training outcomes experienced by SEDLP participants with the outcomes seen in welfare leavers studies.

BEST COPY AVAILABLE

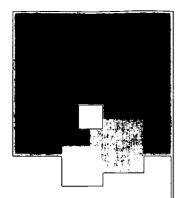




Among the SEDLP sample participants 21 percent reported receiving income from TANF program and 5 percent reported receiving cash assistance through State General Assistance during the year before training began. <sup>2</sup>Data on TANF caseload were drawn from two sources: (1) Characteristics and Financial Circumstances of TANF recipients: Fiscal Year 1998. Temporary Assistance for Needy Families (TANF) Program. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation. (2) The Urban Institute's 1997 National Survey of America's Families (NSAF) in Assessing the New Federalism, http://newfederalism.urban.org/ nsaf.

<sup>3</sup>At baseline, 185 respondents reported receiving cash assistance during the year before training began. Among them, 143 were interviewed a year later, and 94 were interviewed two years after the end of training. For more information on this sub-sample and the analysis of response/nonresponse, please refer to SEDLP Research Report No. 3: Gaining Ground, Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs, (Washington, DC: The Aspen Institute, February 2002).

<sup>4</sup>The one-year follow-up survey (wave 2) was conducted roughly 15 months after the baseline survey, although the timing varied somewhat across different programs. The twoyear follow-up survey was conducted one year after wave 2 interviews.



<sup>5</sup>If those with no earnings are included, the average annual earnings of respondents in the welfare sub-sample drops to \$2,038 and their median earnings drops to \$0.

6If those with no earnings are included, the average annual earnings of respondents in the welfare sub-sample drops to \$11,474, and their median earnings drops to \$10,069.

<sup>7</sup>If those with no earnings are included, the average annual earnings of respondents in the welfare sub-sample drops to \$18,678, and their median earnings drops to \$14,700.

<sup>8</sup>Elise Richer, Steve Savner, and Mark Greenberg, Frequently Asked Questions about Working Welfare Leavers, (Washington, DC: Center for Law and Social Policy, November 2001), 11.

<sup>9</sup>Ibid. 15.

<sup>10</sup>Median change in the annual earnings of these respondents was \$13,618. In order to assess the progression in earnings growth, average annual earnings of the subset of respondents who were interviewed in all three waves of the survey and reported their annual earnings in all three waves of the survey (78 respondents) were examined. These respondents experienced an average increase in earnings of \$10,000 from wave 1 to wave 2, and \$7,443 from wave 2 to wave 3 for an increase of \$17,443 he course of the survey.

Table 2. Comparison of Outcomes-SEDLP vs. Other Studies of TANF Leavers

	nsaf	Ranges from	SEDLP	SEDILP
Mark Charles	TANF Leavers	State Leavers	Welfare	Welfare
	Sample**	Sample***	Sub-sample	Leavers
Employment Rate	64%		96%	96%
Earnings Growth*			+\$17,065	+\$18,309
Median Earnings	\$7.15		\$8.06	\$8.93
per Hour	(1999 dollars)		(1999 dollars)	(1999 dollars) <sup>2</sup>
% w/ Employer-	23%	18.7%-33%	47%	51%
Provided Health				
Insurance <sup>+</sup>				
Paid Vacations		31-63%	71%	74%
Paid Sick Days		28-50%	66%	69%

<sup>\*</sup>Longitudinal change in annual earnings of respondents in the second year following training compared to their annual earnings during the year before training began.

### Earnings

Average annual earnings of employed respondents in the welfare subsample increased from \$4,669 during the year before training began<sup>5</sup>, to \$12,350 in the year following training<sup>6</sup>, to \$19,601 during the second year after training<sup>7</sup>. Similarly, median annual individual earnings increased by 246 percent during the first year after training and increased by 381 percent in the second year after training, compared to the baseline year. Participants reported median earnings of \$3,120 during the baseline year. This figure rose to \$10,800 in the year following training, and to \$15,015 during the second year after training.

