

The McKnight Foundation Families Forward Initiative

First year progress report

In September 2001, The McKnight Foundation launched the first phase of its Families Forward Initiative by providing funding to 10 project sites throughout Minnesota. This initiative, part of the foundation's Children, Families and Communities grants program, has as its mission:

To strengthen families' capacity to support, nurture, and guide their children by providing assistance to help low-wage parents get better jobs and advance through upgrading their skills.

The development of the Families Forward Initiative emerged in part from The McKnight Foundation's previous experience as the principal funder of the Minnesota Welfare-to-Work Partnerships Initiative, which began in 1997. Under the Welfare-to-Work Initiative, The McKnight Foundation provided \$20 million in grants to help locally formed partnerships provide what was needed to help welfare recipients succeed under the new time-limited, "work-first" system.

In comparison to the Minnesota Welfare-to-Work Partnerships Initiative, the new Families Forward Initiative seeks primarily to serve:

Incumbent workers with previously demonstrated capacity to get and keep work, but who face significant training deficits or other challenges that prevent their further advancement in the workplace.

To launch the Families Forward Initiative, The McKnight Foundation provided just under \$2 million to help grantee organizations provide needed services to low-income, working parents who are often ineligible for government funded training or support programs. Each grantee was free to develop its own approach within the following guidelines:

- Target low-income, incumbent (working) parents.
- Include employers in the design and implementation of the approach.
- Connect participants to, and make use of, public workforce development systems and their resources.
- Focus on short-term training that is practical for working families.
- Provide family supports that help workers retain jobs and advance in the workplace.

This summary is drawn from the findings presented in a comprehensive document called *The McKnight Foundation Families Forward Initiative first year progress report*. It makes use of data collected during site visits and through other contacts to illustrate the challenges, initial successes, and strategic choices made by each of the McKnight Families Forward grantees as they launched their projects. The McKnight Foundation contracted with Wilder Research Center to examine the effectiveness of the Families Forward grant recipients in meeting the needs of low-income, working parents. The main objectives of the evaluation are:

- To improve the knowledge and understanding of useful workforce development strategies and promising techniques for supporting change in the larger human services system.
- To serve as a vehicle for learning for The McKnight Foundation, the Governor's Workforce Development Council, and the project grantees.

Wilder Research Center designed an evaluation to address the following questions:

At the individual level

- How did workers' wages, hours of work, and employee benefits improve after participation in the training and/or professional development experience offered by the partnership?

At the local systems level

- How has the McKnight funding influenced the local partnerships' abilities to "do business" differently in relation to advancing workers' professional development?

- What lessons from the partnerships are relevant to other communities?

At the state systems level

- What role has the Governor's Workforce Development Council (GWDC) played in helping partnerships "do business" differently and support the continued professional development of workers?
- To what extent has the learning of the GWDC been incorporated into the design of the state workforce system?

In the full report, the findings are presented in the form of detailed, comparative case studies, highlighting the first year of project implementation. The report covers the initial round of grants made to 10 organizations. The McKnight Foundation has subsequently authorized additional grant recipients (one in March 2002, six others in September 2002).

The grantees have been grouped into four themes or "clusters." These clusters help illustrate the role of strategic choices and demonstrate the range of options available (within a given set of resources) to deliver services to low-income, incumbent workers and their families.

Notes on the findings

As is often the case, the start-up phase of a project is the period in which the service delivery elements are most fluid, and most subject to change. Therefore some important limitations affect the scope of the conclusions that may be drawn from these case studies.

Project clusters	Grantees/Project sites
Group I: Rural resources and regional responses	<ul style="list-style-type: none"> ● West Central Initiative Foundation ● Southeast - South Central Initiative Foundation
Group II: Retention and the role of wrap-around support services	<ul style="list-style-type: none"> ● HIRED, Inc. ● Anoka Works Skills Training Project ● GoodWill - Easter Seals, Inc.
Group III: Meeting the needs of English language learners	<ul style="list-style-type: none"> ● Hennepin Technical College - Customized Training Services ● Dakota County Workforce Services ● Workforce Development, Inc.
Group IV: Industry-specific career development models	<ul style="list-style-type: none"> ● MN-BUILD ● East Metro Health Careers Institute

Given the current implementation trajectory of most of these projects, it is simply too early to draw definitive conclusions about the likely outcomes for program participants at this time. Also, many of the sites find themselves operating under conditions that are vastly different from those in which they designed their service delivery models. And, some of the sites are now moving to new models in response to the challenges or contingencies they are facing. It is expected that during the next year, the full impact of decisions about service delivery components and the outcomes of other strategic choices will become more evident.

