WILDER RESEARCH CENTER

SUMMARY

Training low-income workers for self-sufficiency

Learning from the McKnight Families Forward initiative after two years

The Families Forward initiative was launched in September 2001 by The McKnight Foundation. Through grants to 17 project sites, the foundation seeks ways to improve the access of low-income working parents to education and training to help them to improve their jobs, earnings, and ability to support their families. In addition to targeting low-income working parents, grantees are expected to include employers in the design and implementation of the project, work with public workforce development systems, focus on short-term training that is practical for working families, and provide family supports to help participants remain and advance in their jobs.

The McKnight Foundation contracted with Wilder Research Center to examine the effectiveness of the different projects funded under the initiative. This second year summary outlines what we know to date about the needs and characteristics of Families Forward participants; what we know about the programs serving them, including both training and support services; how program features align with participant characteristics and needs; and whether participants are in better jobs nine months after beginning their programs

Clustering of sites for study purposes

The large number of sites and relatively small number of participants per site make it unrealistic to evaluate the outcomes of individual programs. However, four clusters of sites can be described based on their main approaches to recruiting and training participants.

Using information provided by grantees through surveys and site visits, supplemented with information from participants in follow-up interviews, research staff have classified 16 programs into the four clusters described on the next page. Naturally, these clusters do not capture the full range of variation among programs, but they help to bring out some important insights.

About the participants

Research elsewhere suggests that many low-wage workers spend only a short time in the lower reaches of the pay scale, and move up naturally without formal outside intervention. The same research shows that others become stuck near the bottom of the economic ladder, and that this group is disproportionately made up of people with certain common characteristics:

- People of minority racial and ethnic groups
- Women
- Workers in firms and industries that do not support skill development
- Individuals with limited skills, education, or familiarity with workplace norms and expectations
- People with significant personal or family barriers to employment (such as a disability, lack of transportation, or special caregiving responsibility)

Within the overarching target population identified by The McKnight Foundation, different Families Forward grantees serve participants with varying characteristics.

DESCRIPTION OF FOUR CLUSTERS, AND SITES WITHIN EACH CLUSTER

Employer-based

Participants are identified and served through their employers (typically on the job site). Except for considerations of schedule and location, there is typically little effort to identify or address individual barriers.

Dakota
Hennepin Technical College
Southern Minnesota Initiative Foundation
Stearns-Benton

Sectoral

Training and employment opportunities are focused in specific industry sectors; participants enter the program and are served individually (not through employers) in training programs designed to meet needs of identified industry sectors.

This group is subdivided according to the degree to which specific work-related training is supplemented with supports to reduce training and employment barriers.

Sectoral – lower support

Some assistance is typically provided to help participants stay in the program and/or job, but most program effort is focused on addressing education and training needs, and solving work-related (rather than personal) problems.

Anoka
MN-BUILD
Workforce Development, Inc.
Teamworks

Sectoral – higher support

Considerable assistance is provided to help participants resolve personal and family barriers to program participation, work readiness, and/or job retention.

Health Careers Institute
Goodwill/Easter Seals
International Institute
Women Venture

Individualized

Participants are identified one by one and served according to individual needs and interests; training opportunities are not restricted to certain pre-determined strands or sectors.

HIRED
West Central (Year 1)
Communities Investing in Families
Women Achieving New Directions (WAND)

Note: *In some cases, programs could be classified in different clusters depending on relative weighting of different features or adjustments made in program strategies. One site is not classified, because of limited site operations upon which to base a decision. The West Central program is classified based on its first year of operations.*

At intake, nearly all enrolled participants (95%) were "low-income" on the JOBS NOW standard, based on their self-reported wages and hours. Somewhat fewer were incumbent workers (i.e., employed at the time they entered the program, 72%). Those in employer-based programs were less likely to be low-income (89%, compared to 97-100% in other kinds of programs), and those in the other clusters were less likely to be employed at intake (40-75%, compared to 100% in the employer-based cluster).

The McKnight Foundation uses the basic needs family budgets calculated by the JOBS NOW coalition as its standard for defining "low-income" for the Families Forward initiative. Unlike the federal poverty guidelines established with the 1960s, the budgets are adjusted to take account of actual current assistance programs and costs (excluding such "frills" as entertainment, eating out, or savings).