The growth in earnings experienced by employed welfare recipients in the SEDLP sample is striking compared to what TANF leavers have experienced over time. Welfare leaver studies show some earnings growth over time, but for the most part, earnings of former recipients remain low. The Center for Law and Social Policy's review of leaver studies shows that most leavers earn \$2,500 or less in the first quarter after leaving assistance.<sup>8</sup> Fourth-quarter earnings of welfare leavers in most states were 10 to 15 percent (between \$300 and \$400) higher than their first quarter earnings during the first year after leaving assistance.<sup>9</sup>

Tracking of individual-level data over time shows that average earnings of all participants in the SEDLP welfare subgroup (including unemployed respondents) increased by \$17,065 over the course of the survey.<sup>10</sup> Few leaver studies have tracked the

<sup>\*\*</sup>Except for the percent of leavers with employer-provided health insurance (23%) which is from the 1997 National Survey of America's Families (NSAF), data presented in this column are from the 1999 NSAF.

<sup>\*\*\*</sup> Frequently Asked Questions about Working Welfare Leavers by Elise Richer, Steve Savner, & Mark Greenberg (Washington, DC: Center for Law and Social Policy, November 2001).

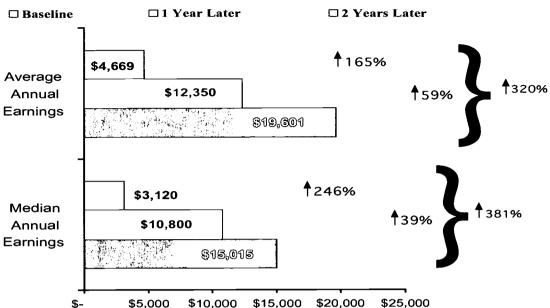
<sup>&</sup>lt;sup>+</sup>Respondents with employer-provided health insurance as a % of those who reported working for someone else

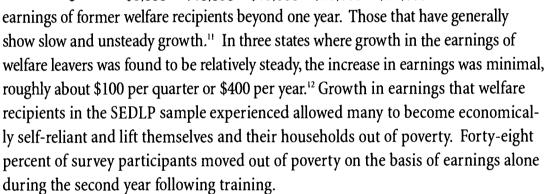
<sup>1</sup> Median hourly wage of respondents at their main jobs during the second year after training was \$8.33 in 2000 dollars.

<sup>&</sup>lt;sup>2</sup>Median hourly wage of respondents at their main jobs during the second year after training was \$9.23 in 2000 dollars.

#### Figure 1: Annual Earnings

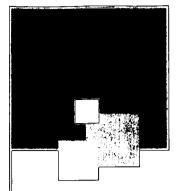
Average individual earnings of employed respondents rose by 320% in the second year following training completion. Median earnings increased by 381%.





The progression seen in respondents' overall earnings is reflected in the progression seen in hourly earnings. Average hourly earnings of respondents at their main job — the job that represented the respondent's primary source of earned income during the year — showed progression over the course of the survey. During the first year after training, the average hourly wage increased by \$1.80 or 28 percent over that earned before training, or from \$6.38 to \$8.18. During the second year after training, this wage continued to increase to \$9.95, or \$3.57 (56 percent) more than before training. Average hourly wages of welfare recipients in the SEDLP sample were higher compared to TANF leavers nationally. Median hourly wage of 1999 welfare leavers was \$7.15, and median hourly wage of the earlier group of leavers was \$7.08 in 1999 dollars. The median annual wage of SEDLP welfare leavers was \$8.93 in 1999 dollars.

BEST COPY AVAILABLE



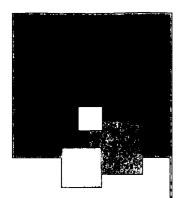
11 Ibid. 16.

<sup>12</sup>Ibid. 16.

13 Pamela Loprest, How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers, (Washington, DC: The Urban Institute, April 2001), 3.



