

DOCUMENT RESUME

ED 427 153

CE 077 227

AUTHOR Bloomer, Karin; Finney, Johanna; Gault, Barbara
TITLE Education and Job Training under Welfare Reform.
INSTITUTION Institute for Women's Policy Research, Washington, DC.
PUB DATE 1998-05-00
NOTE 16p.; "Revised May 1998."
PUB TYPE Collected Works - Serials .(022)
JOURNAL CIT IWPR Welfare Reform Network News; n9/10 Aug-Sep 1997
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adults; *Cost Effectiveness; *Education Work Relationship;
*Employment Programs; *Federal Legislation; *Job Training;
Policy Formation; Program Effectiveness; Public Policy;
*Welfare Recipients
IDENTIFIERS *Welfare Reform

ABSTRACT

This newsletter double issue is totally devoted to this report. The report presents an overview of recent policy changes related to job training and education for welfare recipients. It also presents the findings of research on several types of job training programs, discusses the data on the economic value of basic and higher education, and provides information on innovative, nontraditional training programs that have effectively used comprehensive approaches. The research found that the long-term, intensive training that is needed to produce long-term gains in unemployment and wages for welfare recipients may not be cost effective for the states, especially in the short term. Research suggests that a mix of approaches to training welfare recipients may be the most economical way to train welfare recipients for unemployment. Contains 32 references. (KC)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

Education and Job Training under Welfare Reform
IWPR Welfare Reform Network News
Issue No. 9/10

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.

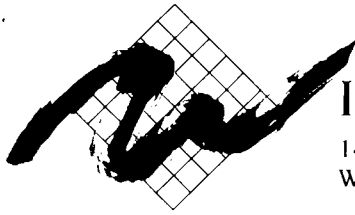
PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

Dr. Rockett

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

1

BEST COPY AVAILABLE



INSTITUTE FOR WOMEN'S POLICY RESEARCH

1400 20th Street, NW, Suite 104
Washington, DC 20036

August/September, 1997 (Revised May, 1998)

Issue No. 9/10

IWPR Welfare Reform Network News

A Newsletter of the Institute for Women's Policy Research

Education and Job Training Under Welfare Reform

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) changed "welfare as we know it" by requiring states to move a specific and growing percentage of welfare recipients into work activities. To qualify for the full amount of their Temporary Assistance for Needy Families (TANF) block grants from the federal government, states must demonstrate that 25 percent of all welfare recipients worked in Fiscal Year (FY) 1997 (which ended on Sept. 30, 1997), and must gradually increase this figure over the years to reach 50 percent by FY 2002. To be classified as "working," single parents must work 20 hours per week in FY 1997, increasing to 30 hours per week by FY 2000. States must also show that 75 percent of two parent families worked at least 35 hours per week in FY 1997, with the required percentage increasing to 90 percent by 2002.

Under PRWORA, states have much more freedom to determine the types of education and training that they will provide, but there are new limitations on when they may consider job training and education to be "work." The Balanced Budget Act of 1997 made changes to the PRWORA by allowing only 30 percent of those classified as "working" to participate in vocational education to fulfill their work requirement. For FY 2000 and thereafter, the 30 percent cap will also pertain to parents under age 20 who are engaged in education directly related to employment and who are completing high school or its equivalent.

Because of this new financial pressure on states to help welfare recipients find work, states should have a strong incentive to provide the job training, placement services, and education needed to help welfare recipients obtain jobs. Unfortunately, states may decide to rely on short-term, low investment, placement-focused job services, rather than on intensive job training and education that provide the skills needed to attain self-sufficiency. This may be an unwise long-term investment for states, because data suggest that comprehensive job training improves job stability and wage growth more than low-investment programs, especially for the most difficult to employ portion of the welfare population.

This newsletter presents an overview of recent policy changes related to job training and education for welfare recipients. It also presents the findings of research on several types of job training programs, discusses the data on the economic value of basic and higher education, and provides information on innovative, nontraditional training programs that have effectively utilized comprehensive approaches.

From AFDC to TANF: A Comparison of Federal Education and Training Provisions

Before PRWORA

In 1967, the federal government created the Work Incentive Program (WIN), which provided employment-related services to eligible AFDC recipients. Due in part to growing caseloads, WIN emphasized immediate job placement over job training. The 1988 Family Support Act replaced WIN with the Jobs Opportunities and Basic Skills (JOBS) program, which required states to provide eligible

AFDC recipients with comprehensive job training and education opportunities (see Table 1). Because critics felt that the WIN strategy had done little to help people move from welfare to work, JOBS stressed basic education and job skills training in addition to job search strategies, and encouraged individualized needs assessment and training choices for welfare recipients. Social service departments were encouraged to coordinate with community colleges, community-based organizations, and federal Job Training Partnership Act (JTPA) systems, to provide comprehensive training for AFDC recipients (American Association of University Women, 1995; Gueron and Pauly, 1991).