Demographics. On many characteristics, the mix of participants in the different clusters reflects a consistent progression from employer-based programs at one end, to sectoral–lower support and then sectoral–higher support programs, and finally to individualized programs at the other end of the spectrum. Participants in employer-based programs are – *on average* – older, more likely to be male, more likely to be married, and have the longest job tenure and worked the most hours per week, and those in individualized programs are least likely to have these characteristics.

In other respects, there is no general pattern across clusters. Differences in participants' education level, English language proficiency, and racial and ethnic background reflect specific program goals and local populations more than they reflect the clusters of programs.

Personal and family barriers. Beginning in March 2003, the follow-up survey of participants three months after intake included questions about different kinds of problems they might have faced in the six months before starting the program. To date, 164 participants have provided this information, mostly from Round 2 programs.

The most common barrier overall was transportation problems, with credit problems and child care problems next most common. Although relatively few participants have provided responses to these questions yet, and most of them are in the Round 2 programs, some patterns appear to be emerging that point to differences among clusters. For example, in the total number of barriers reported by participants, there is a gradient from the fewest barriers in the employer-based cluster (average of 0.6 per participant) to the most barriers in the individualized cluster (average of 2.2 per participant), with sectoral–lower support at 1.2 and sectoral–higher support at 1.5.

Different barriers tend to be more common in different clusters. While transportation is the most common problem for participants in both sectoral programs, participants in the employer-based programs are equally likely to report child care problems, and participants in the individualized programs are equally likely to report credit problems. Ten to 13 percent overall reported being homeless or doubled up during the six months before enrollment, except in the individualized programs, where 20 percent reported this problem. Based on six questions about the availability of people who could help the participant in various situations (such as running errands if needed, taking care of a child for a few hours, or being available to talk about a personal problem), around one-third of participants overall reported a low level of social support. This proportion was 44 percent in the sectoral–higher support cluster and only 26 to 28 percent in the other programs.

About the programs and services

Information about programs comes mainly from the telephone survey of site leaders, supplemented by site visits and proposals. A limited number of participant interviews (at three months after intake) provide participants' reports about services they received during their first three months in the programs, and self-reported needs for services that they did not receive. These are available so far mainly for participants in Round 2 sites.

Assessments. Almost all grantees report that they help all their participants to explore job or career aptitudes or interests, and most programs assess the computer skills and/or hard job skills of most or all of their participants. It appears that individualized programs are less likely than other kinds of programs to formally assess participants' specific job skills or academic skills. The survey of sites did not ask about assessments of basic needs or general adjustment, but from more open-ended sources of information we understand that individualized program staff make significant efforts – formally or informally – to assess participants' general life skills.

Training services. All sites except one report that they offer hard skills training to all or nearly all participants, and all offer soft skills training to all or most participants. Twelve grantees report that their programs offer computer training, typically to fewer than half of participants. Ten offer English language instruction to at least some participants, and 12 offer basic reading or math instruction. Four offer management or leadership training. The mix of types of training varies greatly. In general, employer-based programs are most likely to emphasize hard skills, sectoral programs are most likely to offer a mix of hard and soft skills, and individualized programs are somewhat more likely to emphasize soft skills.

Support services. Compared to training services, grantees found it more difficult to estimate the proportion of participants receiving specific kinds of support services, and survey data from participants are still incomplete. These data are therefore preliminary, but in general:

Job placement and retention help is offered to relatively few participants in employer-based programs, somewhat more in individualized programs, and most in sectoral clusters. Evidence from participant responses suggests that participants in sectoral–higher support programs might receive more of these services than do participants in other kinds of programs, but also still have higher levels of *unmet* need for such services. (Given the small number of participants providing these data so far, and the limited number of programs represented by these participants, this information on unmet needs should be seen as raising questions to consider, rather than as providing definitive conclusions to act upon.)

Basic financial help (help paying tuition, help with budgeting or money management, and information about possible sources of medical coverage, tax credits, or other financial supports) was least available through employer-based programs. There are no significant differences in types or amounts of such service offered among the other three clusters. A fairly consistent 20 to 25 percent of participants across all four program types report that they needed these kinds of help but did not receive it.