6



<sup>14</sup>Among 94 respondents interviewed at wave 3,85 reported their hours worked in the year before training began and during the second year after training. The median change in hours worked for these respondents was 1,551. The average and median number of hours that these respondents worked during the baseline year were 261 and 0 hours, respectively. The subgroup of respondents interviewed in all three waves of the survey and who reported their total hours worked in all three years of the survey (81 respondents) worked an average of 1,144 more hours from wave 1 to wave 2, and 312 more hours from wave 2 to wave 3 for an increase of 1,456 in hours worked over the course of the survey.

15The U.S. Bureau of Labor Statistics defined a full-time work year as working at least 35 hours per week for 50 weeks per year, or 1,750 hours.

16As a percentage of all survey respondents in the sample, the proportion of year-round workers increased from 5 percent at baseline, to 55 percent during the first year after training, to 68 percent during the second year after training.

17Pamela Loprest, How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers, (Washington, DC: The Urban Institute, April 2001), 3.

18Gregory Acs and Pamela Loprest, Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants. (Washington, DC: The Urban Institute, January 2001), p.11. As seen on http://aspe.hhs.gov/hsp/leavers99

### **Employment**

Overall, participants reported working an average of 1,467 more hours during the second year after training compared to the baseline year, increasing their total hours of work by roughly 1,100 hours in the first year and more than 300 hours in the second year following training.<sup>14</sup> This overall increase is equivalent to 84 percent of a full-time work year.<sup>15</sup>

Almost all participants had some success in finding employment after training, and many were able to achieve full-time, year-round employment. Only 45 percent of trainees in this subsample reported having worked at some point during the year before training began. In the year following training, 93 percent reported having worked for some part of the year, and in the second year following training, 96 percent reported working for some portion of the year. In addition, during the second year after training, 71 percent of employed respondents (64 respondents) worked year-round at their job(s). This figure compares to 59 percent (79 respondents) in the first year following training, and 11 percent (9 respondents) during the year before training began.<sup>16</sup>

Other studies have found less favorable employment outcomes. For example, the Urban Institute's 1997 and 1999 National Survey of America's Families found that 61 percent of welfare recipients who left welfare between 1995 and 1997, and 64 percent of leavers who left the rolls between 1997 and 1999, were working.<sup>17</sup> Similarly, a synthesis of the welfare leavers studies reports that about 70 percent of leavers worked during at least one quarter in the year after leaving welfare, and between 35 and 40 percent worked for all four quarters.<sup>18</sup>

#### Reliance on Public Assistance

Both the proportion of respondents on welfare and the dollar amount of benefits they received through TANF decreased over the course of the survey. During the year after training, only 50 percent of respondents (within the welfare subset) reported receiving income through TANF or General Assistance. During the second year after training, only 15 percent of survey respondents reported receiving government transfers through TANF or General Assistance. In addition, TANF benefits received by respondents decreased by an average of \$2,616 during the second year after training compared to the baseline year.

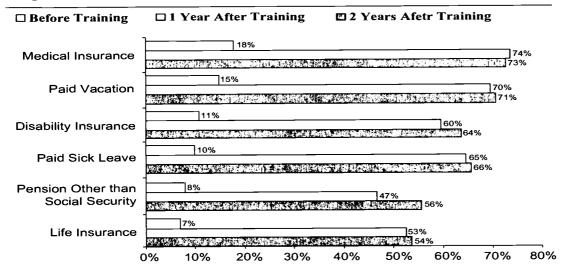
**BEST COPY AVAILABLE** 



### Job Quality

Job quality is partly determined by wages. But quality is also determined by benefit packages, an individuals' overall feelings of satisfaction, and the perception that the job offers advancement potential. Figure 2 shows that the benefits package connected to the jobs that participants held after training was much improved compared to the jobs they held before receiving training at the sectoral programs.