Challenges to successful implementation

Even in the early stages of implementation, there is much to learn from both the individual and collective experiences of the Families Forward projects. Fifteen specific challenges to successful project implementation have emerged, each with direct impact on the:

- Number of participants served by the Families Forward Initiative.
- Characteristics of those receiving services, including their initial status as low-income, incumbent workers.
- Outcomes for participants, including the likelihood of long-term family stability and continued job advancement.
- Time required to fully implement and meet the objectives of the projects.

Wilder Research Center found that some of these challenges were readily apparent to the project directors and have already prompted planning or intervention efforts by individual sites; other challenges have become apparent in the process of analyzing and comparing the experiences at multiple sites.

Implementation Challenges

Challenge #1: Responding to the economic downturn.

Some of the most significant challenges to successful project implementation resulted from the economic downturn experienced by the employers and other key program partners involved in the Families Forward Initiative. This has meant, among other things, that fewer people were incumbent workers, and thus eligible for the Families Forward project. For example, in the project developed by the Southeast-South Central Initiative Foundation, one of the participating employers (Pemstar) put plans for further implementation on hold pending a re-evaluation of the company's financial status. Similarly, successful participants at PUR, Inc., one of the training sites developed by Hennepin Technical College, may now be facing lay-offs due to plant closures in the next 12 to 18 months. Although the training these participants received from Hennepin Technical College may benefit them in other career pursuits, this was not the planned outcome.

Poor economic conditions affect some groups of workers more than others. The impact on recent immigrants and other English language learners was expected, but the impact on workers with previous criminal convictions was greater than anticipated.

Challenge #2: Finding high quality, permanent positions for relatively low-skilled workers.

The impact of the economic downturn has also affected individual participants, particularly those who are using the training opportunities provided by the Families Forward Initiative to transition from one employment sector to another. Job counselors from Ramsey County's Workforce Solutions who provide support services to the graduates of the East Metro Health Careers Institute have found greater delays than expected between the point at which the participant is certified as a CNA and the actual receipt of a job offer. Others reported that monthly earnings for positions in health care were lower than expected because of fewer opportunities for overtime or other income-enhancing job responsibilities. These conditions are occurring in health care, an industry most often characterized by acute labor shortages, and thought of as being relatively "recession-proof."

Challenge #3: Finding stable employers with low-wage, incumbent workers.

Dakota County Workforce Services has found a relatively stable employment partner in Best Brands Corporation; one that has made a strong commitment to the development of its workforce, and that appears to be fairly resistant to the economic downturn affecting other firms in the area. The stability of the employer is mirrored in the relatively high wages of the lowest-paid positions at the plant. The average wage of program participants at this plant is \$11.90 per hour, and only 27 percent of those participating in the training program make less than \$10 per hour. Additionally, more than 90 percent of the participants report that they are receiving medical and dental insurance, and the majority state that they have access to other significant employment benefits. Ironically, all of these positive workplace indicators have created a dilemma for the Dakota County Families Forward project. The project could continue to work with this employer to provide training and career advancement opportunities for the relatively advantaged, high-wage employees at this plant; or it could work to develop contacts with less “premium” workplaces and provide services to workers who are likely to be making significantly lower wages, with fewer advancement possibilities in a less stable sector of the economy.

Economically stable employers already committed to workforce development make the best project partners, but their employees are not those most in need of help with advancement.

Challenge #4: Understanding and meeting the complex support needs of low-wage workers and their families.

Initially, a number of the project sites made strategic decisions about how to allocate project resources based on various estimates of the characteristics of low-wage workers. However, many of the sites now acknowledge that they may have underestimated the complexity and need for supportive services among the clients in their programs. This challenge has also manifested itself in terms of meeting the Initiative’s eligibility requirements. Some sites have found that the participants they serve cycle in and out of program eligibility because of acute periods of family instability and intermittent employment patterns. That is, the participants do not meet a strict definition of “incumbency” (i.e., consistently working) throughout their involvement in the Families First program. However, strict adherence to the eligibility requirements would lead to service discontinuity among some of the most vulnerable low-wage families identified by the projects.

It takes considerably longer and requires more staff resources than anticipated before clients are ready to take advantage of training and advancement opportunities.

Project sites, especially those that serve specific cultural groups and recent immigrants, find they have a limited capacity to assess and understand the complex support needs of the participants.