Case management services are offered by none of the employer-based programs, although some assess the support services needed by participants to stay in the program or job. All other programs offer job retention assessment, and all except one offer case management. Except in the employer-based cluster, around half of participants reported they received help to identify what kinds of supports they might need to stay in their program and/or job. There was more variation in the proportion who received case management help, with higher frequencies occurring in the individualized cluster and the sectoral–higher support cluster.

Personal and family support services include help with child care (arrangements or costs), filling out applications, help with housing problems, counseling or other kinds of emotional support, transportation, and dealing with family violence. Participant interviews show considerable variation in the different kinds of support services in this category. On average, the proportion in individualized programs who received

personal and family support services is just slightly higher than in sectoral–higher support programs, which in turn is just slightly higher than that in sectoral–lower support programs. The highest levels of unmet need were reported by participants in the sectoral–higher support program.

Program retention and completion. According to participant interviews, slightly over half were still in their programs three months after intake, about one-third had completed everything, and about one-tenth had dropped out. Participants in employer-based programs were slightly more likely to have dropped out (although the small numbers require caution in forming any conclusions), and participants in individualized programs were more likely to still be receiving services.

Participant outcomes

This preliminary summary of outcomes for participants is based on 331 interviews with participants nine months after intake, nearly all of whom were served by Round 1 programs. The outcomes we are looking at include changes in employment status and job quality indicators.

Employment status

Many participants who were not employed at intake had found jobs by nine months later. Of participants represented in the follow-up interviews, 56 percent had been employed at intake, a figure which rose to 76 percent employed at the time of the nine-month follow-up interview. Of those who were employed at intake, 85 percent had a job (not necessarily the same one) nine months later. This figure was highest (96%) in employer-based programs, and lowest (69%) in individualized programs. All employer-based participants had jobs at intake; in other programs, of those who were unemployed at intake, 60 percent had a job at nine months. This proportion did not vary by cluster, but participants in the individualized programs who got jobs were more likely than others to report that getting the job was a result of their participation in the program.

Job quality indicators

The 158 participants who were employed at intake *and* at nine-month follow-up were asked if the job they had at follow-up was an improvement from the one they had when they started the program, if their pay rate was higher, and if they worked more or fewer hours compared to when they started. These participants were also asked if their participation in the program helped them in these areas.

Better position. Of the participants employed at both times, two-thirds (67%) said the position they had at follow-up was a step up from the job they had at intake, and roughly half of these (52%) said their participation helped them to get the better position. None of the participants in the employer-based cluster reported getting a better position since starting the program. Participants in the individualized cluster were more likely than participants from the other clusters to say that the position they had at follow-up was a step up from the job they had at intake.

Higher pay. Of the participants who answered the questions about changes in pay, over half (55%) said their pay rate was higher at follow-up, and half of these (49%) said their participation helped them to get the higher pay. Participants in the employer-based cluster were less likely than participants from the other clusters to report having a higher pay rate at follow-up, or to attribute a pay increase they did receive to their program participation. Participants in the sectoral–higher support cluster were most likely to report a better pay rate at follow-up, and to attribute their increased pay to their participation in the program.

More hours. When asked if they worked more or fewer hours at follow-up compared to intake, over half (55%) said they worked the same number of hours, 27 percent said they worked more hours, and 17 percent said they worked fewer hours. Of those who worked more hours at follow-up, 41 percent said their participation in the program helped them to get more hours. Compared to participants from the other clusters, participants in the individualized cluster were more likely to be working more hours at follow-up.

Better benefits. Medical benefits were offered to 57 percent of participants at intake. Seven percent lost this benefit during the next nine months, while 18 percent gained it, resulting in 68 percent being offered it at nine months after intake. The initial and follow-up proportions for dental benefits and paid vacation were very similar. Each of these benefits was offered at neither time for about one-quarter (24 to 27 percent) of participants. Paid sick time was offered to 41 percent at intake, and to 50 percent nine months later.

The match between participants and programs

Despite their differences, all the Families Forward grantees are testing service delivery models to help low-income workers earn more in order to better support their families. This section discusses how grantees match service strategies to participants' needs, and the learning that emerges from this work so far. It is structured around the hypothesis that to advance to better jobs and earnings, low-wage incumbent workers need four things:

Dreams: A vision of their higher potential, and a conviction that it is realistically possible for them to achieve it.