Figure 2: Employer-Provided Benefits



In addition to the improved benefits package, 86 percent of employed respondents reported that they were either satisfied or very satisfied with the main job they held during the first year after training. In the second year following training, 87 percent of employed participants reported being satisfied with their main job.

In light of findings from other studies of welfare recipients, the quality of jobs among the SEDLP sample members appears markedly different. Among employed TANF leavers who responded to the Urban Institute's 1997 National Survey of America's Families, only 23 percent had employer-provided health insurance. Similarly, a synthesis of welfare leavers studies found that between 13 and 25 percent of participants had employer-provided health insurance. In contrast, 73 percent of employed respondents in the SEDLP survey had access to employer-provided health insurance, and 51 percent of employed welfare leavers received coverage through this source. State level studies of welfare leavers show that between 31 to 63 percent of former recipients had paid vacations. Among SEDLP sample members, 71 percent reported paid vacations as a benefit. Moreover, between 28 to 50 percent of leavers had paid sick leave, while 64 percent of welfare recipients in the SEDLP sample reported that benefit.

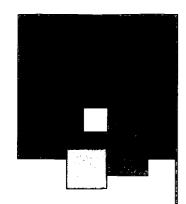
<sup>22</sup>Ibid.



<sup>19</sup> Pamela Loprest, Families Who Left Welfare: Who Are They and How Are They Doing?, (Washington, DC: The Urban Institute, 1999), 12.

<sup>&</sup>lt;sup>20</sup>Gregory Acs and Pamela Loprest, p. 22.

<sup>&</sup>lt;sup>21</sup>Elise Richer, Steve Savner, and Mark Greenberg, Frequently Asked Questions about Working Welfare Leavers, (Washington, DC: Center for Law and Social Policy, November 2001).



It is important to note that SEDLP sample members also perceive that the training has improved their employment opportunities. Two years after the end of training, 82 percent of respondents said that they feel or believe that their future job or career prospects are better today because of their experience with the sectoral training program.

## Policy Recommendations

Findings from the SEDLP study, together with evidence available from other studies cited above, demonstrate that welfare recipients and the working poor in general can improve their economic well-being through high-quality training that is closely connected to the labor market. Welfare legislation, as it currently stands and is implemented, can be improved so that it encourages welfare recipients to participate in, and states to invest in, these kinds of skill-building opportunities. The following policy considerations are presented to that end.

**Recommendation 1:** TANF law should offer states flexibility to develop and implement appropriate education and training services for welfare recipients, including pre-employment training.

The current TANF structure of "participation rates," which require that a certain proportion of individuals receiving TANF participate in a narrow set of work activities for a defined number of hours each week, limits and discourages states from investing in skill-building activities for TANF recipients. In response to the threat of financial penalties posed by participation requirements, as well as the general message that the federal government discourages investments in education and training for TANF recipients, states generally have restricted TANF recipients' access to training and education services. However, SEDLP research shows that pre-employment training can effectively link individuals to higher quality employment opportunities than they might find on their own, resulting in higher overall employment rates and earnings. This helps promote work, a key TANF goal.

There is no reason to believe that further restricting state flexibility, by increasing the proportion of the case load subject to participation requirements or increasing the number of hours that individuals must spend in work activities, will encourage higher levels of employment among welfare recipients over time. It is clear from the leavers studies and other research that, in the absence of training and job support services, TANF recipients often have difficulty maintaining employment — particularly full-time employment — over extended periods of time, and that hourly and annual earnings remain



low. Requiring TANF recipients, for example, to work 40 hours a week in order to maintain TANF benefits would severely limit states' abilities to offer TANF recipients workoriented skill-building opportunities than can help TANF recipients succeed in the labor market over the long term.

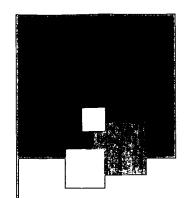
Participation rates and work requirements should be contructed to allow states the flexibility to design programs to encourage and facilitate successful labor market outcomes for welfare recipients. States could be encouraged to monitor the outcomes of their programs and services and could be held accountable on that level.

