

Families Forward Factsheet

What is Families Forward?

Families Forward is a McKnight initiative to test a wide range of approaches to promoting career advancement for low-wage workers through improved access to education and training. The first grants began in September 2001, and the last grants end in the fall of 2006.

What organizations received funding through this initiative?

Seventeen different organizations and partnerships throughout Minnesota received about \$6 million from The McKnight Foundation to enhance the employment potential of low-wage workers. Grantees included nonprofits, local WorkForce centers, regional Initiative Foundations, and community and technical colleges.

What did the programs do?

Grantees were asked to work with employers and public workforce development systems, to deliver short-term training designed to be accessible for working parents, and to include supports needed to help participants remain in and advance in their jobs.

While no two service providers offered the same program, the most common services included assessment, hard and soft skills training, job placement, financial help, case management, and personal support (like help with child care, housing, etc.).

Who was served?

When data collection for the study ended in July 2005, the Families Forward programs had enrolled 1,422 participants across the state. Two-thirds were women, 4 out of 5 reported their primary language as English, and nearly three-quarters had no education beyond high school. The typical participant had two children and about half of all participants were African-American, Hispanic, or American Indian.

What was the employment status of participants before the program?

When the program began, most participants (71%) were employed. Based on Wage Detail records kept by the Minnesota Department of Employment and Economic Development the average wage was between \$7 and \$8 per hour and the average monthly income was between \$800 and \$1,000. This includes around one-third who had no employment documented in the state records, and two-thirds who were employed with average earnings between \$11.00 and \$11.50 and average monthly wage income between \$1,250 and \$1,325.

What was the employment status of participants after the program?

When employment information was collected for participants after program completion, the results were encouraging. Without adjusting for inflation, average hourly wages had gone up by 12 percent in two years. Average hours per week had increased by 2 percent. As a result, average monthly incomes had increased by 14 percent over two years. In addition, based on phone surveys conducted by Wilder Research, about one-third had better health benefits and nine out of ten reported greater motivation and self-confidence.

What could be expected without Families Forward?

Based on labor market data over the same time period, workers in similar job classifications as those in the Families Forward project had inflation-adjusted monthly income growth of 1 percent over the same two-year period. The inflation-adjusted income growth for Families Forward participants was 9 percent.

continued

What services matter most?

Families Forward programs served a wide range of participants including those with few employment barriers and those with many. Thus service and support needs varied considerably across programs based on the particular populations served.

Nonetheless, the following service components show promise:

- Help to identify suitable job training opportunities.
- At least one kind of skill assessment.
- Help with child care.
- Testing for English skills.
- Including work readiness coaching together with the specific job skills training.
- Help with job placement following training, and job retention support following placement.
- Consultation to determine the types of support needed to get or keep a job.

The most successful programs also worked closely with employers as well as participants to meet the needs of both.

What's next?

Results of the study will be disseminated to policy makers, employers, and planners over the next several months. In addition, each of the individual grantee organizations will have a chance to examine the research results for their own graduates. Already, the practices which have proven to be most promising have been incorporated into the ongoing work of these organizations.

How do I learn more?

The final Families Forward report will be published in May and will be posted on the Wilder website www.wilder.org.

**Wilder
Research**

www.wilderresearch.org

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APRIL 2006

Building a better bootstrap

Wilder Perspectives Breakfast

April 11, 2006



The Families Forward Initiative



What is Families Forward?

- Grants from McKnight Foundation
- 17 sites
- Field test a variety of approaches
- Working families ↔ Access to training

Why was Families Forward developed?

- People entering employment (sometimes leaving welfare) – “getting stuck”
- Couldn't access training without assistance
- Employers needing different skills
- Anticipation of work shortage as “baby boom” retires

Significance of this issue

- “Low-wage” jobs: 37% of state jobs now pay below \$12.00 an hour
- Up from 34% in 2002
- Lower-wage sectors projected to increase, but less than overall job growth

Organizations involved

- Nonprofits (including one regional public-private partnership)
- Public WorkForce Centers
- Regional Initiative Foundations
- Community colleges

Families Forward project sites by economic development regions

West Central

West Central Initiative Foundation
Teamworks

Central

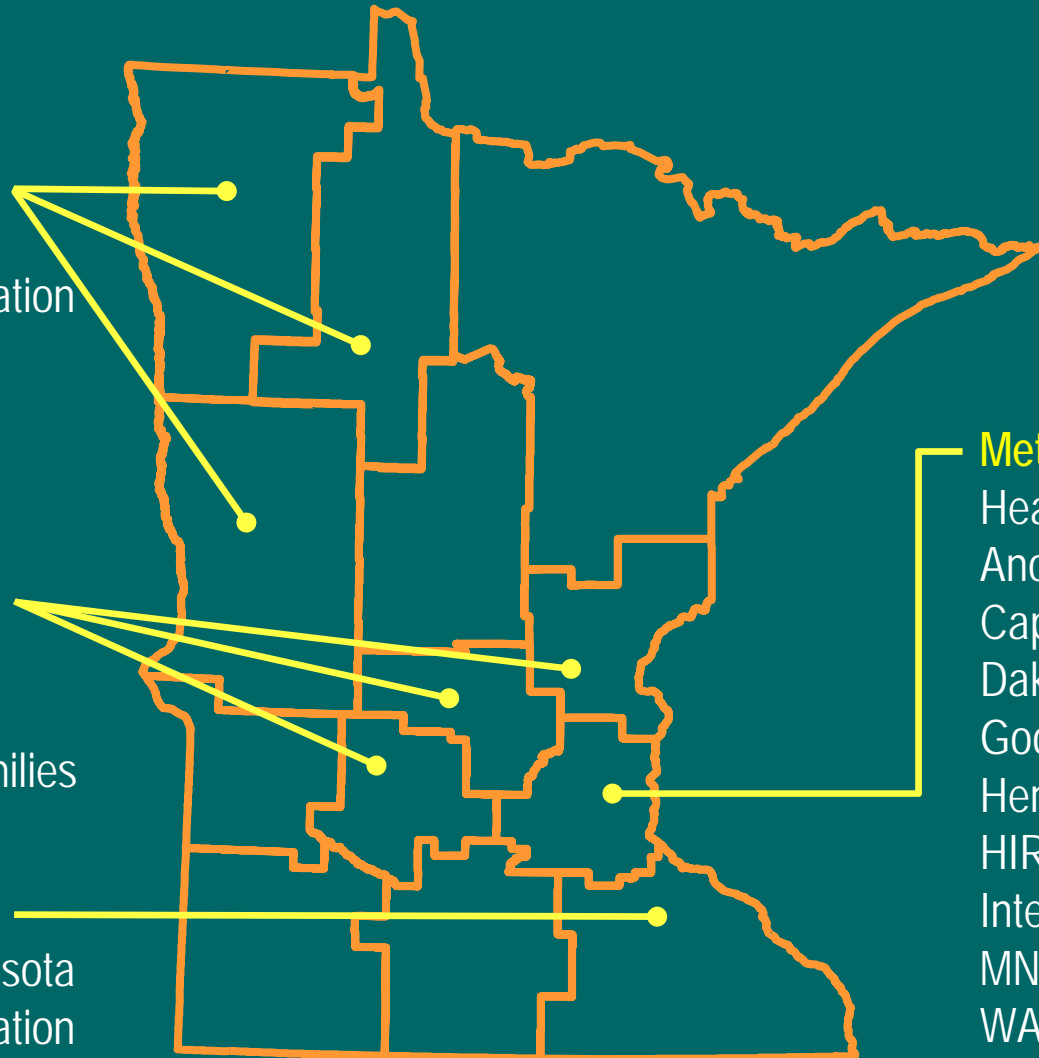
Stearns-Benton Communities
Investing in Families