Skills: A chance to learn and practice new skills to qualify for higher level work.

Opportunities: Employers willing to hire them, to invest in their skills, and to provide opportunities to move up.

Convergence: A way to ensure that all three of the above elements not only happen, but happen together.

Many low-wage workers progress without intervention to better jobs. One of the most significant challenges in developing a workforce model for advancing low-wage workers is to intervene enough to create opportunities that would otherwise not exist, but without interfering with people's own individual initiative where this is sufficient. Activities of the Families Forward grantees to date offer some insights into this and other challenges.

Helping participants with dreams

This element of the model combines the "dreaming" of expectations with the concreteness of helping participants understand and deal with the hard realities of what it takes to attain their dreams. This includes the realities of the goals themselves ("Do I really know what CNA work is like and want to do it?"), and of program participation ("Can I really manage to work full-time, take care of two children, and go to school nights for a year?").

For some, ordinary experiences do not provide the labor market information needed to formulate career goals that are both attainable and self-supporting. Others may not acquire the needed basic skills in the course of their schooling, or may need extra help maintaining personal or family stability while spreading their focus and energy among family, work, and training simultaneously. Still others may be unable, without help, to afford the cost of training, or the loss of income needed to free up time to spend in full-time training. Some people require extra help because of developmental or other disabilities that significantly limit their potential.

In **employer-based programs**, the opportunities provided by employers (to develop skills and provide chances of advancement for those with skills) encourage expectations among participants and provide real-life examples of possibilities for advancement. This contributes to less need to screen for motivation in recruitment, and less need for on-going direct support of motivation. The fact that program participants by definition have known, reliable work histories also reduces the need to screen specifically for motivation.

Sectoral programs generally tend to place a high emphasis on motivation. Some programs explicitly screen prospective participants on this, and some screen less directly by relying heavily on people learning about the program on their own and taking the initiative to request information and apply. Nevertheless, participants may still need some help to understand what their aspirations realistically may involve, and to maintain

their enthusiasm. Provision of current labor market information (about job openings, entry level wages, and advancement opportunities) can help.

Individualized programs have had more difficulties than other kinds of programs with recruitment. People most in need of their services may not have the knowledge, initiative, or resources to self-refer to the program. These programs have generally done the most to actively seek out participants. While they, like sectoral programs, state that they expect a minimum level of motivation and stability for entry into the program, they tend to serve a population with a higher average level of crises and barriers. They correspondingly tend to provide higher levels of support to develop and maintain participants' advancement goals.

Some individuals have more experience with the mainstream education system and job market, or have more extensive personal support networks to rely on. These individuals may need less help to formulate goals or to recognize what is realistic in what time frame. Emerging ideas about effective strategies for working with participants who start the programs with less stability, less motivation, or both, include:

- Helping them formulate short-term goals that can be reached during their initial burst of enthusiasm.
- Providing significant help to reach their goals (often more than programs had expected to provide).
- Developing a one-to-one relationship (with a staff person or mentor) to help sustain the motivation and enthusiasm. Some programs also report benefits from peer group support.

Helping participants with skills

As presented in this model, "skills" are whatever needs to be learned in order to qualify for a better job. They may be English language skills, the ability to make accurate machine tool measurements, competence in basic reading or mathematics, or the basic life skills to be organized enough to get to work on time every day.

Different Families Forward programs emphasize very different sets of these skills; few address only one kind. Intervention may be necessary for immigrants with limited education or English proficiency, and for American-born people who did not acquire adequate basic skills while in school. Extra help with soft skills may also be needed for people with limited exposure to employment, as well as for those who have unusually great caregiving responsibilities or transportation problems that may limit their availability.

In **employer-based programs**, program content and goals typically focus on hard skills for highly specific job classifications in specific firms. Training tends to be short, intense, and part-time, with sessions scheduled around participants' regular jobs.