**Recommendation 2:** TANF law should encourage states to invest in *effective* training, such as the industry-based training models studied in SEDLP. Resources to find or develop effective training programs are needed to help states learn what approaches work best within the social and economic context of their state.

The SEDLP study and other demonstrations have documented approaches to training that are effective in helping welfare recipients access higher quality jobs than they might have on their own. More should be done to expand the knowledge of these programs and encourage further innovation and investment in skill-building activities for welfare recipients. A useful suggestion put forward by the Center for Law and Social Policy is the creation of a Career Ladders Fund.<sup>23</sup> Advantages of such an initiative are many, such as: (1) focusing attention on job quality and advancement—factors that will contribute to recipients' sustaining employment over time rather than cycling in and out of employment; (2) providing opportunities to learn and disseminate information about effective approaches to linking recipients with quality jobs; (3) rewarding responsibility and initiative among recipients by allowing them to earn access to "Career Training Accounts" by maintaining employment for a period of time; (4) and targeting training to individuals who have maintained employment for a period of time and are ready to take the next step toward advancement in the job market.

Recommendation 3: TANF law should encourage states to monitor outcomes such BEST COPY AVAILABLE as employment, job retention, job quality, earnings growth and job advancement in order to judge the success of their TANF program.

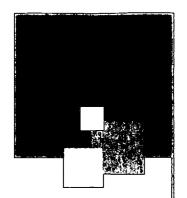
Since a primary goal of TANF law is to encourage employment among welfare recipients, employment-related outcomes measures should be encouraged to assess



<sup>23</sup>Steve Savner, et. al. "TANF Reauthorization: Opportunities to Reduce Poverty by Improving **Employment Outcomes.**" http://www.clasp.org/pubs/TANF /tanf%20reauthorization%20opp ortunities%20to%20reduce.htm



10



progress toward meeting this goal. States could be required to report on the work outcomes of their TANF population annually, and these measures could be used to hold states accountable for their performance in achieving TANF goals. Further, by using such outcomes measures, better integration can be achieved with other federal programs (such as the Workforce Investment Act) that also aim to contribute toward these goals. Measures should provide information on progress along key dimensions, such as hours worked, wage rates and job quality indicators, rather than looking at performance only in terms of absolute outcomes. Further innovation and investment on the part of states and local areas is needed to help develop definitions of performance indicators; communicate these definitions to TANF administrators, service providers and other actors; and develop tracking systems that provide quality data to monitor outcomes. The federal government can facilitate this process by providing technical assistance and facilitating communication about successful models.

**Recommendation 4:** TANF law should provide sufficient funds to states so they can offer quality programs and monitor their effectiveness.

Investments in education and training services that help recipients leave welfare permanently, and outcomes monitoring systems that help states assess the effectiveness of their investments and adjust accordingly, are costly. In addition, states are dedicating funds to other important services that help former welfare recipients get and maintain employment, such as childcare and transportation. Helping individuals make a successful transition to the world of work is more costly in the short run than continuing to provide income support. The first phase of welfare reform has been successful in reducing the rolls. But recently, as the economy has softened, the number of welfare recipients has increased slightly, and many of those who have left welfare have had limited success in maintaining employment and remain at risk of returning to welfare. Funds are needed to help states provide the mix of services needed so that recipients and former recipients strengthen their attachment to the labor market and leave welfare permanently.



# About The Sectoral Employment Development Learning Project (SEDLP)

Launched in 1997 and supported by the Ford, Charles Stewart Mott, and Annie E. Casey foundations, the Sectoral Employment Learning Project (SEDLP) of the Aspen Institute was created to document and evaluate selected sectoral, or industry-based workforce development programs in quantitative and qualitative terms, and to disseminate the findings to interested policy makers and practitioners. The project has three components: the Sectoral Study Series, which takes an indepth look at six individual sectoral training programs; the Participant Study, a three-year longitudinal survey of program participants; and the Program Monitoring Profile, a statistical profile of the participating programs.