Many fields with strong opportunities for advancement require strong English language skills.

Challenge #5: Finding resources to meet the long-term job retention and support needs of participants.

Experienced job retention specialists at many of the McKnight Families Forward Project sites have raised significant concerns about “participant readiness” for meeting the demands of full-time, career-oriented work. For some participants, the need for a minimum level of support may be long-term, and without this “minimum daily dosage” the training and retention efforts invested in these participants could easily come undone. The question has become how best to serve the needs of these clients and to protect the considerable investment that has already been made in stabilizing and improving the quality of life for these families. These findings suggest that additional organizational resources (public and private sector) will be needed to support the job retention efforts these programs have in place, and that an extended timeframe for maintaining these supports will be necessary.

Challenge #6: Finding job opportunities with high probability for successful retention and advancement for English language learners.

Several of the project sites targeted their services toward meeting the needs of families headed by low-income English language learners. While progress has been made for many of these families, there have also been significant challenges meeting the needs of this particular group of workers. After working with potential participants during the first year of the Families Forward project, staff members at Workforce Development, Inc. have decided to raise the minimum English proficiency levels required for entrance into the Certified Nursing Assistants (CNA) training program. This decision was made after the first cohort of participants experienced significant difficulties passing the written portion of the CNA certification test. This underscores the challenge of building job advancement programs for English language learners in highly regulated fields such as health care where certification standards are very strict and successful job performance (including patient care and safety issues) requires advanced English proficiency. Careful thought needs to be given to the characteristics of the work itself (rather than simply the availability of entry-level jobs in the field) in determining whether there is a high probability for successful job placement, performance, retention and advancement by English language learners.

Challenge #7: Refining the program’s selection criteria to balance program recruitment goals against the likelihood of successful job placement and advancement.

At some project sites, the family dynamics and complex support needs of potential participants have resulted in lower than anticipated recruitment into the training programs. In some cases, either the support needs in the low-income population are greater than anticipated (thus resulting in fewer candidates deemed suitable for entry into the training program) or the entry standards are too high given the actual status of the pool of low-income applicants. The challenge is to take into consideration the known characteristics of the pool of potential project participants and the availability of participant support resources, and to adjust the entry requirements to address these considerations. This challenge is intensified in industries such as construction and health care where available job seekers have demographic and other characteristics that are very different from those of the traditional job-holders in the industry, and where the specific support resources for these groups may be less well developed.

One option would be to greatly increase the availability of wrap-around support services. However, this is likely to add significantly to the costs per candidate in the training programs.

Challenge #8: Bridging the gap between shrinking institutional resources and the need for substantial educational guidance and support.

Educational support personnel have found that participants often have greater educational deficits than anticipated, and thus must fill more course prerequisites prior to entering the selected training programs. Understanding these course prerequisites and developing an effective plan for meeting them is extremely challenging for many of the program participants. Furthermore, the student guidance and support staff at these institutions point to the significant cuts in aid and student support services over the past several years and have concluded that the system is not adequate to meet the need. The funding provided by The McKnight Foundation is seen as highly valuable in meeting some educational counseling needs for the individuals who participate. However, concerns have been raised about the long-term adequacy and viability of this “stopgap” approach to funding assessments, guidance counseling, and other educational support services.

Providing special support for Families Forward participants may make the difference for their education, but it also points to weaknesses in the overall system of support for higher education.

Filling gaps in the workforce development network requires both agile responsiveness and heavy collaboration, which are not easy to sustain at the same time.

Work in low-wage sectors is often characterized as difficult, physically demanding, and stressful. The jobs may expose workers to conditions that may be considered unpleasant or potentially dangerous.

Challenge #9: Responding effectively to the needs of low-income families within the complex network of government funding streams, agency mandates and institutional missions.

Many of the McKnight Families Forward projects developed their initial proposals out of a clear recognition that there are significant gaps in the current workforce development system. These gaps result in part from government funding streams and agency program mandates with categorical eligibility requirements. Whereas funding from The McKnight Foundation has provided the financial flexibility needed to help support participants who otherwise would have “fallen through the cracks,” several significant systemic barriers persist. Many of the Families Forward project sites have encountered inflexibility in the public education or community development institutions that serve their communities. Other project sites report being significantly burdened by multiple program reporting requirements imposed upon them by program partnerships and collaborations. One program director indicated that she now sees the formation of partnerships as an opportunity for enhancing or leveraging resources, but that this often comes at the cost of program flexibility and autonomy.