Table 1: Education and Training Requirements and Allowable Activities Under Jobs

To receive the full federal match of JOBS funds, states were required to provide recipients with education and training activities including:

- High school education, high school equivalency training, basic and remedial education, and education in English as a Second Language (ESL);
- Job readiness training (including pre-employment training in job skills), technical job skills training; job development and job placement activities;
- At least two of the following: group and individual job search assistance, on-the-job training (OJT), subsidized OJT, and community or other work experience; and,
- The opportunity to participate in self-initiated post-secondary education or training, or training at vocational or technical schools.

JOBS program participation requirements mandated states to have:

- Twenty percent of the non-exempt AFDC population engaged in approved activities for at least 20 hours per week by FY 1995. Seventy-five percent of the AFDC-Unemployed Parents would have had to be participating by FY 1998; and,
- Single-parent AFDC recipients with children age three and over (or at state option, age one and over) engaged in approved activities, and custodial parents under age 20 who had not completed high school or its equivalent engaged in an educational activity.

(Gueron and Pauly, 1991; U.S. DHHS, 1995)

After PRWORA

The welfare reform legislation of 1996 eliminated the mandate for states to provide job training and basic education, and limited the types of allowable work activities. Table 2 lists the job training and education provisions of the 1996 welfare reform bill. The **Balanced Budget Act of 1997** includes significant modifications to PRWORA. It authorizes the U.S. Department of Labor (DOL) to provide \$3 billion in welfare-to-work grants to states and local communities for allowable activities, which include on-the-job training, job readiness, placement and retention services, and job creation for the hardest-to-employ TANF recipients. Seventy-five percent of the grant funds will be distributed to states through a formula allocation process. The remaining 25 percent of welfare-to-work funds will be set aside for competitive grants. To be eligible for the grants, states must meet TANF maintenance of effort requirements and make additional state expenditures for allowable activities (equal to 50 percent of the state's welfare-to-work grant allotment). Eighty-five percent of the formula grant funds must be

administered by local workforce development boards known as Private Industry Councils (or to the state's lead TANF agency if a waiver is submitted), which will distribute the grants to service providers. State governors will have discretion over the remaining 15 percent of the formula grant funds to be spent on projects aiding long-term AFDC/TANF recipients (Greenberg, 1997).

At least 70 percent of the formula or competitive grant funds must be spent on programs which help TANF recipients (including noncustodial parents of TANF children) who have: 1) received AFDC/TANF for at least 30 months or who are within twelve months of reaching a TANF time limit; and 2) have two out of the three following barriers to employment: a) low reading and math scores *and* lack of a high school diploma or its equivalent; b) the need for substance abuse treatment; or c) negligible work experience. Guidelines for the formula grants were released in September, and competitive grant solicitations were announced October 3, 1997. States will submit plans to DOL on December 12, 1997 (Greenberg, 1997).

Table 2: Education and Training Requirements and Allowable Activities Under TANF

Education and training activities that qualify in meeting the first 20 hours per week (for single-parent families) and the first 30 hours per week (for two-parent families) of the work requirement are:

- Job search, but only for six weeks and not for more than four consecutive weeks;
- On-the-job training, work experience or community service;
- Vocational education, for a maximum of twelve months and only for a maximum of 30 percent of those who are supposed to be participating in work. In FY 2000, the 30 percent cap on vocational education will include parents under age 20 who are completing school or engaged in education directly related to employment; and
- Secondary school or the equivalent, or education directly related to employment, but only for parents (single or married) under twenty years of age.

Education and training activities that qualify beyond the first 20 hours per week (for single-parent families) and the first 30 hours per week (for two-parent families) of the work requirements:

- Job skills training related to employment;
- Education directly related to employment for recipients who have not received a high school diploma or General Educational Development (GED) diploma;
- Secondary school or GED classes for recipients who have not received a high school diploma/GED.

Activities which can be funded by the TANF block grant, but that do not meet work participation qualifications (unless states elect to classify them as job skills training related to employment, education directly related to employment, or vocational education):

- Adult Basic Education (ABE) classes
- Literacy classes
- English as a Second Language (ESL) classes
- Post-secondary education

(Poverty Law Project, 1997; Greenberg, 1997)

The Need for Job Training and Education for Low-Income Women

Welfare recipients need job training and education programs that provide the skills necessary to compete for jobs paying sustainable wages. The following factors should be considered by policy makers and administrators when developing training and education strategies:

- The skills and credentials of long-term welfare recipients do not necessarily meet the requirements of the low-income jobs that are available.

A survey of employers in four metropolitan areas (Atlanta, Boston, Detroit, and Los Angeles) found that 95 percent of available jobs in center city areas required at least one of the following: a high school diploma or GED diploma, relevant work experience, vocational training and references (Holzer, 1995). Most women who receive welfare are able to obtain low-wage jobs because they have significant work experience, high school diplomas, or GEDs. However, a significant proportion of welfare recipients lack the necessary experience and credentials to get and/or maintain a typical low-income job. The **Institute for Women's Policy Research (IWPR)** studied a nationally representative sample of 1,181 single welfare mothers from the Census Bureau's Survey of Income and Program Participation (SIPP) and found that 38 percent of the women had no prior work experience and 64 percent lacked high school diplomas (Spalter-Roth, et al., 1995). Similar results were obtained from a study of monthly data on welfare receipt from the National Longitudinal Survey of Youth (NLSY), which found that when long-term welfare recipients¹ first began receiving welfare, 63 percent did not have a high school diploma, and 39 percent had no prior work experience (Pavetti, 1995).