Southern

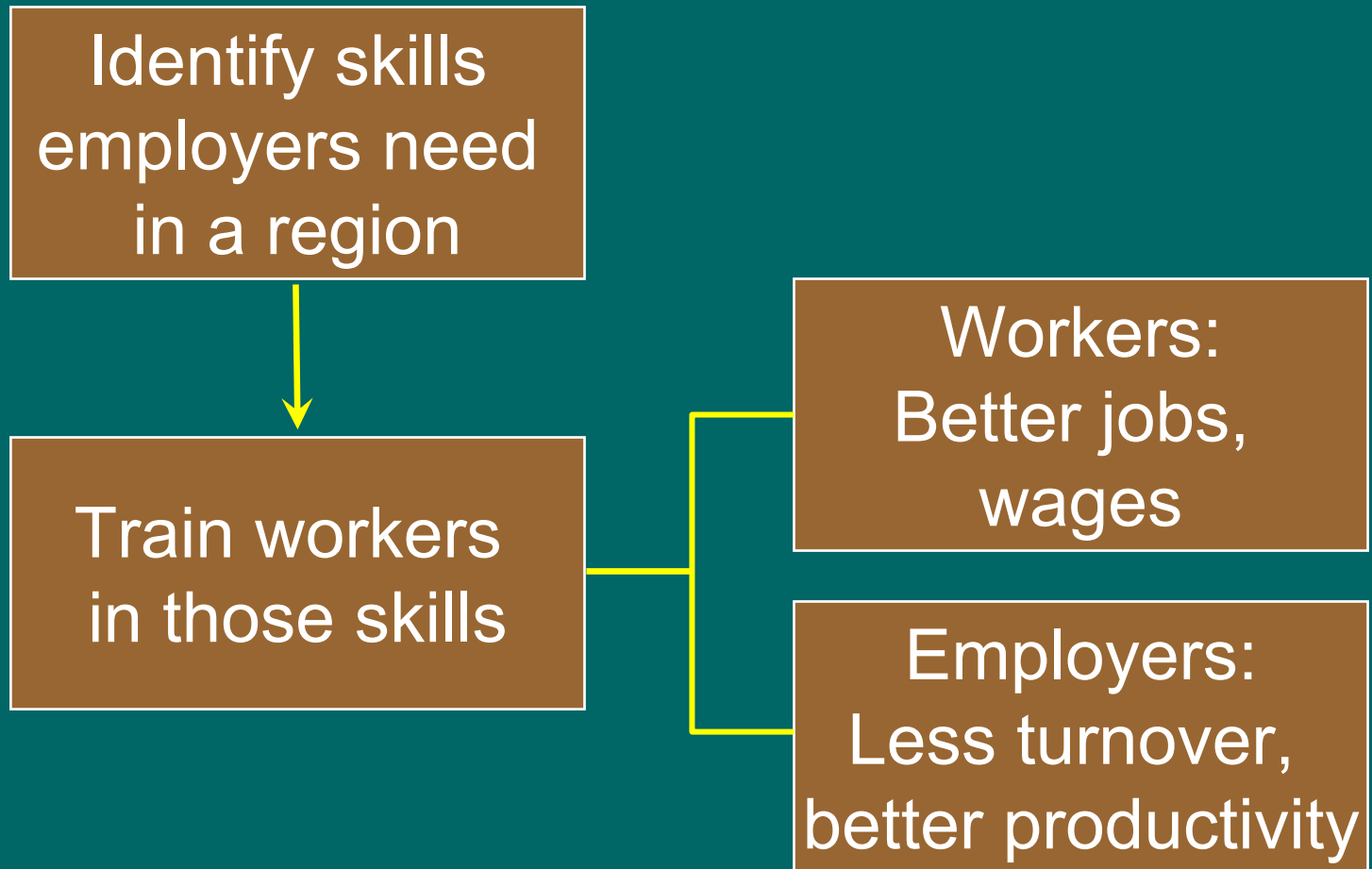
Southern Minnesota Initiative Foundation
Workforce Development, Inc.

Metro

Health Careers Institute East
Anoka County
Capital City Properties
Dakota County
Goodwill/Easter Seals
Hennepin Tech
HIRED
International Institute
MN-BUILD
WAND
Women Venture



“Logic” behind the programs



Features common to all 17 programs

- Low-income workers
- Short-term training
- Family supports

Short-term training

- Typically, 3-5 weeks
- Emphasized skills needed by employers in the region where participants lived

Some major variations in training

- Length of training: semester in some programs (vs. 3-5 weeks)
- Groups trained together vs. individual placements in existing training programs
- Extent to which soft skills (e.g., communication, team work) were included

Family supports

- Case management
- Help finding child care
- Transportation
- Counseling
- And other services

Other common features

- Included employers in program design
- Used public workforce development programs

What services did participants receive?

- Assessment
- Training
- Employment support services
- Basic financial assistance
- Personal and family support
- Case management

Study: Wilder Research

- 4 years – ending June, 2005
- Offer understanding of approaches, participants, impacts
- Adjusted as initiative developed

Who participated?

