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Opportunity-Boosting Job Preparedness Takes Significant Investment, Evidence Shows

By LaDonna Pavetti

President Trump's April 10 executive order purports to promote opportunity and economic mobility, calling for the United States to "invest in effective workforce development programs and encourage, to the greatest extent possible, entities that have demonstrated success in equipping participants with skills necessary to obtain employment that enables them to financially support themselves and their families in today's economy."¹ The President's rhetoric and his actions are inconsistent, however. The 2019 Trump budget failed to invest in core job training programs, set job training programs up for likely deep cuts in future years, and proposed cuts in a range of other programs supporting work and opportunity.² President Trump and other Republican policymakers have also focused on expanding work requirements despite clear evidence that such requirements do not change individuals' employment trajectories over the long term.³

If the President and Republican lawmakers truly want to promote opportunity and economic mobility, they can expand a series of effective programs that a growing body of evidence has identified. But the evidence makes it clear that improving opportunity cannot be done on the cheap. The cost of operating effective programs that promote opportunity ranges from about \$7,500 to as much as \$14,000 (see Table 1).

Below, we provide examples of programs that have improved participants' opportunity by preparing them for jobs that pay higher wages and offer greater stability and benefits, by helping them stay in programs that enable them to earn the credentials that will prepare them for better jobs, or by teaching them life skills. The programs presented each meet two criteria: (1) they are targeted to low-income individuals with limited education, skills, or work experience; and (2) they are or have

¹ "Executive Order Reducing Poverty in America by Promoting Opportunity and Economic Mobility," The White House, April 10, 2018, <https://www.whitehouse.gov/presidential-actions/executive-order-reducing-poverty-america-promoting-opportunity-economic-mobility/>.

² Tazra Mitchell, "Contrary to Rhetoric, Trump Budget Would Make It Harder for Many to Work, Gain Skills to Get Ahead," Center on Budget and Policy Priorities, March 13, 2018, <https://www.cbpp.org/research/federal-budget/contrary-to-rhetoric-trump-budget-would-make-it-harder-for-many-to-work-gain>.

³ LaDonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows," Center on Budget and Policy Priorities, updated June 7, 2016, <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>.

been the subject of a rigorous evaluation where individuals were randomly assigned to participate in the program and the program impacts were derived by comparing outcomes for those selected to participate with those not selected (i.e., the control group).

TABLE 1

The Cost of Improving Opportunity

Program Name	Program Type	Per-Participant Cost
Project QUEST	Sectoral employment training — health services and information technology	\$10,501
Per Scholas	Sectoral employment training — information technology	\$10,370
Accelerated Study in Associate Programs	Financial and supportive services to promote community college persistence	\$14,209
The Valley Initiative for Development and Advancement	Financial and supportive services to promote community college persistence	\$13,750
Building Nebraska Families	Life skills instruction	\$7,400 (all participants) \$8,300 (hard-to-employ)

Sources: Economic Mobility Corporation, Per Scholas annual report, MRDC, Abt Associates, Mathematica Policy Research

Training Programs Linked to High-Demand Industries or Occupational Clusters (Sectoral Employment Programs)

Over the last decade, multiple rigorous, gold-standard random assignment studies have demonstrated that sectoral training programs — programs that link training to high-demand industries or occupational clusters — are effective, increasing earnings significantly, including for those deemed hard to employ because of limited education or work experience. Training costs at two of the most well-established and effective programs, Project QUEST⁴ and Per Scholas,⁵ average about \$10,000 per participant.

Project QUEST

Participants in Project QUEST (Quality Employment Through Skills Training) — a program in San Antonio, Texas that supports training in occupations across multiple sectors, including health services and information technology — earned more, worked longer, and faced less financial hardship than otherwise similar non-participants who were not selected through a random process to participate in the program. Six years after entering the program, participants earned an average of

⁴ Mark Elliot and Anne Roder, “Escalating Gains: Project QUEST’s Sectoral Strategy Pays Off,” Economic Mobility Corporation, April 2017, <https://economicmobilitycorp.org/escalating-gains-project-quests-sectoral-strategy-pays-off/>.

⁵ Per Scholas 2017 Annual Report, <https://perscholas.org/news/impact-nationwide-download-the-per-scholas-annual-report-2017>. Per-person costs for Per Scholas are calculated by dividing annual expenditures by the number of participants served.

\$28,204 — 22 percent, or \$5,080, more than those not selected to participate. They also were nearly 15 percentage points more likely to be engaged in year-round work. The earnings gains among individuals who entered the program without a GED were especially large: 66 percent of participants had earnings that exceeded \$24,000 compared to just 39 percent of those not selected to participate.

Participants in QUEST are diverse, including adults who lacked basic reading and math skills as well as those who worked but not consistently. Along with specific instruction in their field of interest, the program offers students intensive services, including remedial instruction, basic education training, counseling, weekly meetings dedicated to building life skills, and job placement assistance. Participants also receive referrals to agencies for help with child care, food, transportation allowances, and other services on an as-needed basis.

Per Scholas: Technology Training at Scale

Per Scholas is a well-established technology training program for unemployed or underemployed individuals operating in six cities. In 2017, Per Scholas enrolled 1,000 new students; the program's operating budget of \$10 million is funded by private and government sources. All training is provided to participants free of charge. The program offerings vary by site, but across the sites the program provides technology training in six different areas, including IT support, cybersecurity, and web design.