- The types of jobs that welfare recipients can get without higher education or nontraditional job training do not pay adequate wages to lift women and their families out of poverty. Thirty-seven percent of welfare mothers who are employed work in the lowest-wage and female-dominated service occupations as maids, cashiers, nursing aides, child care workers, and waitresses; compared to 11 percent of all women who are employed in these occupations (Spalter-Roth, et al., 1995).

Basic and Higher Education

Basic Education

Women's hourly earnings and their likelihood of being employed increase significantly with each additional year of education. A study of a SIPP sample of nearly 4,500 working mothers conducted by **IWPR** found that graduating from high school increased working mothers' earnings by \$1.60 per hour (1997 dollars). In contrast, each year of work experience was worth only seven cents more per hour (Spalter-Roth and Hartmann, 1991). High school graduates were also less likely than dropouts to be employed part-time (Spalter-Roth, et al., 1995).

A GED is a necessary credential for many jobs, can lead to nominal wage increases, and can improve the possibility of acquiring job training or post-secondary education. Using an NLSY sample of

¹ Long-term recipients of welfare average 60 or more months of benefits. The typical continuous period of welfare receipt is two years (Blank, 1989; Harris, 1993). However, because long-term recipients are in the system the longest, they dominate the caseload at any point in time. Pavetti (1995) estimates that at any point in time, 76 percent of AFDC families are in the midst of long-term receipt.

892 males who left high school before graduation, researchers found that the wages of GED recipients increased by 2.4 percent with each year of work experience (relative to the wages of those who did not receive GEDs), and this trend continued for several years (Murnane, et al., 1995). However, GED recipients still earn less than those with high school diplomas, and when they do not pursue additional training or education, their earnings capacity over time mirrors that of comparable high school dropouts (Department of Labor, 1995). The **American Council on Education** (1997), a private organization representing regional education associations and institutions of higher learning, reports that more than 40 percent of GED graduates later attend a two- or four-year college. Thus, the GED certifies basic skills and offers access to certain jobs and to further educational opportunities, but is not as effective in improving income as a high school diploma.

Higher Education

Post-secondary education significantly boosts welfare recipients' labor market participation and long-term earnings. According to IWPR data, 14 percent of welfare recipients have some experience with college (Spalter-Roth, et al., 1995). In addition, **Marilyn Gittell** and her colleagues estimated that in the City University of New York (CUNY) system alone, approximately 27,000 students and their families receive welfare (Gittell, et al., 1996). Although many welfare recipients do not have the resources and/or basic skills to attend college, those who can attend college reap significant benefits. Using longitudinal data from the National Longitudinal Survey of the High School Class of 1972 (NLS-72) which tracked high school graduates for 14 years following graduation, one study found that after controlling for differences in ability and family background, each year of college increased earnings by four to nine percent compared to the earnings of an otherwise similar high school graduate (Kane and Rouse, 1993). An analysis of data from the SIPP shows that a college degree is worth an additional \$3.65 per hour (1997 dollars) for working mothers, relative to the wages of high school graduates (Spalter-Roth and Hartmann, 1991). The importance of higher education for women is underscored by data showing that women need a college degree to make the same amount of money that men earn with only a high school education (Institute for Women's Policy Research, 1997).

Marilyn Gittell and colleagues (1990) conducted a nine-year follow-up study of 158 women who were receiving public assistance when they enrolled in New York colleges in 1980, and who received either a two-year or four-year degree. The positive effects of graduation were striking: 87 percent of the women left welfare after graduation, 89 percent had been employed since graduation, and almost half of the respondents were earning more than \$20,000 per year at the time of the study in 1989. In addition to the economic benefits of graduation, the women reported improved lifestyles, better standards of living, and greater self-esteem, and many said they planned to encourage their children to attend college.

The researchers noted that tuition bills, scheduling difficulties, and a lack of day care created challenges that threatened the women's ability to complete their degrees, and recommended that colleges provide services to address these obstacles. One of the colleges included in the study provided flexible hours, night courses, counseling, peer group support, courses located in neighborhood facilities, and day care. A disproportionately large number of the survey respondents graduated from this college.

Current Legislative Initiatives Relating to Basic and Higher Education

The increased work requirements and changing definition of work limit the amount of time welfare recipients can spend furthering their education, which is, for many, the most effective means of

achieving increased earnings. Some advocates and policy makers are developing strategies to improve access to basic and higher education for welfare recipients through state and federal legislative changes. If states fail to meet the mandated work participation rates, there may be increased support for changes to the PRWORA which expand the definition of work.