Challenge #10: Promoting job tenure and longevity among marginally attached, low-wage workers.

Retention specialists at GoodWill-Easter Seals and HIRED observed that in the past, primarily during better economic times, low-income workers often did not have much incentive to stay in jobs for more than a few months. This was because the participants often perceived that there was a high likelihood that they could become employed elsewhere at higher wages or with better conditions. Other participants experienced few rewards for job longevity in the low-wage sectors of the economy, especially if they worked for small employers, or were in non-unionized fields. As the economy has slowed down, so too have some of the more extreme incidences of “job hopping.” However, this has not meant that these former patterns of repeated job-taking and job-leaving (which may have been highly successful in good economic times) have stopped. In many of the McKnight Families Forward projects, the challenge to the employment services counselors has been to help low-wage workers see that “they have a future” – that there may be significant advantages to maintaining job tenure and gaining workplace seniority.

Challenge #11: Reconciling the middle-class values orientation of the Families Forward Initiative with the “real life experience” of the project participants.

The Families Forward Initiative has been built around a set of assumptions that reflect a distinctly middle-class perspective on working life: success is largely measured in material terms; education and training are seen as the keys to job advancement; job advancement is seen as the primary means for enhancing material success (and personal fulfillment); and having a strong “career orientation” is seen as an essential element to achieving job advancement. However, employment services counselors at the project sites have commented that the “real life experience” of the participants often does not match the assumptions implicit in this values orientation. For a variety of reasons, project participants have not experienced the kinds of material advantages derived from education and job advancement that others may have enjoyed; thus, they are often highly skeptical of the assertion that job training will provide an access route to personal fulfillment and material well-being for their families.

Challenge #12: Fostering the changes in workplace culture needed to support the objectives of the Families Forward Initiative.

One of the long-range goals of the Families Forward Initiative is to strengthen employers’ support of skill development efforts and reinforce employers’ commitments to job advancement for low-wage workers. However, achieving these long-term goals is highly dependent on certain aspects of the company’s “workplace culture” including the employer’s underlying values orientation, internal reward system, opportunity structure, and decision-making practices. Yet, changing the employer’s internal policies and practices is no simple matter; current practices within organizations are often deeply entrenched, and it is necessary to have full (top to bottom) support to make the transformation successful. And, in some cases there may be significant disincentives for first line supervisors to embrace these changes. First line supervisors may see some aspects of the training programs as resulting in additional supervisory burdens placed upon them, or feel that there are few direct rewards for their units. Without specific incentives for the first line supervisors it is unlikely that they will fully embrace and support the objectives of the Families Forward Initiative.

Some project participants are openly distrustful of middle-class supervisors and managers, and are equally suspicious of “career-comes-first” values. In some cases the demands placed on workers and the employer’s lack of sensitivity to personal or family needs are perceived as “anti-family.”

Employers’ commitment to workforce development is only as strong as the motivation of front-line supervisors to make it work.

The challenge is to foster changes in the underlying values, decision-making, and rewards systems of the company's workplace culture to support the desired outcomes.

Some organizations are reluctant to set aside “old” patterns of interacting and engage in “new” collaborative approaches to solving mutual problems.

Challenge #13: Securing long-term commitments from employers.

As indicated previously, the employers involved in the Families Forward project are currently operating in highly uncertain economic times. These conditions have led some employers to become fairly “risk averse” when it comes to making any long-term commitments involving scarce resources. As such, the Families Forward project leaders have needed to intensify their efforts to “make the case” for the potential returns on investment (ROIs) derived from workforce development and training programs. These returns can include increased productivity, greater efficiency, better safety records, higher quality services or products, less absenteeism, and other important economic indicators. However, these ROIs take time to emerge and given the competitive environment in which some employers operate, they may lack the patience or economic stability to continue with full implementation of the Initiative.

Challenge #14: Fostering collaborative relationships to meet common workforce development goals.

Although some of the firms involved in the Families Forward projects have previous experience working collaboratively, many of the employers in the targeted industries have long histories of competing for economic advantages over their business rivals. In some cases this competition has meant downward pressure on wages, limited investments in training and development, and other short-run efforts to reduce costs. Additionally, in the industries where unionization is a factor, as management has attempted to control costs, labor organizations have, by necessity, become fiercely protective of their hard won gains. Yet, in order to be fully successful, the Families Forward Initiative needs strategic, collaborative relationships among all the stakeholders who stand to benefit from increasing the potential pool of skilled workers. Both the Health Careers Institute and the MN-BUILD projects offer models for building these kinds of collaborative efforts. However, it is also clear from the experiences of these two projects that it takes a significant amount of effort to establish and maintain these collaborative efforts. This provides an on-going challenge to the project sites.