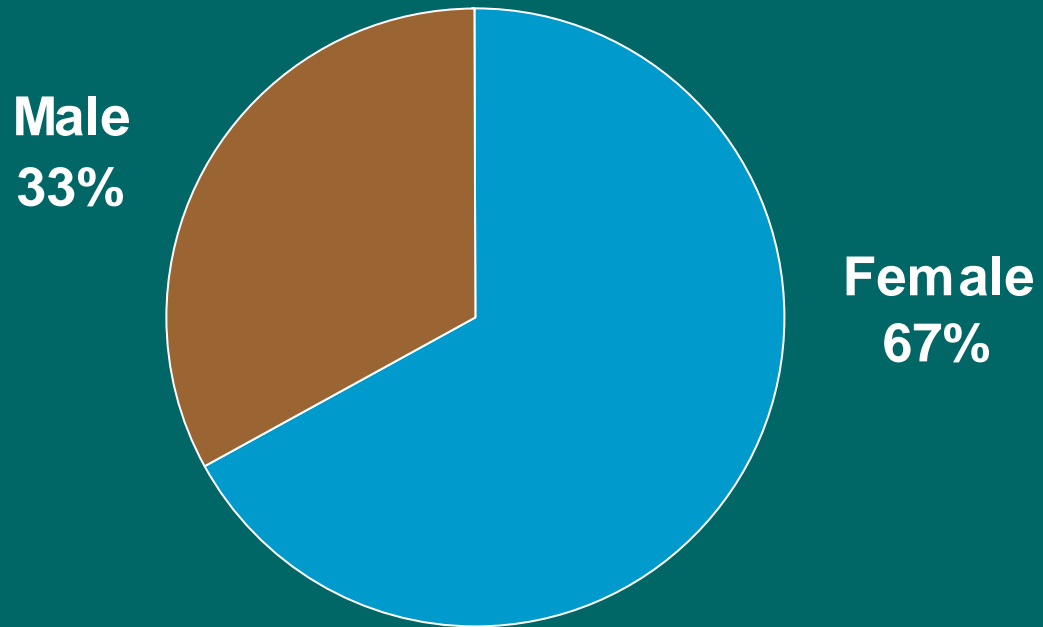




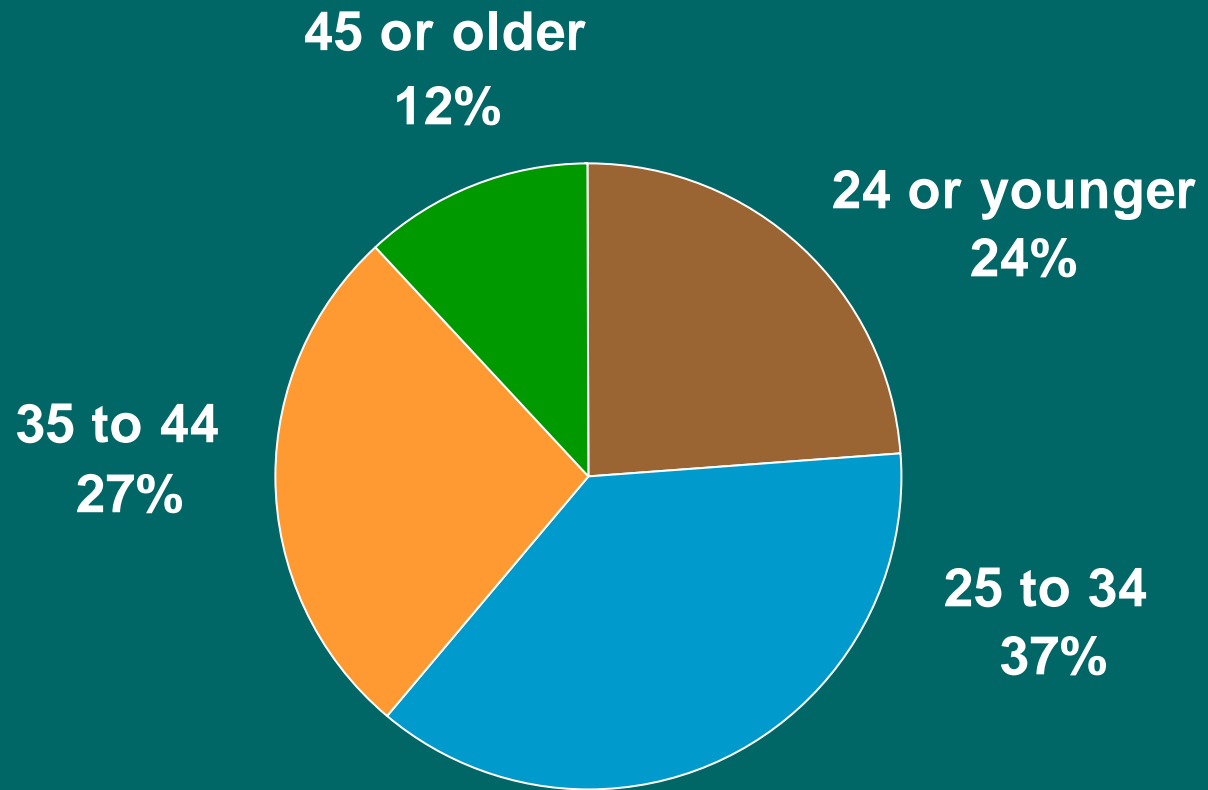
1,422 participants

During 4 year study period

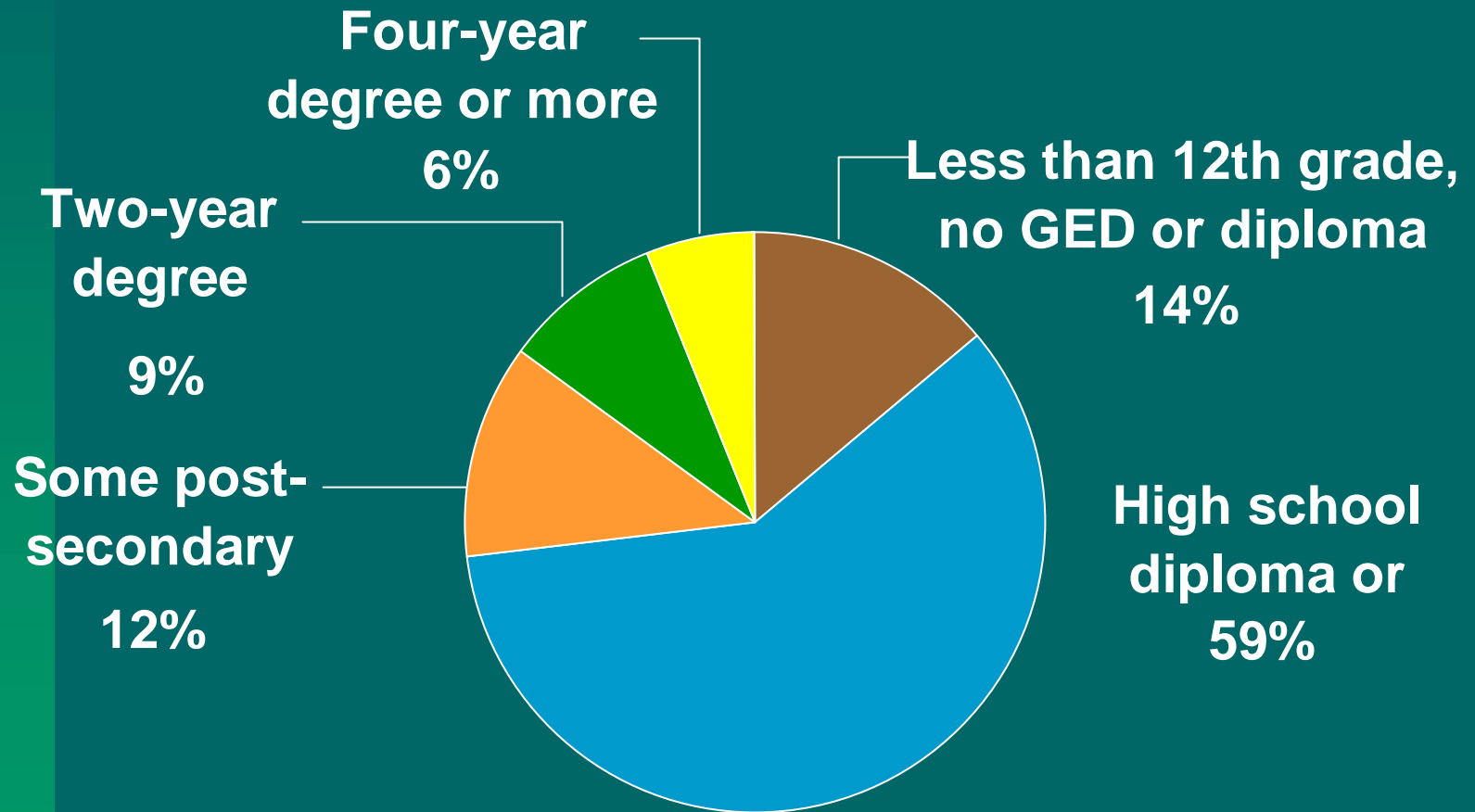
Gender



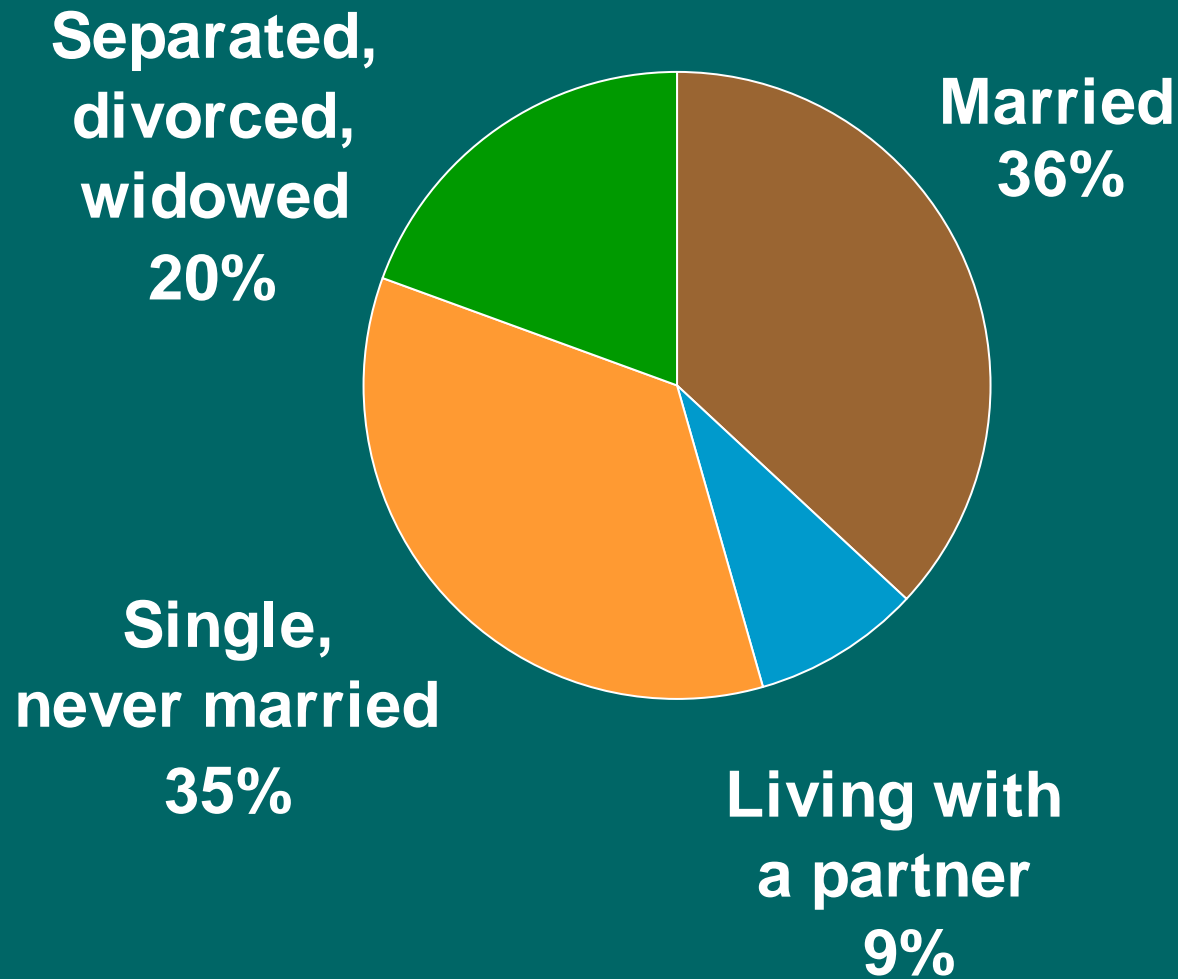