Sectoral programs tend to focus program content on skills that are fairly generalizable within one general industry (such as construction or health care). Most work with multiple employers, but generally serve participants directly rather than through the employer. In fact, many offer intensive, full-time training that is not compatible with holding a full-time job at the same time. Most sectoral programs include both hard and soft skills, but the balance of the two tends to vary. There is usually more emphasis on hard skills in the lower-support cluster, and more emphasis in the higher-support cluster on soft skills, broadly interpreted to include support services that increase the participant's reliability as an employee, such as transportation help or family counseling.

Individualized programs are less likely than other kinds to put primary emphasis on specific hard skills. They tend to focus more broadly on help with career exploration and acquisition of more general skills. Most do not offer their own training, but connect participants to existing training opportunities elsewhere in the community, of varying duration and intensity. These typically are selected for their compatibility with the participant's ongoing employment.

Program leaders (both those with social service agencies and those with employers) tend to emphasize the need for soft skills and the high proportion of entry-level workers who are deficient in them. However, although over half of participants reported having received some kind of training in soft skills, very few of the others – under 5 percent – reported that they had needed such a service. This proportion is smaller than for almost any other kind of training or service about which participants were asked; only "help dealing with domestic violence" was less likely to be reported as an unmet need.

Some emerging ideas about effective strategies to tailor programs to participants' skill needs are:

- Most programs include participants with a wide mix of educational backgrounds, making the use of individual assessments an important strategy for identifying needed services.
- Programs often report it is valuable to avoid replicating school-like settings, and instead use such strategies as computer-based instruction, one-on-one coaching, and introducing and practicing skills in a practical, hands-on work context.
- Some programs enrolling mainly women stress the use of training styles specifically tailored to this population, including a nurturing, mutually supportive group environment and support services that recognize their multiple roles as employee, trainee, and parent.

Helping participants with opportunities

"Opportunities" in this model are the employment opportunities available to individuals, including hiring, employer-provided training or other on-the-job skill enhancement, and promotion. This category also includes on-the-job mentors or job coaches.

Many entry-level workers do not have access to on-the-job training or career ladders accessible through short-term training. Some participants report that their employer might be upset to learn that they were pursuing a training program, because it could reflect dissatisfaction with their current jobs. Some participants may not have access to work opportunities at a higher skill level in their field of work or geographic region. Many do not have opportunities to augment their skills without paying high training costs, temporarily forgoing earned income, or both.

Employer-based programs support opportunities in a variety of ways in addition to the on-the-job training that is their most direct focus. These include tuition reimbursement, workplace mentors, encouragement for internal promotion, and the provision of personal or family supports through an EAP (employee assistance program) to enable participants to more fully use other opportunities. Some employer-based programs expect to help a wider pool of individuals than just those in the Families Forward program, by working with employers to promote lasting changes in the workplace environment, including greater access to training on a regular basis, better communication with entry-level workers about job expectations and ways to meet them, and increased advancement opportunities.

Sectoral programs mostly prepare participants for new jobs with new employers, rather than working to increase opportunities within the current workplace. These programs choose sectors to focus on based on existing (or projected) patterns of opportunities. Because programs tend to require full-time training, most help participants meet training and/or living expenses. Close ties with multiple employers help programs know about and capitalize on the opportunities that exist, but may also make programs vulnerable in case of sudden changes in employment patterns by employers in response to market changes.

Individualized programs are the most likely to work with participants whose employers do not support or encourage advancement. Unlike sectoral programs, their work tends to be with employers one at a time instead of in groups. Since these are selected based on unique needs of individual participants, the program may have limited opportunity to build relationships with employers over time.

Some strategies that appear to be promising include:

- A strong connection to employers is important. The experience of different programs suggests that it is helpful to work with multiple employers rather than just one or a few.
- In addition to training participants about the expectations of employers, many programs report that it is also important to help employers gain a new understanding about their relationship with their low-wage employees. This includes the benefits to the employer of offering greater opportunities, as well as more information about the needs and characteristics of these employees that affect their ability to meet employers' expectations.
- Workplace changes to increase opportunities can be promoted by business-to-business communication about strategies and the likely returns from such investments. Such changes can also be promoted and sustained by providing ongoing supports to employers (not just to participants) to help them more effectively communicate with and supervise entry-level employees.