This policy brief draws on findings from the Participant Study component of this project for the recommendations it presents.<sup>24</sup> The study collected information on participants at four different points in time:

- Baseline, roughly at the start of training,<sup>25</sup>
- Ninety days after the end of training;
- One year after training completion;
- Two years after training completion.

Thus, employment and earnings outcomes of respondents were measured at three points after receiving program intervention. The baseline, one-year and two-year surveys involved in-depth telephone interviews with participants, while the 90-day post-training documentation was a participant status update provided by each participant's training program. At baseline, 732 participants were interviewed.<sup>26</sup>

The SEDLP survey covered the period from 1998 to 2000, a period of general economic growth and low inflation. Figures reported in this brief are generally expressed in nominal dollars and not in constant dollars or real terms. Based on the percentage change in the average Consumer Price Index (CPI-U) over the course of the survey, prices increased, on average, by 5.6 percent. The dramatic earnings and wage growths experienced by survey participants and documented in the present brief far exceed the inflation rate; adjustment to constant dollars would not have materially-effected the main findings of this study.

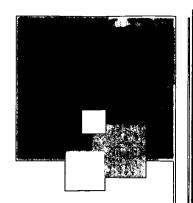
BEST COPY AVAILABLE

<sup>24</sup>The study uses a reflexive control design and an exhaustive sample selection approach. For a more thorough discussion of the methodology used in this study refer to the SEDLP Research Report No. 1: Methodology and Findings from the Baseline Survey of Participants. This report is available through the Aspen Institute's Economic Opportunities Program (EOP) or can be downloaded in pdf form from the EOP website at http://www.aspeninst.org/eop/eo

25 Baseline interviews were mainly conducted within two months after the start of training for participants of the majority of programs. In cases where training was long, interviews were conducted in the middle or towards the end of the training.

26Out of these 732 respondents, 543 (74 percent) completed the survey administered a year later and 371 (51 percent) completed the survey administered two years after training completion.





# Programs Participating in SEDLP

The six programs included in this study employ a range of strategies and work in a variety of industries. They are:

Asian Neighborhood Design (San Francisco, Calif.) is a community development corporation that provides training in cabinetry, carpentry and other construction trades. Founded in 1973, it runs a specialty furniture and wood products manufacturing company, Specialty Mill Products, that provides a work-oriented training environment and transitional employment opportunities for its trainees. AND trainees are disadvantaged and hard-to-employ individuals who live in the Bay area. The average training length is 15 weeks and training time ranges from eight weeks to 26 weeks.

Garment Industry Development Corporation. (*New York*, *N.Y.*) is a nonprofit institution established in 1984 and supported collaboratively by union, industry and government entities. GIDC provides training for employed and unemployed individuals in a range of occupations in the garment industry, and it provides technical assistance and marketing services to garment industry firms. Trainees are primarily Chinese and Latina women. It has a variety of full-time and part-time training programs that range from 10 days to 12 weeks.

Focus: HOPE. (Detroit, Mich.) is a civil rights and human rights organization founded in 1968 in the aftermath of the 1967 Detroit riots. Focus: HOPE offers precision machining and metalworking training to inner-city youth and young adults. It also operates businesses that provide hands-on learning for students and that produce parts and services for the automobile and related industries. Core training at Focus: HOPE is 26 weeks.

Jane Addams Resource Corporation. (Chicago, Ill.) is a community development organization formed in 1984 to retain and grow local industry, provide community residents with educational services and offer job training in the metalworking industry for both incumbent and unemployed workers. JARC provides assistance to small- and medium-size metalworking manufacturing businesses in modernization and human resource management. Training is six to eight weeks...