At the federal level, **Rep. Maurice D. Hinchey** (D-NY) has introduced the "Self Sufficiency Through Education Act" (H.R. 2025), as an amendment to Part A of Title IV of the Social Security Act. It calls for the exclusion of parents under age 20 from the vocational education 30 percent cap calculation if they are completing school or engaged in education directly related to employment. In addition, it would allow up to 24 months of post-secondary education or vocational training to count as a permissible work activity. Similarly, **Rep. Lynn Woolsey** (D-CA), who is a former welfare recipient, and **Delegate Eleanor Holmes-Norton** (D-DC) have introduced a bill (H.R. 1616) that would allow satisfactory progress toward the completion of high school or a college program at an institution of higher education to be counted as a permissible work activity. **Rep. Nita Lowey** (D-NY) will introduce a bill, referred to as the Post-secondary Adult Vocational Education Act (PAVE), which would include each of the changes mentioned above, and would allow federal work-study jobs to count as a permissible work activity. Some states, such as Illinois, New Jersey, and Massachusetts already allow students receiving welfare to use federally supported college work-study jobs to satisfy the work requirements.

Another option open to states is to create a separate, state-funded program for students enrolled in two or four year post-secondary education programs, which could provide similar amounts of cash benefits and similar support services (e.g., child care and transportation) as the TANF program. Under such a program, states can distribute benefits to students from state funds, rather than through federal TANF monies, so that recipients are able to attend college without being subject to TANF restrictions. **Maine's Senate Majority Leader Chellie Pingree** (D-North Haven) led the effort to pass a law allowing such a program, called "Parents to Scholars" (PAS; Title 22 Maine Revised Statutes Annotated, Sec. 3790). Participants were scheduled to be transferred from the state public assistance program (ASPIRE) to PAS in August. Twenty hours of school participation (study time included) are required during the first two years of school. After two years, participants must work or volunteer (this includes work-study jobs and education-related work placements) for at least 20 hours per week in addition to attending school.

The Effectiveness of Job Training Programs

Despite policy makers' hope that it is possible to simultaneously cut welfare spending and reduce poverty by moving welfare recipients into the workplace, some research suggests that significant investment in intensive job training and education is necessary for long-term poverty reduction. Many job training programs are effective in that they increase participants' earnings by helping them get into the workplace, but do not increase hourly wages in comparison to what participants would have earned in jobs they had found without training. For example, the **Institute for Women's Policy Research** (Spalter-Roth, et al., 1995), found that although job training increased the likelihood of working by nearly 28 percent, those with job training earned only three cents per hour more than those without job training. Both groups earned hourly wages that, even if earned full-time, year-round, would not lift a family out of poverty.

Similar findings emerged from a review of welfare-to-work programs by the **Manpower Demonstration Research Corporation (MDRC)**, which included the Greater Avenues for Independence (GAIN) program in Riverside County, considered California's most successful GAIN program (Bloom, 1997). Participants in this program, which stressed job search and immediate employment, earned 42 percent more over a five-year follow-up period, compared to a control group. However, the higher earnings among the program participants resulted from greater labor force participation, not from higher hourly wages; 72 percent of the GAIN participants were employed at some time during the five-year follow-up period, compared to 62 percent of the nonparticipants. The program and control group members who were employed earned roughly the same amount per hour. While the Riverside program initially influenced work participation rates, by the end of the third year, only 23 percent were employed and off welfare.

Comprehensive training programs that cost more and provide individualized assistance sometimes show greater success at changing the long-term economic picture for welfare recipients, because they not only help people find jobs, but assist them in building new work skills (Burtless, 1994). Such programs may be particularly important for long-term welfare recipients who experience significant barriers to employment (Pavetti et al., 1996), and for job-ready people who would earn higher wages with intensive job training. **Daniel Friedlander and Gary Burtless (1995)** analyzed the results of evaluations of four welfare-to-work programs conducted by MDRC. Although all of the programs were successful at bringing program participants into the labor force faster than nonparticipants, and led to greater cumulative earnings for program participants compared to the control group, the earnings differential did not persist over the long term. In only one program, **Baltimore Options**, did participants get better-paying jobs than the control group and lasting improvements in earnings. Baltimore Options, one of two high-investment programs tested, differed from the other three programs in that it:

- carefully assessed the participants' capabilities and matched them to the most appropriate activities;
- gave participants a choice of which activity to participate in (job search, unpaid work assignments, education or training), and in what sequence, rather than beginning with mandatory job search; and,
- emphasized increasing enrollees' employment in better-paying jobs.