Age



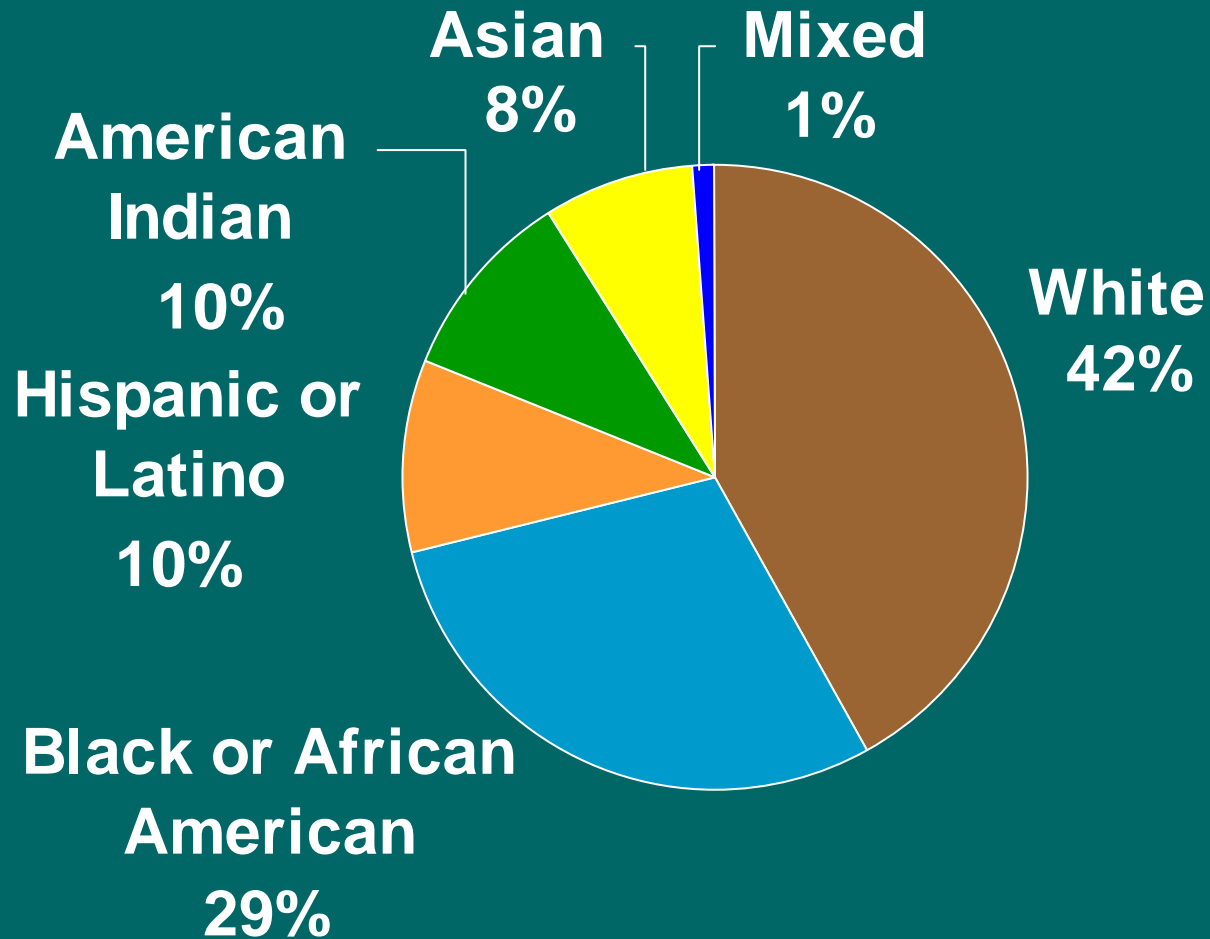
Education



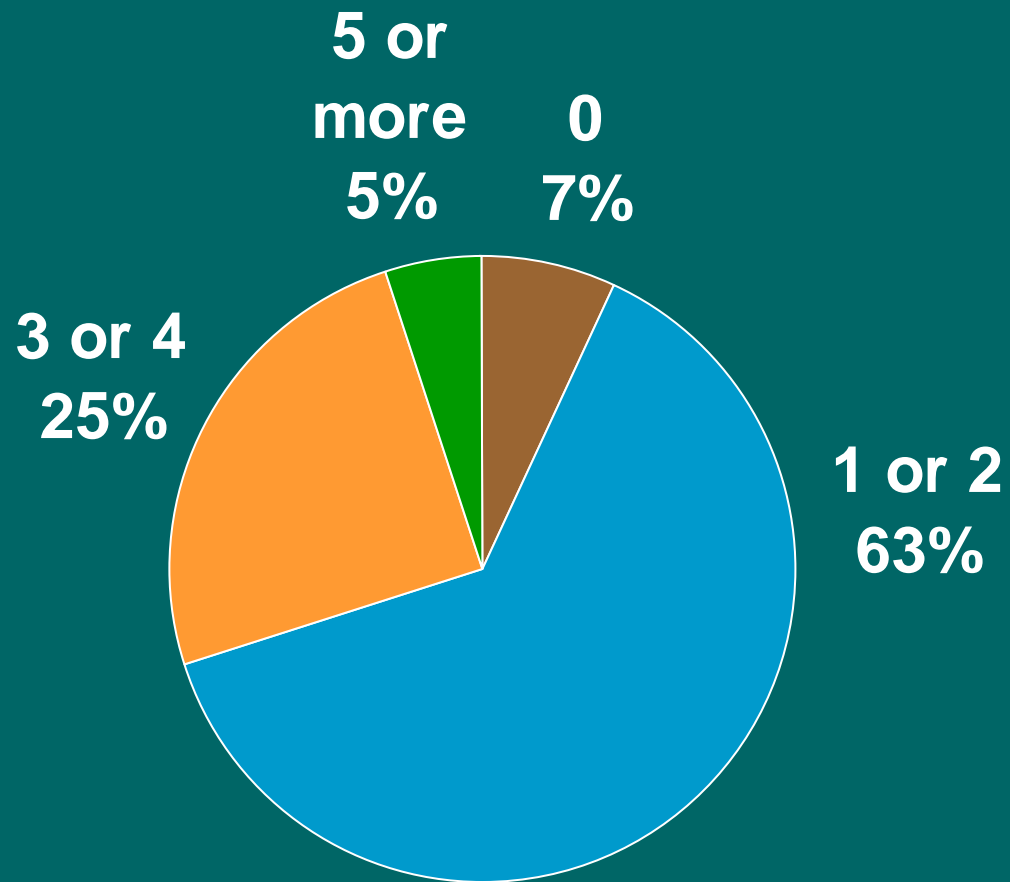
Marital status



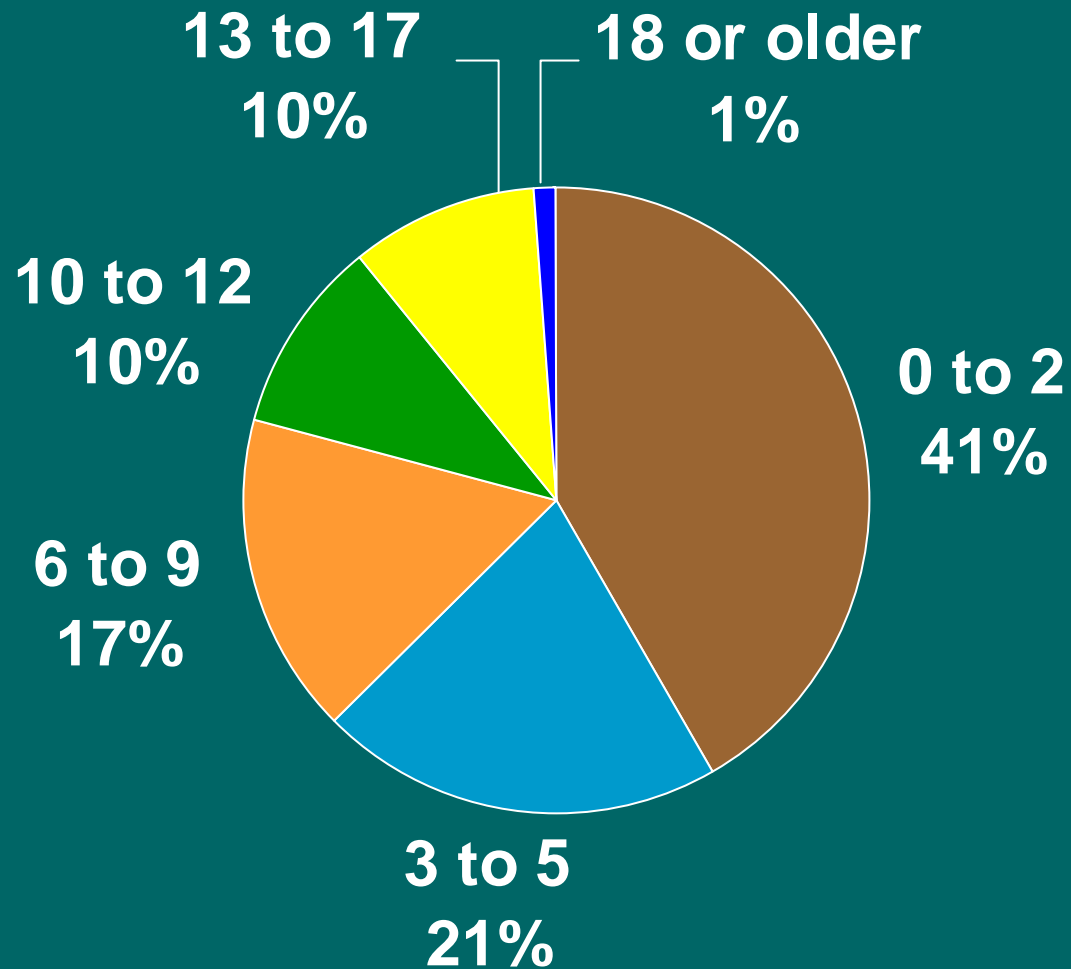
Race



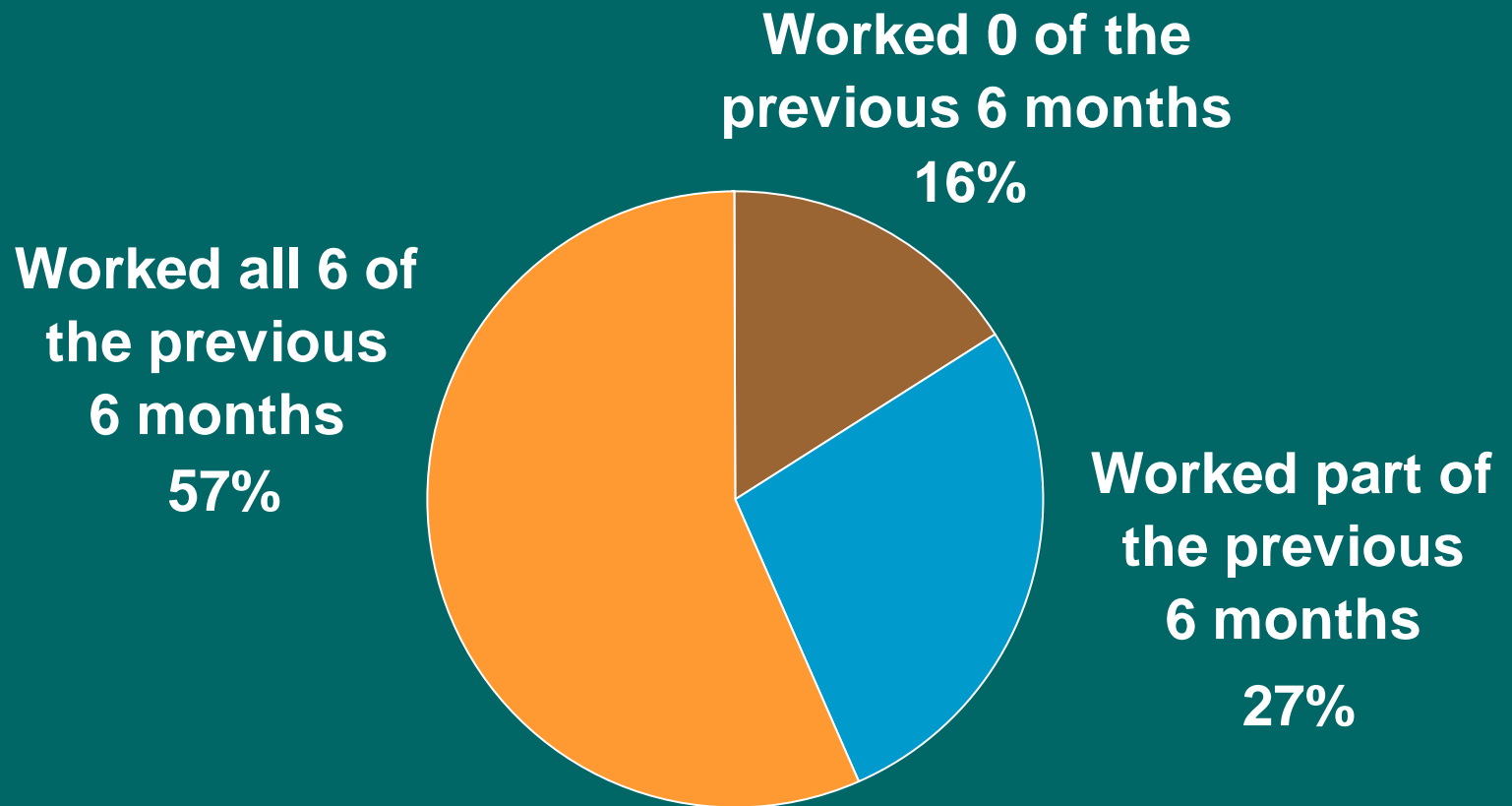
Number of children



Age of youngest child



Stability of workforce attachment



"Worked" = at least 20 hours/week for at least 2 weeks of the month.

How well did the program do?



Indicators of impact

- Employment
- Wages and total income
- Health benefits
- Personal and family functioning

Employment

At entry into program:

71% employed

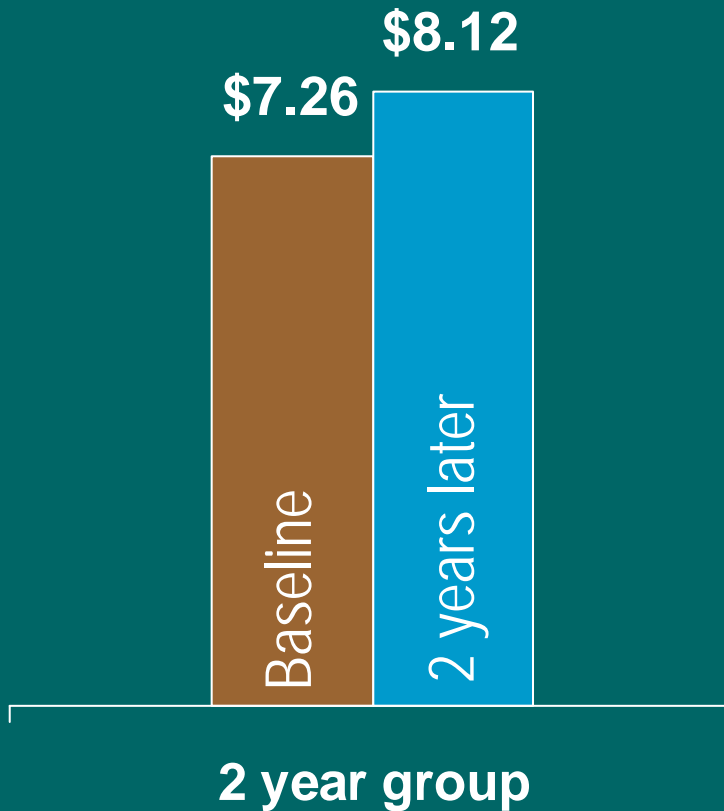
After two years:

