## The Facts Behind the Faces

A POLICY PAPER FROM THE CHICAGO COALITION FOR THE HOMELESS



## **TRANSITIONAL JOBS:**

### A Model Employment Service for People with Barriers

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or people who experience homelessness, access to living-wage employment is often the key to finding and maintaining stable housing. Many struggle to become employed because of multiple barriers such as criminal records, lack of work experience, low skills and education levels, and mental health issues such as depression and posttraumatic stress disorder. The transitional jobs model is gaining in popularity as a better way to help people with barriers gain employment.

### What Are Transitional Jobs Programs?

Transitional jobs (TJ) programs provide paid employment, usually for 3 to 12 months. The temporary job, typically around 30 hours a week, is paid for generally through some type of government or foundation funding. The job must pay at least minimum wage but usually does not pay more because of the use of public funds to pay for it. While working, participants acquire job skills, employment references, and a work history, and they adapt to a work schedule and work environment. Employers also often agree to have an on-the-job mentor who is trained by the TJ agency. The mentor communicates with the TJ case manager about any issues on the job. The

case manager provides significant support to the participant. All of these supports help participants to eventually get unsubsidized permanent employment. The basic philosophy of the program is that everyone *can* work, and building confidence through paid work experience can help move

# **Elements of Transitional Jobs Programs**<sup>i</sup>

people toward that goal.

In addition to the work experience, TJ programs have a number of other components that make them successful.

Life skills/job readiness: Because the model is focused on experiential learning, the life skill classes are short and targeted toward work readiness skills (such as resume writing, interviewing, career planning) and resolution of challenges (such as childcare, drug treatment, housing).

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Case management: The case manager works with participants to create an employment plan, evaluate work performance, work toward permanent employment, and find linkages to other supports.

Unsubsidized job placement and retention: TJ programs offer job development staff who build relationships with employers to help place participants. Each person develops an individualized strategy to obtaining permanent employment. The program also provides support to people for at least 90 days on the job.

Education and training: Linkages to education are another important element to help people reach their full earning potential.

Additional client support:
Because participants in TJ
programs often have very
little income and can experience crises while in the
program, TJ programs must
have some flexible funds for
emergency assistance such as
food or housing assistance.
Many programs also provide
transportation passes and
clothing for work.

### Outcomes of Transitional Jobs Programs

A 2002 study<sup>ii</sup> of the Catholic Charities Transitional Community Jobs (TCJ) Project in Chicago found that 70 percent of the TCJ participants were employed in unsubsidized employment, as opposed to 50 percent of those in a control group that did not receive subsidized employment.

Six months after the

(continued on reverse)

#### (continued from reverse)

program, the TCJ participants had experienced a 196 percent increase in earnings, 32 percent higher than the control group's. The TCJ group also stayed employed longer.

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A 2002 studyiii of six TJ programs across the country showed direct financial and personal benefits for participants. Workers learned specific occupational skills, and they said that the work "added structure to their lives. increased their motivation to find permanent employment, and contributed a new sense of confidence and self-worth." In addition, the programs were very successful in placing people in unsubsidized employment. Not all participants (about 50 percent) completed the program, but 81-94 percent of those who did were placed in unsubsidized employment.

Another studyiv of a program in Washington state showed that people who had recently left a TJ program earned \$792 (76 percent) more per quarter than they would have without the program. Those finding jobs had wages between \$7 and \$10 per hour. The study was also able to compare TJ workers with those who participated in "workfare" or unpaid work. Even though the TJ workers had more barriers and both groups received similar services, the TJ workers outperformed the workfare workers in earnings

and employment (see chart on reverse).

Participants in the Washington state program also saw an increase in their earnings over time, reflecting increased hours and wages. In two years, their quarterly earnings rose an average of 60 percent.

### Examples of Transitional Jobs Programs

In Chicago, The Enterprising Kitchen (TEK) models a transitional jobs program that incorporates a social enterprise. The organization employs women to produce soap and spa products. Products are sold, via its website, to retail stores and businesses around the country, as well as online. The women work for approximately 21 hours per week for 6-12 months, earning minimum wage. Participants receive work and life skills training, computer training, individualized career planning, and other support services during the paid workday. The organization also offers GED and English as a Second Language tutoring. TEK works to link

Each person develops an individualized strategy to obtaining permanent employment.

participants with other opportunities for job training. Staff at the program estimate that about 70 percent of the women who enter the program obtain permanent employment, with an average starting wage of \$8-\$9 an hour.

In this model, proceeds from the business support

about 40 percent of the costs of the organization. The balance comes from foundation grants and private donations. The success of the program emanates from the supportive work environment and the pride and confidence that develop as each woman helps to create products by hand.

Although many different types of transitional jobs programs exist, the key element they have in common is providing paid work experience.

Community Assistance Programs (CAPs) is another example of a transitional jobs program. Unlike The Enterprising Kitchen, CAPs develops relationships with private employers who then accept participants into internships paid for by CAPs. The internships, generally for 20 hours a week for four weeks, give employers an opportunity to try out the workers without making long-term commitments to them. The hope is that the employer will then hire the person permanently. CAPs does not place people for more than 80 hours at private employers so as not to become a source of free labor with no long-term commitment to hiring. Prior to placement in the internship, CAPs conducts intensive job readiness and skills training classes. They will train people for specific job openings that are available when the participant is in the program. CAPs also provides bus passes, clothing, and assistance with securing childcare.

CAPs is funded primarily through government grants to work with specific populations such as recipients of public assistance, food stamp recipients, and ex-offenders. The federal government offers tax breaks to employers who hire people with these backgrounds. That's one of the selling points CAPs uses to recruit employers to participate. They have developed relationships with more than 800 employers, primarily small businesses. The program has served 5,000 people and has a 95 percent success rate at placing clients in permanent employment.

Although many different types of transitional jobs programs exist, the key element they have in common is providing paid work experience. As the research shows, this is crucial to helping people, including those who have experienced homelessness, reach their long-term employment goals. It is an important, short-term investment in workers that government can make to help create a productive, stable workforce in the long run.

- <sup>1</sup> Transitional Jobs Program

  Design Elements, National Transitional Jobs Network website,

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- iii Hill, Heather, Gretchen Kirby, and La Donna Pavetti, *Transitional Jobs Programs: Stepping Stones to Unsubsidized Employment*, Mathematica Policy Research, Inc., 2002.
- iv Burchfield, Erin, Community
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