Project Quest of San Antonio is another job training program that stands out because of its extraordinary investment in the services it provides for welfare recipients (nearly half of the participants receive public assistance and two-thirds are women), and for the positive economic benefits of job-specific training. The program spends approximately \$10,000 per student (which covers tuition, books, child care, transportation, supplies and occasional "crisis" money) for an average of 17 months of training. Initial emphasis is placed on providing basic education and GED training. Participants then choose training in an occupation for which employers have predicted future hiring (Walljasper, 1997). According to Jim Lund, Executive Director of Project Quest, 542 current and former program participants have been working in jobs averaging \$8.26 per hour since January 1993, and nearly 90 percent of these jobs provide full benefits. Municipal, state and federal entities provided \$6 million in funding for the first two-years of this project, and continuation funds have been secured (Project Quest, 1997). Independent evaluators concluded that the relatively high cost of Project Quest pays off because participants' earnings

are increased by an estimated \$9,846 to \$14,914 over a two year period (compared to pre-program earnings), which averages out to more than the amount that the project invests in each student's training (Osterman and Lautsch, 1996).

Job-specific training programs have proven to be effective for disadvantaged populations who may prefer job-relevant, technical skills training to traditional classroom-based education. The **Center for Employment Training (CET)**, based in San Jose, CA, trains disadvantaged individuals, such as single mothers on welfare, in job-specific skills, and then links them directly to employers' recruiting networks. Participants of all skill levels pace themselves in classes that teach reading, math and language skills that are specific to the type of job they will be performing. Counseling, job placement, and other support services are also integrated into classroom training (Melendez, 1996). **Mathematica Policy Research** conducted an evaluation of the Minority-Female Single-Parent Demonstration Project, which targeted minority single-mother welfare recipients at four community-based organizations, including CET, in Atlanta, Providence, San Jose, and Washington, D.C. from 1982 to 1988. CET was the only program tested that led to earnings which were significantly higher than those of the control group. Nine to 12 months after assignment to CET, program participants worked an average of 16.6 more hours per month and earned 72 cents more per hour than individuals in the control group. After a 30-month follow-up period, the CET program had increased participants earnings by \$2000 compared to the control group. Gueron and Pauly suggest that the CET program may have been relatively successful because it immediately placed participants in job-specific skills training, and conducted job-related basic education, whereas the other three programs focused on job readiness training "intended to improve participants' motivation, decision-making, and orientation toward employment" (Gueron and Pauly, 1991).

While high investment welfare-to-work programs often result in good long-term economic outcomes for welfare recipients, they do not always result in cost savings to the states that fund them. **Judith M. Gueron and Edward Pauly** (1991) of MDRC reviewed the evaluations of 13 welfare-to-work programs, and noted that a "mixed" job training and education strategy has the potential to save welfare costs, improve job quality, produce relatively large earnings gains, and help the more disadvantaged portion of the welfare-to-work population. With a mixed strategy, states combine higher-cost programs which serve selected participants, with lower-cost programs (primarily job search) serving a broad range of public assistance recipients.

Nontraditional Employment Training Opportunities for Women

One strategy for raising the level of long-term earnings and reducing the need for public assistance is to provide women with high quality job training focused on employment in nontraditional careers (i.e., occupations in which female workforce participation is less than 25 percent). According to *Wider Opportunities for Women* (1996), women who receive training for nontraditional jobs can earn between \$8.00 and \$9.00 per hour upon placement, whereas the average employed welfare recipient earns \$5.15 per hour (adjusted to 1996 dollars) (Spalter-Roth, et al, 1995).

Programs such as the **Nontraditional Employment Training (NET) Project** have been effective at training and placing women in nontraditional occupations. NET was designed in 1990 by Washington, D.C. based-**Wider Opportunities for Women (WOW)**, to place welfare recipients in well-paid, nontraditional careers. The NET projects serve women through their local JTPA programs. In the District

of Columbia, the 13-week training is designed to lead to employment in the telecommunication, electronics, construction, and transportation industries. Basic skills training is provided in the context of the jobs that participants will be performing, rather than through traditional classroom training. Participants gain literacy skills by reading safety manuals, blueprints, and operating instructions, and learn math skills by measuring materials, estimating costs, and participating in hands-on building projects. Eighty percent of the D.C. program participants are placed in jobs with an average starting wage of \$8.50 per hour (Watkins, 1997).

Similarly, **NEW Choices for Women**, a training program in Atlanta created by **Goodwill Industries International Inc.**, prepares welfare recipients for careers in carpentry, plumbing, electrical work, painting and other construction-related fields. Training includes job safety, tool identification, blueprint reading, job readiness and life-management skills, physical conditioning, hands-on building projects and lessons on sexual harassment. The program began in January 1995, and has graduated 118 of its 145 enrollees (aged 16-50). Goodwill reports that 89 percent of the graduates have been placed in construction jobs with an average entry-level wage of \$7.92 per hour (Goodwill Industries, 1997).

Private Sector Involvement in Job Training

While many states and counties are continuing to offer the training and basic education services that they provided under JOBS, or under welfare waivers, there is a new trend for training and education to be managed by private employers and for-profit intermediaries. Following national education campaigns, employers are becoming more aware of the financial and public relations benefits of training and hiring people who receive public assistance. The **Welfare to Work Partnership** is the largest national effort to place public assistance recipients in private sector jobs. The Partnership, which was formed in May 1997 with the support of the Clinton Administration, is an independent, nonpartisan effort which includes more than 2,000 large and small businesses. The Partnership maintains a list of companies committed to hiring and retaining individuals on public assistance, as well as a list of organizations that provide job training, child care and related services.