80% employed

Wages

- 70% of participants had higher wage

Level of wage gain – all participants (two years)

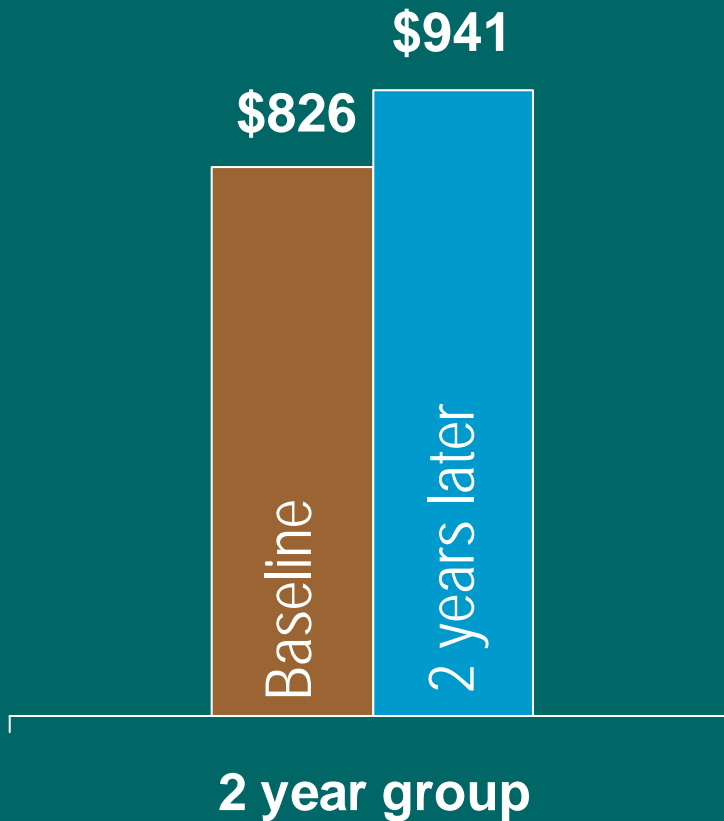


Includes:

35% not employed,
at \$0 per hour, plus

65% employed, at
average hourly wages of:
\$ 11.16 at baseline
\$ 12.71 at two years

Average monthly income – all participants (two years)



Includes:

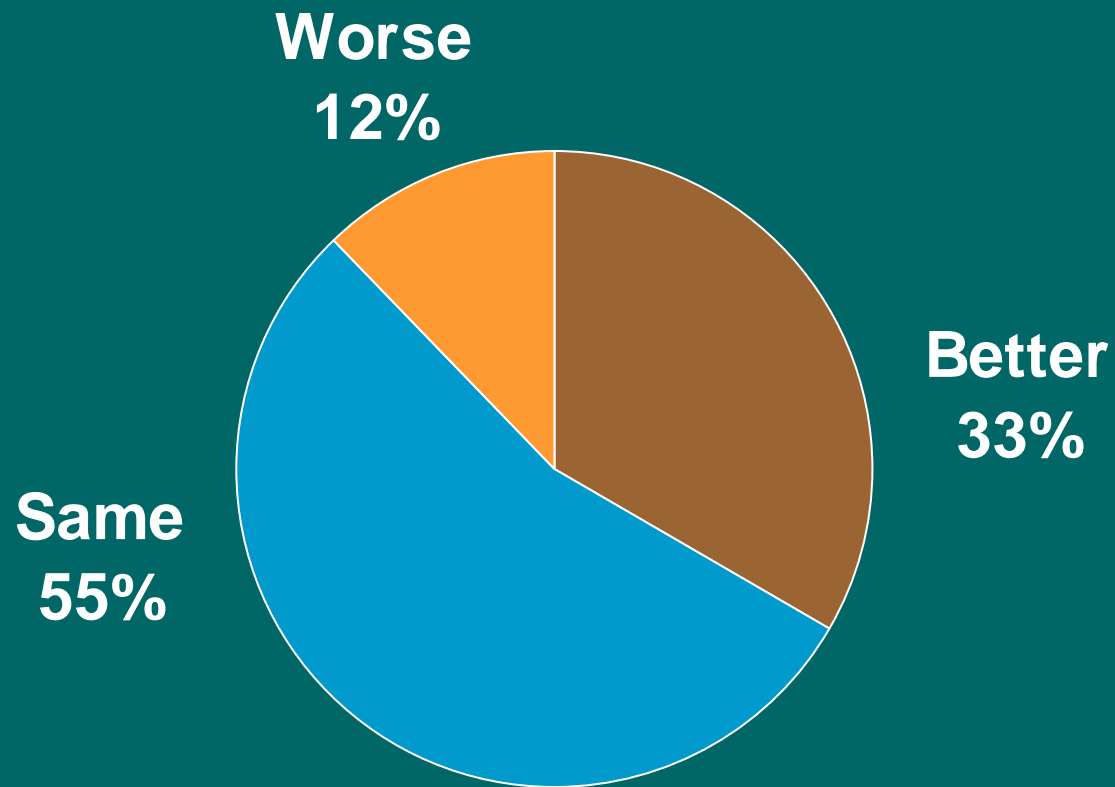
35% not employed,
at \$0 per month, plus

65% employed, with
average monthly
incomes of:

\$ 1,271 at baseline

\$ 1,445 at two years

Health benefits



Personal and family functioning

- Fewer reported problems
 - Transportation
 - Credit
 - Child care
 - Homelessness
- More informal social support

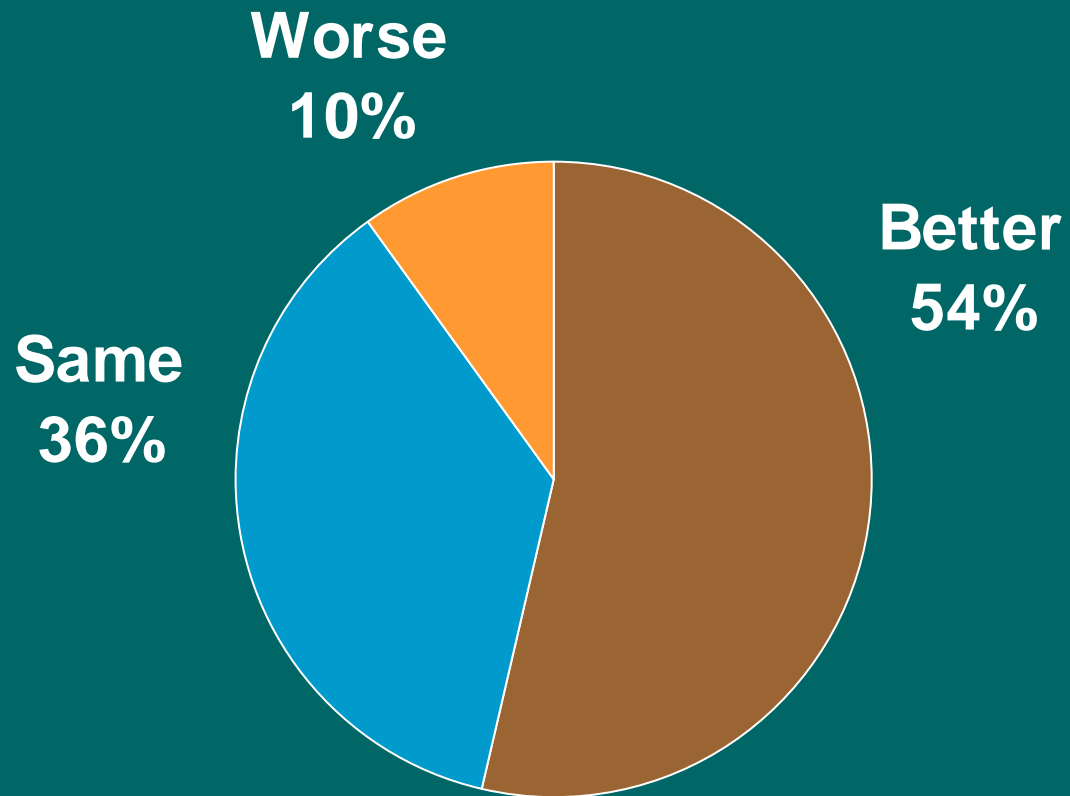
How valuable was the program?



Value of Families Forward

- Participants' opinions
- Employers' opinions
- Comparison to overall workforce
- Economic “return on investment”

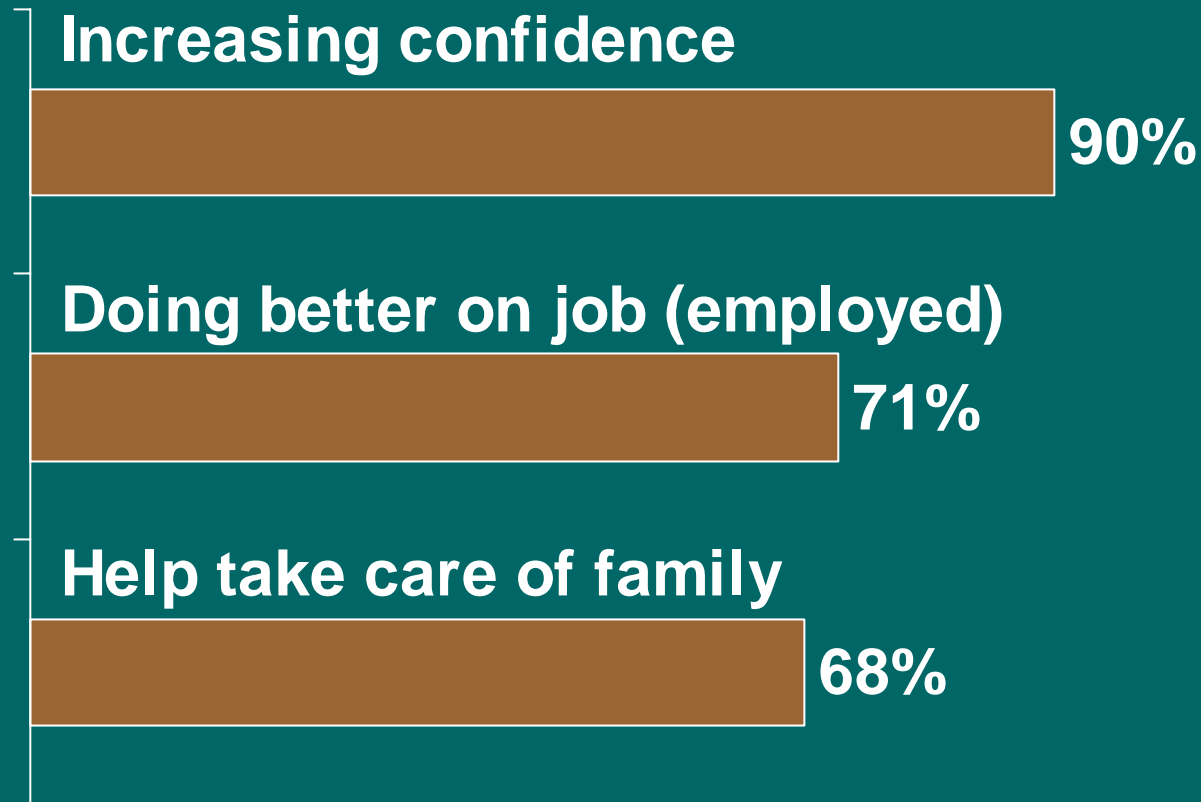
Job quality change



Improved motivation

- 91% reported “yes”

Program “made a difference”



Employers' opinions

We will hear from employer later.

Comparison to labor force

How did Families Forward participants compare with people in comparable occupations in Minnesota?

Comparison to low-wage occupations

Two-year wage increase

— without inflation

- Families Forward 12%
- Minnesota low-wage workers 6%

— after inflation (5%)

- Families Forward 7%
- Minnesota low-wage workers 1%

Comparison to low-wage occupations

Two-year hours increase

- Families Forward 2%
- Minnesota low-wage workers 0%

Comparison to low-wage occupations

Two-year monthly income increase

— without inflation

- | | |
|------------------------------|-----|
| ■ Families Forward | 14% |
| ■ Minnesota low-wage workers | 6% |

— after inflation (5%)

- | | |
|------------------------------|----|
| ■ Families Forward | 9% |
| ■ Minnesota low-wage workers | 1% |

Does the program produce a
“return on investment”?



Positive indications

- Improvement in wages
- Increase in motivation to work
- Family stability

Need further evidence

- Lifelong earnings
- Family effects
 - Reduction of public assistance use
 - Reduced usage of other social services
 - Improved academic and behavioral outcomes for children

Lessons for implementation



Effective programs:

Combine efforts to meet both worker and employer needs

This means:

- Known job openings ↔ job skills training
- Career ladder opportunities
- Multiple employers

Effective programs:

Are designed to be accessible to those who need them

This means flexible help such as:

- Transportation
- Flexible reimbursement for training
- Personal and family support services

Effective programs:

Include a range of types of training

This means more than just one of:

- Skills
- Language
- Safety
- Communication
- Basic math
- Basic computer use

Is this applicable elsewhere?



- Seems applicable
- Requires regional, multi-sector thinking and action

In summary

Evidence today suggests:

An initiative like Families Forward can be effective

- When skills training matches employers' needs
- When it includes job-specific (“hard”) skills and related (“soft”) skills

Impacts of the training initiative

- Employment
- Wages
- Benefits
- Personal and Family Functioning

If our assumptions are correct

We can build a better bootstrap

- Better workforce
- More productivity
- Regional economic strength/
competitiveness