Per Scholas was one of three programs included in the first rigorous evaluation of sectoral employment programs and is currently one of four program models being evaluated as a part of WorkAdvance, a nationwide demonstration project.⁶ In the first study, second-year earnings among Per Scholas participants were 32 percent higher than the control group that was not selected to participate: \$19,343 compared to \$14,680, a difference of \$4,663.⁷ In the more recent WorkAdvance study, third-year earnings were 27 percent higher for participants as compared to controls: \$22,503 compared to \$17,674, a difference of \$4,829.⁸

Each of the WorkAdvance sites conducts intensive screenings among participants and provides career readiness services, occupational skills training leading to a credential, job placement services, and retention and advancement services. Not all sites in the WorkAdvance evaluation have fared as well as Per Scholas. When the results are pooled across all four WorkAdvance sites, the third-year earnings for participants who were semi-attached to the labor force (i.e., out of work for one to six months) and the long-term unemployed (i.e., never worked or out of work for at least seven months) were significantly higher than for the control group. Third-year earnings for the long-term unemployed assigned to participate in the four WorkAdvance programs were 15 percent higher (\$15,607 versus \$13,674) and third-year earnings for participants who were semi-attached were almost 20 percent higher (\$18,750 versus \$15,638) than for the control group.

⁶ The other sites included in the WorkAdvance evaluation include St. Nicks Alliance (New York City – environmental remediation), Madison Strategies Group (Tulsa, Oklahoma – transportation and manufacturing), and Towards Employment (Cleveland, Ohio – healthcare).

⁷ Sheila Maguire *et al.*, “Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study,” Public/Private Ventures, July 2010.

⁸ Kelsey Schaberg, “Can Sector Strategies Promote Longer-term Effects?” MDRC, September 2017, https://www.mdrc.org/sites/default/files/WorkAdvance_3-Year_Brief.pdf.

Programs That Increase Program Retention and Completion

An increasing number of community colleges provide low-income individuals who want to increase their employment and earnings the opportunity to obtain the credentials that will give them the skills they need to compete for in-demand, higher-paying jobs. However, the completion rates in such programs are often very low. In recent years, a number of community colleges have conducted rigorous evaluations to examine the effectiveness of providing additional support to students. Two programs, the Accelerated Study in Associate Programs (ASAP) operated by the City University of New York and the Valley Initiative for Development and Advancement (VIDA) have produced positive impacts that far exceed those seen in most employment and training programs. ASAP costs an average of \$14,029⁹ per person and VIDA costs an average of \$13,750.¹⁰ Direct financial assistance to cover the cost of basic needs, tuition, and books averaged \$3,305 in ASAP and \$6,808 in VIDA.

The Accelerated Study in Associate Programs (ASAP)

ASAP almost doubled the three-year graduation rates for the students selected to participate in the program. On average, students selected to participate in the program earned 48 credits in three years, nine credits more than control group students did. By the end of the study period, 40 percent of the program group had received a degree, compared with just 22 percent of the control group. By then, 25 percent of the program group had enrolled in a four-year school, compared with 17 percent of the control group. The program provides students enrolled in the City University of New York who are required to take developmental education courses with tuition waivers, transportation assistance, personalized student support services, special seminars in topics such as goal setting and study skills, and intentional alignment and scheduling of courses to facilitate attendance.

The Valley Initiative for Development and Advancement (VIDA)

VIDA operates in the Lower Rio Grande Valley in Texas, serving a primarily Mexican-American population. Twenty-four months after being assigned to participate in the program, VIDA participants had completed 8.3 credits more than the control group; among those with the least amount of education, the difference was even greater: 9.1 credits. By the end of two years, 53 percent had attained a college credential, 8 percentage points more than the control group. The program provides financial and social supports to participants who commit to attending college full time and requires them to participate in weekly counseling sessions, monthly group meetings, and periodic community service activities. Participants receive financial support to help meet their basic needs and to cover the cost of tuition and books. VIDA also covers the costs of child care and transportation that are needed to successfully participate in the program. VIDA discourages participants from working while going to school full time.

⁹ Susan Scrivener *et al.*, “Doubling Graduation Rates,” MDRC, February 2015, <https://www.mdrc.org/publication/doubling-graduation-rates>.

¹⁰ Howard Ralston *et al.*, “Valley Initiative for Development and Advancement: Implementation and Early Impact Report,” Abt Associates, October 2017, <https://www.acf.hhs.gov/opre/resource/valley-initiative-development-advancement-implementation-early-impact-report>.

Programs That Build Life Skills

Success at work requires not only having the technical skills to do the job, but also mastery of life skills such as time management, planning, organization, communication, and problem-solving. Building Nebraska Families, one of the most effective employment programs for Temporary Assistance for Needy Families (TANF) recipients with significant employment barriers, didn't focus directly on helping participants find jobs but instead on building these life skills. The program cost an average of \$7,400 for all participants and \$8,300 for the hardest-to-employ participants (in 2009 dollars).¹¹ (Only the latter group saw significant positive changes in their employment outcomes.)

Building Nebraska Families

Building Nebraska Families developed a life skills curriculum and hired highly skilled counselors to deliver the services to TANF cash assistance recipients in their homes. This program is one of the few targeted to families receiving cash assistance that significantly increased stable employment among the hardest-to-employ participants. About 46 percent of the hardest-to-employ participants subsequently worked for at least 12 consecutive months, compared to 29 percent of those in a control group who didn't receive the same services. In the last six months of follow up, monthly earnings for program participants were 56 percent higher than for the control group. The hard-to-employ program participants were also significantly more likely than the control group to work in jobs that provided benefits.

¹¹ Alicia Meckstroth *et al.*, "Teaching Self Sufficiency Through Home Visiting and Life Skills Education," Mathematica Policy Research, July 2009, <https://www.mathematica-mpr.com/our-publications-and-findings/publications/teaching-selfsufficiency-through-home-visitation-and-life-skills-education>.