Helping participants with convergence

"Convergence" is the element in this workforce development model that ensures that dreams, skills, and opportunities come together to produce results. One role of workforce development programs, such as those in the Families Forward initiative, is to identify and provide what is needed for those individuals who do not have the personal supports and networks to make this happen on their own.

Outside help is especially needed for immigrants with limited English skills; rural residents with limited access to transportation, training, or other services to support the pursuit of additional skills; and people with limited work experience who do not know enough about opportunities or do not have the knowledge of workplace norms to effectively pursue opportunities.

Employer-based programs, whose participants are more experienced and stable at entry, typically do not need to offer as much support to participants. They also are able to deliver more program components in group settings, rather than individually, because participants have more uniform skill needs and less need for support of their confidence and motivation.

Sectoral programs serve participants who are less stable than those in employer-based programs, but more stable than those in individualized programs. Reflecting this, they are in between the other clusters in their mix of training and support, as well as the degree to which the supports are individualized.

Individualized programs, serving participants with the lowest average levels of stability and social support, mostly strive to develop one-to-one relationships between participants and program staff to ensure participants successfully connect to skills and opportunities. They tend to offer a higher dosage of support, and relatively lower dosage of specific job-related hard skills.

The "convergence" to pull all the needed components together may be accomplished by a single grantee organization with varied expertise among its staff, or by a partnership of organizations with varied expertise.

The changing economic climate has affected all the programs, but in different ways. Employers have less need for labor and less profit to invest in training. Sectoral programs have found that entire industry sectors have changed hiring demands and reorganized not only individual job classifications but also entire career ladders. Individualized programs are serving participants who need training and support more as a result of the economic slow-down, but find both harder to get.

Experience shows that participants' and employers' needs change, so the best program planning must often be revisited. Programs continue to report that participants' needs for personal support are greater than many grantees anticipated, and that public and private sources of training and support are less than they were when the programs were designed.

Some of the organizations involved in incumbent workforce development appear to be competing with

each other for scarce resources. In places there is some confusion, and sometimes conflict, about their respective niches and roles. This can lead to gaps or overlaps in service, and confusion among those seeking service (including both participants and employers).

Effective strategies suggested by grantees' experiences to date include the following:

- It pays to invest in building relationships: *with* participants (especially to support dreams and the kind of personal change that may be needed to achieve them), and *among* participants (in groups that can offer peer support), and with employers (to develop increased training and advancement opportunities). Job coaching and other forms of on-the-job support are another form of relationship that can help participants to sustain advances.
- Programs report that it is important to tailor the type and amount of services to individual participants' needs. This involves making sure participants have the necessary initial level of preparation, and helping them to get it (elsewhere, if necessary) before they begin. Assessments help to match participants to the right mix of services and training types for their needs. Programs are also making adjustments as they find that needs are greater than anticipated, or that the level or intensity of a training component may not be enough for some participants.

Issues to consider

Based on emerging evidence from program leaders, GWDC staff, and participants about the program elements that seem to be working, and in particular how these are best matched to the various needs of differing participants, we offer the following ideas as working hypotheses for others involved in the Families Forward initiative to consider.

1. Low-income working parents are far too diverse to serve through any single program model.

The groupings used for analytic purposes in this report appear to have some power for suggesting tailored approaches for certain groups. To a significant extent, these groupings are developmental, by which we mean that different ones may apply to the same person at different stages of their development. We propose for consideration a continuum of four program models as follows:

Stabilization and career exploration. These programs, like the individualized programs in the Families Forward initiative, serve people with little or no work experience. Their participants do not have a good sense of what they might be interested in doing or what jobs or careers are available. These people may need quite a bit of help just maintaining a relatively stable life without

Employer-based programs may be thought of as specializing in **opportunities** through helping employers build their investments in their workers. These programs also invest significantly in skills, and this combined with the opportunities may indirectly do much to promote dreams.

Sectoral programs specialize in **skills.** Of the different types, sectoral programs offer the broadest array of kinds of training, as well as the most intense programs. They appear to require participants to begin with higher motivation levels ("dreams") than other kinds of programs, but they also promote this element by providing labor market information. They promote opportunities through linkages with employers. Some provide follow-up support for job retention and advancement, through services to participants, employers, or both.