Some companies are developing in-house programs to provide job-specific training and support services for entry-level employees and job candidates who receive welfare. For example, **Marriott International's Pathways to Independence** training program provides 60 hours of classroom training that prepares trainees for employment by teaching them how to complete resumes and job applications, effectively communicate and interview, plan careers in the hospitality industry, manage personal finances, and develop techniques for balancing work and family obligations. In addition, participants engage in 120 hours of hands-on occupational skills training. Marriott also helps employees apply for earned income tax credits, and provides a hotline to assist with child-care and transportation crises. Nearly 80 percent of Pathways trainees complete the program, and currently 300 of the 700 participants remain with the company, earning an average hourly wage of \$8.00 per hour plus benefits. The program has branches in seven cities around the country. A study of three Washington, D.C., Pathways groups found that after two years of employment, the retention rate of former welfare recipients was 71 percent, compared to 60 percent of a random sample of other Marriott employees (Milbank, 1996, 1997).

Many private organizations are acting as intermediaries which provide job training and link welfare recipients with employers. One such collaboration is the **Wildcat Service Corporation and the Smith Barney Welfare-to-Work Program**, which has served single mothers on welfare in New York since November 1995. Wildcat provides a full-time 16-week vocational and education program, which combines educational, work, life and job readiness skills training, with job-specific training in business English and math, basic accounting, and intermediate/advanced computer operation. Graduates have the opportunity to interview with Smith Barney for full-time paid internships that last up to 16 weeks. Permanent placements are based on the needs of Smith Barney and the performance of the interns. As of mid-1997, 41 graduates of the program had been placed in jobs either at Smith Barney or elsewhere. Those hired by the firm receive an average starting salary of \$24,000 with benefits, stock options, tuition reimbursement, access to a backup child care center, and the use of on-site fitness and medical centers. The collaboration's goal is to place approximately 65 Wildcat graduates in Smith Barney's New York City office each year (Smith Barney, Inc., 1997).

Evaluating Private/Public Welfare-to-Work Initiatives

As intermediaries and the private sector become more involved in designing job-training programs, program evaluators and advocates will need to expand the dissemination of research findings on effective and ineffective strategies. Without the benefit of information from previous demonstrations and evaluations, the private sector may rely inordinately on anecdotal observation in developing job training programs. For example, there is a widespread perception that a lack of "soft skills" (such as punctuality, a "customer service" orientation, or professional grooming) is a primary barrier to work for welfare recipients (Taylor, 1997). However, some maladaptive work behaviors (such as tardiness or absenteeism), which are perceived to result from a lack of soft skills, may result primarily from other barriers to work such as inadequate transportation and child care, chronic health problems, or inadequate funds to purchase supplies for work. Training programs that focus primarily on "soft skills" are unlikely to address women's more serious underlying needs.

Particularly supportive systems will need to be developed for the longer-term or harder-to-employ recipients who are likely to be neglected by many training service providers and staffing agencies. Marriott International curtailed its experimental effort to target more disadvantaged welfare recipients for its Pathways program when it found that homelessness, a lack of child care, transportation problems, and substance abuse led to absenteeism among this highly disadvantaged group (Milbank, 1997). It remains to be seen whether states and counties will encourage employers, perhaps through the use of welfare-to-work monies, to provide the intensive child care, transportation, and referral services necessary for those who face serious or multiple barriers to employment.

Research and Policy Questions

- How are states modifying their welfare-to-work programs as a result of the PRWORA of 1996 and the 1997 Balanced Budget Amendment?
- Will states primarily utilize short-term job-search strategies that place welfare recipients into jobs quickly, more intensive job training strategies that include education, or mixed strategies?

- To what degree will states utilize community-based organizations, the business sector, and private industry to develop and administer job training programs?
- To what extent is the perceived deficiency in “soft skills” among welfare recipients actually the result of barriers to employment, such as lack of access to transportation and child care or to chronic health problems?
- Will states allow students currently enrolled in post-secondary education programs to complete their education or will students drop out as states attempt to meet their work participation rates?

Resources

- Employment and Training Administration. The Department of Labor's Draft Planning Guidance for Welfare to Work Grants was released September 18, 1997, and is now available for review on the website at: <http://wtw.doleta.gov>.
- Marriott International, Inc. Community Employment and Training Programs, Marriott Dr., Washington, DC, 20058; Tel. (301) 380-3000.
- Project Quest, 301 South Frio, Suite 400, San Antonio, TX 78207; Tel. (210) 270-4690; Fax. (210) 270-4691.
- Welfare to Work Partnership, 1250 Connecticut Ave., NW, Suite 610, Washington, DC, 20036; Tel. 1-888-USA-JOB1 or (202) 955-3005; Fax. (202) 637-9195.
- Wider Opportunities for Women, 815 15th Street, NW, Suite 916, Washington, DC 20005; Tel. (202) 638-3143; Fax. (202) 638-4885.
- Wildcat Service Corporation, 161 Hudson St., New York, NY 10013; Tel. (212) 219-9700; Fax. (212) 941-5793.