Challenge #15: Responding flexibly to changes in the program's operating environment while maintaining the integrity of the mission.

The start-up phase of any project is the period in which the functional elements and service delivery structures are most fluid and subject to change. The Families Forward Initiative, with its focus on fundamental family and workforce development issues, involves a number of complex systems that operate in highly dynamic social, political and economic environments. Because of these conditions, project leaders have often found themselves facing a set of strategic choices about the use of various resources to accomplish the project's mission *to serve incumbent workers with previously demonstrated capacity to get and keep work, but who face significant training deficits or other challenges that prevent their further advancement in the workplace.* The challenge during the first year of implementation has been (and will continue to be) how to preserve the integrity of the program's mission to meet the training needs of low-income working parents while retaining the flexibility needed to respond to these changing (and challenging) conditions.

One of the fundamental assumptions underlying the mission of the Families Forward Initiative may warrant further consideration – project sites have not found large numbers of low-income incumbent workers whose primary barrier to advancement is the need for training and skill development

For more information about the findings in this summary, or to obtain a copy of the full version of *The McKnight Foundation Families Forward Initiative first year progress report*, please contact:

Wilder Research Center
1295 Bandana Boulevard North
Suite #210
Saint Paul, MN 55108
651-647-4600 or www.wilder.org/research

This summary was produced by:

Melissa Barker, report writer
Ginger Hope, editor
Marilyn Conrad, production designer

Research team:

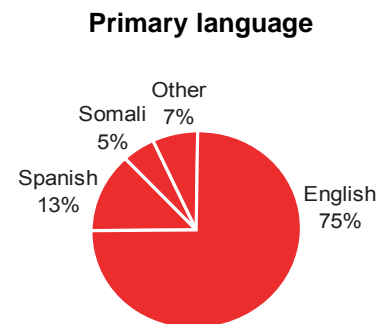
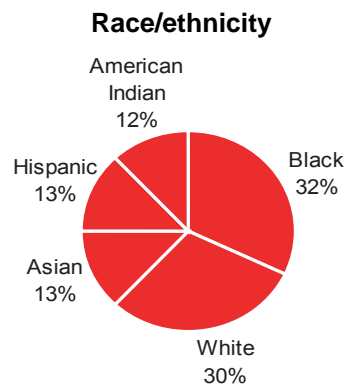
Greg Owen, principal investigator
Ellen Shelton, project leader
June Heineman, research associate
Ben Shardlow, research associate

Profile of Families Forward participants

These data suggest the “typical” participant served by the Families Forward Initiative is a woman between the ages of 25 and 34. On average, she has two children, the youngest of whom is under age 5, the oldest of whom is under age 12. She is most likely to be single and never married, although nearly one out of three participants is currently married. Most often, the participant has completed 12 years of schooling, and holds a high school diploma or GED certificate. If currently working, she is likely to be employed in the clerical, sales, or service sector.

Demographics

- 69% are women, 31% are men
- Average age: 33
- 32% are married and 44% are single, never married
- Average age of children: 2.4
- 67% have 1 or 2 children



Employment

- 63% were employed at the time of intake
- Total hours worked in an average week
 - 9% less than 20 hours
 - 41% 20 to 34 hours
 - 47% 35 to 40 hours
 - 3% more than 40 hours
- Average wage is \$9.80 (current or most recent)
 - 11% up to \$6.50 per hour
 - 20% more than \$6.50
 - 27% more than \$8
 - 27% more than \$10
 - 16% more than \$12
- Average current monthly income from employment is \$1,405
 - 12% up to \$500
 - 19% \$501 to \$1,000
 - 25% \$1,001 to \$1,500
 - 29% \$1,501 to \$2,000
 - 16% \$2,001 and up
- If unemployed, length of time since last job:
 - 44% up to 6 months
 - 39% more than 6 months to 1 year
 - 13% more than 1 year to 2 years
 - 3% more than 2 years

Education and training

- For 62%, the highest grade of school completed is high school or GED
- However, 18% of the participants (63 people) have not completed high school or a GED
- 38% completed a previous job training program

The information on this page covers 350 participants who entered the 10 Families Forward sites November 1, 2001 through September 30, 2002.