Individualized programs are the specialists in **dreams.** More than other kinds of programs, they meet participants at different starting points in their preparation and ambition, and help them get oriented and started on a path toward advancement. They promote skills by helping people identify and access training outside the program itself. They work to promote opportunities with employers, although most have limited employer contacts. The different programs have different strategies, including internships, EAPs (employee assistance programs), and follow-up job retention and advancement support.

constant crises. To meet such needs and help move participants closer to self-sufficiency, programs serving this population need to offer:

- Training focused more on life skills than job skills
- Carefully monitored and supported work experience
- Role models and relationships to support new goals and skills
- Services to employers to help support emerging work successes

Initial career entry. These programs, like the sectoral–higher support programs in Families Forward, serve individuals with some work experience, some job skills but not those needed for self-supporting jobs, and limited personal support or stability (if only due to low income). They are probably able to keep their lives relatively stable, as long as they don't take on new responsibilities – but they may be too close to their limits to add training on top of work, or to do without such work supports as cash assistance, child care assistance, or housing subsidies. As a result, advancement poses as much threat as opportunity, because of the disruptions to their stability. Programs serving this group should include:

- Services to help with personal and family stability to counter the destabilization introduced by training
- Thorough assessments and help with goal setting
- Training focused on job skills suitable for entry level work in sectors with advancement possibilities
- Services to participants and their employers to support job success and advancement

Career development. These programs resemble the Families Forward sectoral–lower support programs in their selection of participants who exhibit some degree of initiative, have goals they want to accomplish, and enough stability to undertake some new responsibilities without a great deal of formal support. They may be changing careers, or preparing to move up within their current line of work. Program components to help them advance include:

- Labor market information and assessments to help identify work that best meets the participant's interests and goals
- Intense, short-term, highly focused job skill training
- A credential that is credible to employers
- Job placement and retention support, especially for programs serving people of color, immigrants, and women, particularly in traditionally male professions

Career advancement. These programs, similar to those in the Families Forward employer-based cluster (and some others), are highly focused on the specific, immediate needs of specific firms. Some elements may be generalizable, with slight modifications, to other settings. To be effective, these should include:

- Significant advance work with the employer to identify needs and expectations on all sides
- Assessments tailored to the jobs and training that are the focus of the program
- Resources to address whatever needs are identified by those assessments.

Programs paid from public or philanthropic sources, to justify the investment of outside resources in a for-profit firm's internal operations, should require evidence of lasting change in the workplace that will benefit employees beyond the specific training (for example, modified supervisory practices that improve hiring practices, job retention supports, or advancement opportunities).

This proposed continuum does not take into account entire populations of individuals with workforce development needs who are not represented in the Families Forward program, including dislocated workers with strong work histories and specialized skills who need to transfer to new fields. It also does not address the role of higher education, beyond the occasional course taken outside of the context of any degree program.

2. Incumbent worker training requires more support for more participants than current infrastructure is designed to provide.

For many low-income workers, work is necessary to survive today, while training is necessary to do more than just survive tomorrow. Many Families Forward grantees report higher-than-anticipated needs among their participants for help to maintain personal and family stability while they add training on top of existing responsibilities.

The assumption of the Families Forward initiative, and of most public policy as well, is that the training needed for advancement can and will occur while participants continue to work and support themselves on their earnings. This assumption fails for people who are unable to find a self-supporting job to begin with, those who are laid off and unable to find a new job, or those who for various reasons are unable to combine work and training. For such people, programs must seek ways to help participants identify resources to meet training costs and costs of living while they gain the skills needed for new jobs.

Some public funding is available to meet some of these needs, through a variety of workforce and safety net programs. From the experience of Families Forward grantees to date, we find that:

- During an economic downturn, when the need for these supports rises, the funding for them falls.
- It is hard to master the complex system of resources, in which both the types of programs and their eligibility criteria change frequently.
- Many of the people meeting program criteria are being served by Families Forward only because of the McKnight funding and would not qualify for any of the publicly funded programs, or would qualify for too short a time to make a difference.
- Employers' attitudes toward entry-level workers play a significant role in shaping the incumbent worker training system. Employers who do not see low-skill workers as assets to be developed, or who do not have higher-level opportunities available, may discourage entry-level workers from pursuing further training. Employers who promote from within not only provide better opportunities for those promoted and new openings for others, but also create highly visible role models for other entry-level workers.

3. The term "soft skills" appears to mean different things to different people. A more explicit dialog is needed between employers, service providers, and workers about expectations and what it takes to meet them.

In general, people agree that "soft skills" are what makes somebody a reliable employee, that is, somebody who shows up for work on time every day, knows how to dress and talk appropriately, gets along well with colleagues and customers, and is motivated to work hard and produce good results. However, there seems to be no similar consensus about what it is that produces these results.

When employers talk about soft skills, they often couch the discussion in terms of personal responsibility. Some are unwilling to invest in training for advancement until they see evidence of personal change to become more reliable employees. By contrast, some programs with social service expertise include in their "soft skills training" such things as financial literacy, housing classes, or self-confidence and assertiveness training.

A third point of view comes from participants themselves. A very high proportion (around 90%) report that at the time they started their program they understood that "it would be a serious thing" to be late for work, lose one's temper with a boss or customer, not call in when sick, etc. Although slightly over half reported receiving soft skills training, almost none who did not receive it said they had needed it. If this kind of training is, in fact, needed and effective to help unreliable workers become reliable, then neither employers nor service providers are currently convincing workers of it.

There is an alternative explanation, however – which is that the unreliability that employers perceive as a deficit in knowledge or motivation is due to other causes less under the workers' control. Child care and transportation are often cited as contributing to

unreliability; both are often related to low income and a weak infrastructure of services in poor or rural communities. Housing is less often mentioned, but it is notable that 13 percent of participants in the three-month survey reported having been homeless or doubled up for lack of housing during the six months just before enrolling, and while 14 percent reported that they had received some kind of housing help, another 18 percent reported having needed it but not receiving it (including 9 percent among the participants in the employer-based programs, who are in most respects the least poor, most stable of the four sub-groups analyzed for this report).

Several grantees stated that for low-wage workers to gain the opportunities they need for advancement, it is necessary not only to train the workers, but also to educate employers. The training they feel employers need includes an understanding of the struggles entry-level employees face in their lives away from the job, and the importance of having supervisors acquire soft skills of their own for dealing appropriately with people of different racial and cultural backgrounds.

4. There is no public consensus on who should bear the responsibilities and costs for incumbent worker training.

Participants in incumbent worker programs have a wide variety of needs that the programs must address. The training itself can be costly, both to the provider, for instruction, materials, and specialized equipment, and to the participant, in terms of time and opportunity costs. Besides the training itself, participants' needs may include many that are typically thought to belong largely within the sphere of personal responsibility, such as caring for one's children, owning and maintaining a reliable car, and learning to read and do basic math while in school.

Minnesota has a large number of different workforce development programs, under the oversight of many different agencies. Evaluation data suggest that the smooth operation of Families Forward programs is occasionally impeded by the following:

- The funding structure for the Minnesota State College and University system (MnSCU) appears to result in policies governing vocational course and program development based more on costs to MnSCU than the local economy's need for specific types of skills.
- There is no consistent vision for the workforce development system as a whole. Different major stakeholders in some parts of Minnesota have differing ideas about who should be responsible for certain types of training. In different regions this has resulted in a shortage of customized training capacity, or limits in vision and services of major workforce development providers.
- Much of the public funding for incumbent worker training is for highly specific categorical programs, or includes conditions that cannot always be met under the circumstances faced by service providers (e.g. unrealistic timelines or conditions of service that do not fit the population being served). One major source, TANF funding for training and job retention, has recently been reduced, and other public funding sources are highly sensitive to economic cycles.

About this study

Information summarized in this report comes from many sources. Basic characteristics of participants, and information about their wages and income before the program, come from intake data collected by each site. Characteristics of programs and how grantees adjust programs are gathered by Wilder Research Center staff through site visits and phone interviews with site leaders. Follow-up telephone interviews with participants provide more detail about participants' needs and barriers, the services they receive while in the programs, and their wages and income nine months after starting the program. Further insights were gathered through interviews with staff of the Governor's Workforce Development Council.

For more information about this study contact Ellen Shelton at Wilder Research Center, 651-637-2470.

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