*This newsletter was written by Karin Bloomer, Graduate Research Intern, Johanna Finney, Research Fellow, and Barbara Gault, Study Director, of the Institute for Women's Policy Research. Thank you to Gary Burtless of the Brookings Institution who reviewed the draft and provided helpful suggestions. "IWPR Welfare Reform Network News" is distributed monthly. These newsletters are part of IWPR's project, **Coordinating Nationwide Research Efforts on Welfare Reform**, which seeks to develop partnerships and networks among researchers, service providers, advocates, and policy makers and to establish coordinated welfare reform research on issues of particular importance to women. This project is funded by the Joyce Foundation, the Charles Stewart Mott Foundation, and the John D. and Catherine T. MacArthur Foundation.*

References

- American Association of University Women. 1995. *Education and Training: The Path Out of Poverty for Women*. Washington, DC: AAUW, April.
- American Council on Education. 1997. *The GED: The Key to Welfare-To-Work Success*. Informational materials. Washington, DC: ACE.
- Blank, Rebecca N. 1989. "Analyzing the Length of Welfare Spells." *Journal of Public Economics*, 39: 245-73.
- Bloom, Dan. 1997. *After AFDC: Welfare-to-Work Choices and Challenges for States*. New York: MDRC.

- Burtless, Gary. 1994. "Employment Prospects of Welfare Recipients." *The Work Alternative: Welfare Reform and the Realities of the Job Market*. Demetra Smith Nightingale and Robert F. Haveman, eds. Washington, DC: The Urban Institute Press.
- Department of Labor. 1995. *What's Working (and What's Not): A Summary of Research on the Economic Impacts of Employment and Training Programs*. Office of the Chief Economist. January.
- Friedlander, Daniel and Gary Burtless. 1995. *Five Years After: The Long-Term Effects of Welfare-to-Work Programs*. New York: The Russell Sage Foundation.
- Gittell, Marilyn, Margaret Schehl, and Camille Fareri. 1990. *From Welfare to Independence: The College Option, A Report to the Ford Foundation*. New York: Ford Foundation, March.
- Gittell, Marilyn, Kirk Vandersall, Jennifer Holdaway and Kathe Newman. *Creating Social Capital at CUNY: A Comparison of Higher Education Programs for AFDC Recipients*. New York: Howard Samuels State Management and Policy Center.
- Goodwill Industries International Inc. 1997. "Building Better Lives." *Working!* Summer.
- Greenberg, Mark. 1997. *Welfare-to-Work Grants and Other TANF-Related Provisions in the Balanced Budget Act of 1997*. Washington, DC: Center for Law and Social Policy, August.
- Gueron, Judith and Edward Pauly. 1991. *From Welfare to Work*. New York: Russell Sage Foundation.
- Harris, Kathleen Mullan. 1993. "Work and Welfare Among Single Mothers in Poverty." *American Journal of Sociology*, 99: 317-52.
- Holzer, Harry. 1995. *What Employers Want: Job Prospects for Less-Educated Workers*. New York: Russell Sage Foundation, June.
- Institute for Women's Policy Research. 1997. *The Wage Gap: Women's and Men's Earnings -- Briefing Paper*. Washington, DC: IWPR, January.
- Kane, Thomas J. and Cecilia Rouse. 1993. *Labor Market Returns to Two and Four-Year College: Is a Credit a Credit and Do Degrees Matter?* Working Paper #311, Industrial Relations Section, Princeton University, January.
- Melendez, Edwin. 1996. *Working on Jobs: CET*. Boston: Mauricio Gaston Institute.
- Milbank, Dana. 1996. "Marriott Is Training People on Welfare." *Wall Street Journal*. Oct. 31.; 1997. "Marriott Tightens Job Program Screening." *Wall Street Journal*. July 15.
- Murnane, Richard, J. Willett, and K. Bodett. 1995. "Do High School Dropouts Benefit from Obtaining a GED?" *Journal of Education and Policy Analysis*, Summer.
- Osterman, Paul and Brenda Lautsch. 1996. *Project Quest: A Report to the Ford Foundation*. M.I.T. Sloan School of Management. April.
- Pavetti, LaDonna. 1995. "Who is Affected by Time Limits?," *Welfare Reform: Analysis of the Issues*. Isabel Sawhill, ed. Washington, DC: Urban Institute.
- Pavetti, LaDonna, Krista Olson, Nancy Pindus, Marta Pernas, and Julie Isaacs. 1996. *Designing Welfare-to-Work Programs for Families Facing Personal or Family Challenges: Lessons from the Field*. Washington, DC: The Urban Institute Press.
- Poverty Law Project. 1997. *Overview of TANF*.

Project Quest. 1997. Personal fax communication from Executive Director, James H. Lund. September.

Smith Barney, Inc. 1997. Private Industry Partnership informational materials. New York: Smith Barney, Inc. September.

Spalter-Roth, Roberta, Beverly Burr, Heidi Hartmann, and Lois Shaw. 1995. *Welfare that Works: The Working Lives of AFDC Recipients, A Report to the Ford Foundation*. Washington, DC: IWPR.

Spalter-Roth, Roberta and Heidi Hartmann. 1991. *Increasing Working Mothers' Earnings*. Washington, DC: IWPR.

Taylor, Judith Combes. 1997. *Learning at Work in a Work-Based Welfare System: Opportunities and Obstacles, Lessons from the School-to-Work Experience*. Jobs for the Future. April.

U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. 1995. *The JOBS Evaluation: Adult Education for People on AFDC: A Synthesis of Research*. Washington DC: DHHS, Dec.

Walljasper, Jay. 1997. "A Quest for Jobs in San Antonio." *The Nation*. July 21.

Watkins, Kristin. 1997. *Testimony before the Employment and Training Subcommittee of the Senate Labor and Human Resources Committee*. Washington, DC: c/o Women Work! April 15.

Wider Opportunities for Women (WOW). 1996. *Six Strategies for Self Sufficiency: Great Ideas for Using State Policy to Get Families Out of Poverty*. Washington, DC: WOW.

Welfare Related Resources

The Coalition on Human Needs - working with a subcommittee of its member organizations - has developed a monitoring instrument that groups may use to collect information on how welfare reform is being implemented locally and to measure the impact welfare reform on families. The instrument consists of two parts. The first section contains questions for clients to answer in a multiple choice format. The second section is a set of open-ended questions to be administered in a face-to-face interview. To obtain the survey, contact the Coalition on Human Needs at: 1000 Wisconsin Avenue, NW, Washington, DC 20007; T. 202-342-0726; F. 202-338-1856; e-mail: chn@chn.org.

Jobs with Justice is calling for a National Day of Action on December 10, International Human Rights Day, for Welfare/Workfare Justice that will bring together diverse constituencies to refocus the welfare/workfare debate on good jobs, workers rights and social justice. For more information on how you can be involved, contact Jobs with Justice at: 501 Third Street, NW, Washington, DC 20001; T. (202) 434-1106; F. (202) 434-1477.

Incentives and Supports for the Employment of Welfare Recipients, a report by Rebecca Brown, Jill Hyland, and Andrea Kane, of the **National Governors Association**, describes the strategies that some states and communities are using to encourage and support the employment of welfare recipients, including reaching out to employers, providing short-term training, facilitating transitional employment, providing supports for employment, offering financial incentives to employers, and making work pay. 1997, 42 pages. \$15.00.

IWPR's Welfare Monitoring Listserv

As part of its project to coordinate welfare research, IWPR has set up a listserv (electronic bulletin board) which is devoted to the discussion of welfare reform. You can subscribe to the list by sending the following command to the listserv address, at listserv@american.edu:

SUBSCRIBE WELFAREM-L Full Name

(Use your full name, not your e-mail address. The listserv software can read your e-mail address automatically.) When you sign up you will receive a welcome message providing further instructions for the listserv. IWPR's welfare reform newsletters will be disseminated through the listserv (as well as by mail) and stored in the WELFAREM-L archive files. The archive files can also be viewed on the web at <http://listserv.american.edu/archives>. This listserv offers the opportunity to share with other interested scholars, policy makers, administrators, recipients and advocates your research and questions on welfare and welfare reform in individual states and at the national level. Discussion can also be related to other issues, such as domestic violence or health. Information such as calls for papers, conference information, fact sheets, and legislative updates are also welcome. For more information on the listserv, contact Johanna Finney at finney@www.iwpr.org.



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

CE 077227



REPRODUCTION RELEASE

(Specific Document)

I. DOCUMENT IDENTIFICATION:

Title: Education and Job Training Under Welfare Reform. Welfare Reform Network News	
Author(s): Karin Bloomer, Johanna Finney, Barbara Gault	
Corporate Source: Institute for Women's Policy Research	Publication Date: May 1998

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign at the bottom of the page.

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

_____ Sample _____

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY

_____ Sample _____

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2A

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

_____ Sample _____

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

Level 1

Level 2A

Level 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

Check here for Level 2B release, permitting reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits.
If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche or electronic media 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, → please

Signature:	Printed Name/Position/Title:	
Organization/Address:	Telephone:	FAX:
	E-Mail Address:	Date:



(over)

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.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

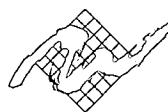
If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse:

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



**INSTITUTE FOR WOMEN'S
POLICY RESEARCH**

Anna L. Rockett
Publications Editor

1400 20th Street NW, Suite 104, Washington, DC 20036
Tel: (202) 833-1599 • Fax: (202) 833-4362
E-mail: anna@www.iwpr.org
Web: <http://www.iwpr.org>