Paraprofessional Healthcare Institute. (Bronx, N.Y.) is a sectoral employment advocacy organization that. supports the training of low-income women of color in paraprofessional healthcare skills. It links them with a Cooperative Home Care Associates (CHCA), an employee-owned agency founded in 1985 and designed to provide full-time employment, with benefits, for home health aides. PHI training is four to five weeks.

Project QUEST. (San Antonio, Texas) is a nonprofit group established in 1992 and developed through a community organizing effort. It engages employers, community colleges and others in coalitions to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, including health care and business services. Project QUEST training requires between one and four semesters to complete.

was made possible by the support of the Charles Stewart Mott foundation. The authors would like to extend special thanks to Jack Litzenberg

for his vision and

support of SEDLP

in general and this

ject, in particular.

This policy brief

Additional copies of this brief and other related reports on industry-based workforce development are available from the Economic Opportunities Program (EOP) at The Aspen Institute, and from the EOP Web site. These publications include:

- The Sectoral Studies Series: In-depth case studies of each of the six SEDLP participant programs
- SEDLP Research Series: Reports detailing participant survey findings
- The Sector Policy Series: A series of reports that benchmark SEDLP findings against those from well-respected workforce development demonstration projects
- Working with Value: Industry-Specific Approaches to Workforce Development, a synthesis of findings from the Sectoral Employment Development Learning Project
- Jobs and the Urban Poor: Privately Initiated Sectoral Strategies

To be added to the SEDLP mailing list, please contact EOP.

**Economic Opportunities Program** 

The Aspen Institute

One Dupont Circle, NW, Suite 700 • Washington, D.C. 20036 • (202) 736-1071

e-mail: sedlp@aspeninstitute.org • www.aspeninstitute.org/eop



#### U.S. Department of Education

Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)



#### REPRODUCTION RELEASE

(Specific Document)

I. DOCUMENT IDENTIFICATION	: 	
Title: Industry-Based Emplo,	yment Programs:	
Implications for Welfare Real	uthorization and Key Survey	Finding s
	way and Lily Za	
Corporate Source:		Publication Date:
The Aspen Institute	Economic Opportunities Program	April 2002
II. REPRODUCTION RELEASE:		
monthly abstract journal of the ERIC system, Resc electronic media, and sold through the ERIC Docu release is granted, one of the following notices is	e timely and significant materials of interest to the educurces in Education (RIE), are usually made available iment Reproduction Service (EDRS). Credit is given to affixed to the document.  The identified document, please CHECK ONE	to users in microfiche, reproduced paper copy, and o the source of each document, and, if reproduction
The sample sticker shown below will be affixed to all Level 1 documents	The sample sticker shown below will be affixed to all Level 2A documents	The sample sticker shown below will be affixed to all Level 2B documents
PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY	PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY	PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
sample	Sangle	Sample
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)	TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)	TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
1	2A	2B
Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) and paper copy.	Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only	Level 2B  Check here for Level 2B release, permitting reproduction and dissemination in microfiche only
Doc If permission to	ments will be processed as indicated provided reproduction quality por preproduce is granted, but no box is checked, documents will be proce	ermits. assed at Level 1.
document as indicated above. Re	al Resources Information Center (ERIC) nonexclusive eproduction from the ERIC microfiche or electronic n	nedia by persons other than ERIC employees and

its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign

here,

Printed Name/Position/Title:

Organization/Address: The Aspen Institute

One Oupont Circle Suife 700

Washington, DC 20036

Telephone:
202, 736, 3762

E-Mail Address:
Greg, Landrigan Aspen 181.

Date July 3 02



#### III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, *or*, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

1	or:	
Address:		
Price:		
the right to grant th	AL OF ERIC TO COPYRIGHT/REPRODUC	
ddress:		
Name:		

#### **V.WHERE TO SEND THIS FORM:**

Send this form to the following ERIC Clearinghouse:

Cheryl Grossman

**Processing Coordinator** 

ERIC Clearinghouse on Adult, Career, and Vocational Education

Center on Education and Training for Employment

1900 Kenny Road

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being contributed) to: