

A stylized graphic featuring a dark silhouette of a person walking, overlaid on a light blue map of Michigan. The map is decorated with several black circles of varying sizes and three small orange circles. The background is a solid light blue.

Michigan Earn and Learn

An Outcome &
Implementation Evaluation
of a Transitional Job and
Training Program

April 2014

Report Information

This IMPACT Report was commissioned by The Joyce Foundation on behalf of the State of Michigan.

Our thanks to Michigan Earn and Learn program directors, grant administrators, staff, and participants who were all generous with their time and information, allowing IMPACT to evaluate the Earn and Learn initiative along many dimensions.

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Table of Contents

- Executive Summary: Michigan Earn and Learn Outcomes and Implementation Findings..... 3**
- Introduction and Background 13**
- Methodology..... 18**
- Why Transitional Jobs? 20**
- Program Design and Implementation 21**
- Spotlight: Program Components 32**
- Participant Characteristics and Barriers to Work 33**
- Outcomes and Experiences 43**
- Lessons Learned and Recommendations..... 54**

- Appendix A: Detailed Evaluation Methodology 58**
- Appendix B: Detailed Program Design and Implementation by City 61**
- Appendix C: Earn and Learn Implementation Timeline 68**

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EXECUTIVE SUMMARY: MICHIGAN EARN AND LEARN OUTCOMES AND IMPLEMENTATION FINDINGS

While the Great Recession introduced unemployment and underemployment to the masses, its significant negative trends aggravated already declining rates of employment in Michigan, particularly among less-educated, young, male, and minority individuals, who were then also hit hardest by the recession.¹ As the nation began to slowly recover after the recession, Michigan continued struggling to find an economic foothold.

The State of Michigan, along with private funders, responded with the Michigan Earn and Learn program, which had the goal of creating opportunities for individuals with barriers to employment to pursue the types of education and occupational training associated with economic advancement. Program framers knew that to make pursuing education or training plausible for individuals who are low income there would have to be an opportunity to earn income simultaneously.

This awareness, coupled with the knowledge that most participants in the target population could benefit from recent employment experience and an overarching desire to stimulate the economy led program framers to require that subsidized employment be offered simultaneously with training. The program targeted disconnected, at-risk youth (ages 18 to 24 and particularly young minority males), formerly incarcerated individuals, and chronically unemployed adults in three particularly hard-hit cities: Detroit, Flint, and Saginaw.

The program faced several delays and design changes along the way, but began in earnest in February of 2011. Eighteen months into the program, Earn and Learn had served nearly 1,300 disadvantaged job seekers with skills training, education, and work, with over 800 of them earning income in a transitional job.²

True to the program's intent, Michigan Earn and Learn reached people with significant barriers to employment: 25 percent of participants had never had a job and of those who had, 32 percent—the largest share—had never held a job for a year or more; 32 percent had been out of work for over 2 years prior to enrolling in Earn and Learn; over a third of participants across sites had spent time in prison, jail, or juvenile detention before becoming involved in Earn and Learn; and nearly half (44 percent) of all participants had a high school diploma/GED or less.

Earn and Learn was designed based on best practices from a particular workforce development model called transitional jobs (TJ), but with flexibility at its core so that each region could tailor a service delivery approach that worked best for their local communities. TJ programs are a subset of subsidized (or publicly-funded) employment programs that add enhancements intended to increase the long-term employability and economic advancement of individuals disconnected from the workforce. These enhancements typically include case management, job skills training, and supportive services to help

Evaluation Overview

The Michigan Earn and Learn evaluation sought to answer four basic research questions:

1. How was Earn and Learn designed?
2. How was Earn and Learn implemented?
3. What were Earn and Learn's outcomes?
4. What were Earn and Learn's impacts?

This outcome and implementation evaluation is based on the first 18 months of programming (May 1, 2011, through December 31, 2012) and addresses the first three research questions; a subsequent report will examine program impacts on income, public benefits receipt, and recidivism.

The findings in this report are based on a combination of sources that includes: program documents, program records, Michigan's One-Stop Management Information System, interviews, a participant survey, and an employer survey.

1. Edelman, P., & Holzer, H (2013). *Connecting the disconnected: Improving education and employment outcomes among disadvantaged youth*. IRP Discussion Paper, No. 1412-13. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.

2. This report covers 19 months of programming in Flint.

Program staff and participants together tailored a unique program plan for each participant that best fit his or her unique goals and program component availability.

individuals facing barriers to employment succeed in the workforce. Earn and Learn used an innovative braided funding structure consisting of philanthropic support combined with state and federal dollars in order to fund the various aspects of the program, including case management, supportive services, subsidized wages, education, and training.

Earn and Learn was implemented by several local workforce providers in each city, all of whom were already Workforce Investment Act (WIA) providers but some of whom were not used to serving individuals with more barriers to employment than the average WIA client. The three sites took advantage of the program design flexibility, and as a result, no two Earn and Learn participants experienced the program in the same way. That is to say that program staff and participants together tailored a unique program plan for each participant that best fit his or her unique goals and program component availability.

For some participants this meant experiencing the program as originally designed—i.e., proceeding from work readiness training to concurrent enrollment in occupational training and a transitional job. Others went straight to a transitional job. Some participants found that the training or transitional job they were interested in required that they first complete adult basic education. All together, the most commonly experienced program components were work readiness training and transitional jobs.

Outcome Findings

While securing permanent unsubsidized employment and increasing self-sufficiency are generally the ultimate aim, there are a variety of other outcomes that can constitute success in the context of a transitional jobs program, particularly an enhanced TJ such as Earn and Learn that also includes education or training. Among them are outcomes that have the potential to increase a person’s marketability in the workforce and advance their economic standing, and they include successfully completing structured

PARTICIPATION IN EARN AND LEARN PROGRAM COMPONENTS FIGURE ES1 (n=1296)

Program Component	Entered	Completed	Completed
		Those who entered	All participants
Work readiness training	71% (n=1274)	93%* (n=902)	66%* (n=1264)†
Occupational training	43% (n=1296)	88% (n=498)†	32% (n=1137)†
Adult basic education	8% (n=1296)	95% (n=76)†	6% (n=1274)†
Transitional job	65% (n=1276)	Unavailable	Unavailable
Supportive services	16% (n=1,296)	N/A	N/A

*Only ACCESS and Saginaw have provided data on who entered JRT but did not finish it.
†Excludes in progress.

EARN AND LEARN PARTICIPANT OCCUPATIONAL TRAINING FIGURE ES2 (n=535)

Type of Training	Pct of Participants
Health	23.7%
Green Energy Management	17.0%
Trucking	8.4%
IT	7.3%
Clerical	7.3%
Welding	6.4%
Food service	5.6%
Manufacturing	5.0%
Design & Communication	4.3%
Custodial	3.0%
Automotive Service & Technology	1.9%
HVAC	1.7%
Customer service	1.7%
Graphic design	1.1%
Architectural design	1.1%
Construction	0.7%
Criminal justice	0.6%
Business	0.6%
Social work	0.4%
Electrician	0.4%
Computer-Assisted Design	0.4%
Plumbing	0.4%
Logistics	0.2%
Journalism	0.2%
Hospitality	0.2%
Fitness	0.2%
Education	0.2%
Carpentry	0.2%
Broadcasting	0.2%

TOP FIVE CREDENTIALS OBTAINED THROUGH EARN AND LEARN FIGURE ES3 (n=263)

Credential	Pct of Participants
Certified nursing assistant	16%
Class A commercial driver's license	10%
Gas metal arc welding certificate	10%
Building science academy certificate	7%
Certification in dining services & bartending	6%

work readiness training, successfully completing occupational training, gaining credentials and certifications, gaining recent work experience by participating in a transitional job, reducing recidivism, and decreasing dependence on public benefits (Figure ES1).³

Work Readiness Training

- The majority (66 percent) of Earn and Learn participants completed some type of work readiness training, which generally includes seminars on workplace etiquette, tips on resume writing and interviewing, and other activities intended to smooth the transition from unemployment to working.
- According to nearly half of transitional employers across sites (47 percent), Earn and Learn participants had about the same, somewhat more, or many more soft skills as people they would typically hire, which suggests not only that the various levels of work readiness training offered were effective among those who attended but also that the participants deemed by providers as not needing work readiness truly did not.

Occupational Training

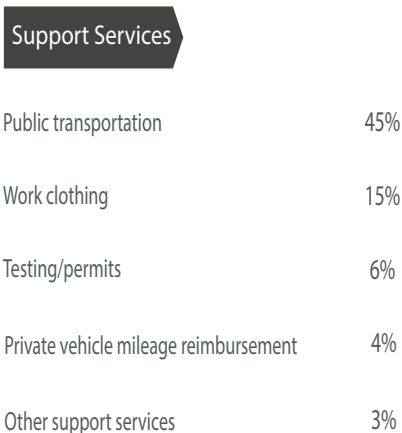
- The 562 participants who entered occupational training pursued training in a wide range of industries—from architectural design to social work to broadcasting (Figure ES2). The most popular training programs were clustered in healthcare, green energy management, and trucking.
- Of the participants who entered occupational training, 366 (88 percent) successfully completed it. Participants most frequently earned industry-recognized credentials such as Certified Nursing Assistant, a Class A Commercial Driver's License, and a Gas Metal Arc Welding Certificate (Figure ES3).
- Of those who successfully completed occupational training, 12 percent moved on to a transitional job if they hadn't been attending training and a transitional job concurrently. Ten percent went on to pursue additional credentials or to brush up on basic skills, and the remaining participants worked on securing unsubsidized employment. An additional 13 percent of participants completed their transitional job first and then went on to occupational training.
- Having children under 18 seems to have been a slight barrier to completing training as parents were less likely than non-parents to finish.⁴ This may be due to the difficulty often associated with securing consistent and affordable childcare. Overall, however, individuals with significant barriers to employment—including mental health issues, physical health issues, incarceration history, and low literacy levels—completed training at about the same rate as those without, suggesting that service providers did an effective job of ensuring participants had

3. Data on unsubsidized employment, public benefit usage, and recidivism will be included in the impact analysis slated for release in summer 2014.

4. More specifically, a statistically significant relationship between having children under 18 and successfully completing training was observed in the direction of less success among participants with children under 18.

BREAKDOWN OF TOP MOST COMMONLY RECEIVED SUPPORT SERVICES

FIGURE ES5
(n=666)



the support they needed to be successful in training.

Adult Basic Education (ABE)

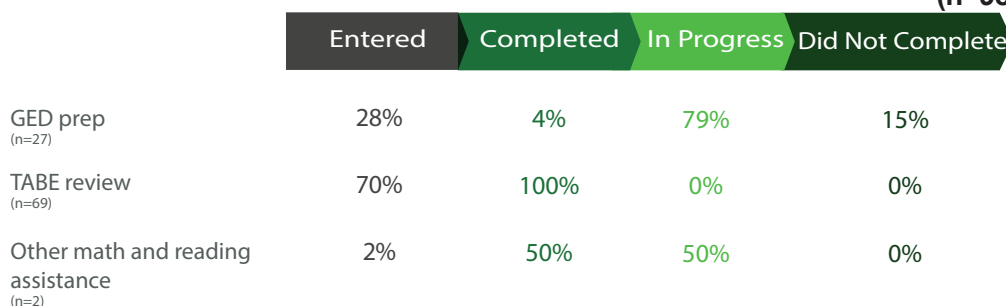
- In some cases, the training programs and/or jobs participants were interested in required a high school diploma, General Educational Development (GED) credential, or Test of Adult Basic Education (TABE) score higher than some participants currently had.⁵ Providers responded by matching 98 participants with a variety of ABE options—including either GED prep, targeted assistance with math or reading skills, or TABE review classes (Figure ES4).
- GED prep and other ABE can go on for long stretches—from several months to over a year—which may have delayed participant progression through the program more than expected. At the 18-month program mark, of those who had enrolled in adult basic education, only slightly more than half had completed their ABE and gone on to enroll in either occupational training (15 percent) or a transitional job (37 percent).

Supportive Services

- Consistent with acknowledged best practices, Earn and Learn providers offered a range of supportive services intended to mitigate common barriers to employment among the target population, including affordable childcare referrals, transportation assistance, health referrals, assistance with record expungement, and housing referrals.⁶ A total of 666 incidences of supportive services were provided to Earn and Learn participants, with some of these incidences going to the same individuals.
- Earn and Learn participants most frequently needed and received assistance with public transportation in the form of bus passes (45 percent), work clothes (15 percent), or paying for permit or testing fees (6 percent) (Figure ES5).

EARN AND LEARN PARTICIPATION IN ADULT BASIC EDUCATION

FIGURE ES4
(n=98)



5. The TABE assessment is a standardized test that measures math and reading ability at approximate grade levels.

6. National Transitional Jobs Network (2010). *Transitional jobs program design elements*. Available at <http://www.scribd.com/doc/59499221/Transitional-Jobs-Program-Design-Elements>

- Despite these important supports, there were gaps. Participants most frequently identified unmet needs related to dental care (31 percent), housing assistance (24 percent), and medical care (24 percent). Provider staff also related that the ability to pay for state-issued identification, a disallowed expense under Earn and Learn rules, would have been very useful as low-income participants were often faced with a chicken-or-the-egg dilemma in which they could not afford to obtain or reinstate identification they needed to get a job but were unable to obtain employment to generate the income necessary to do so.

Transitional Jobs

- Earn and Learn providers cultivated relationships with 80 employers that led to 895 transitional job placements, clustered primarily in the manufacturing, retail, and healthcare and social assistance industries (Figure ES6). Overall, 69 percent of Earn and Learn participants were matched with transitional jobs, and 67 percent of participants had transitional jobs that were related—either by industry or occupation—to the training they completed. Most (58 percent) transitional jobs were in production, sales and related occupations, or office and administrative support.
- On average, transitional jobs lasted 375 hours, or 47 eight-hour workdays. Over the course of their transitional job, participants earned an average of \$3,011 per person in pre-tax wages.
- In total, the subsidized jobs through Earn and Learn infused \$1,951,167 into Michigan’s economy by putting people who were not working back to work, a substantial support to not just Earn and Learn participants and employers but to struggling Michigan communities as well.

TOP EARN AND LEARN TRANSITIONAL JOBS PLACEMENTS BY INDUSTRY

FIGURE ES6

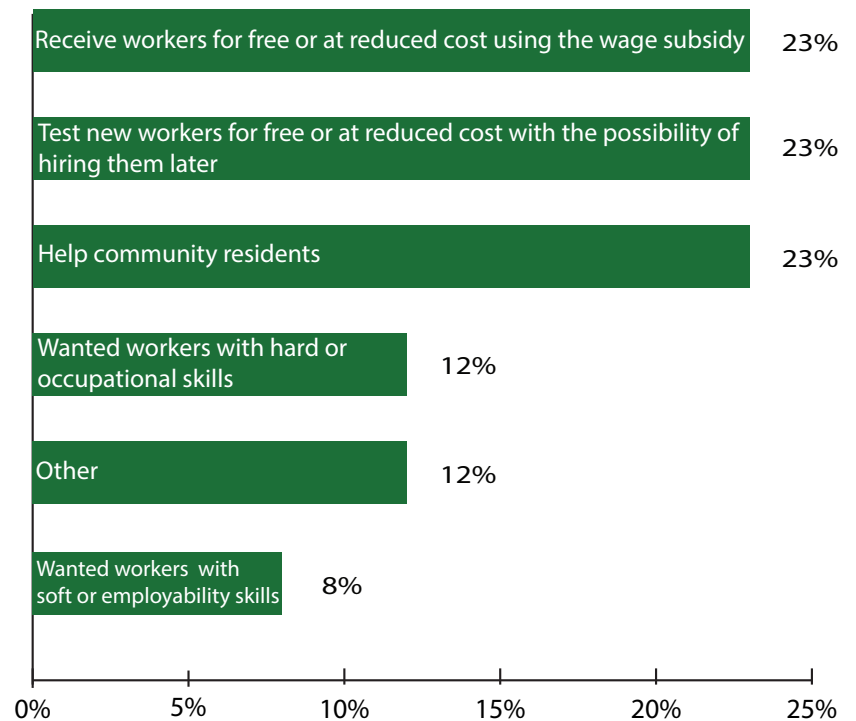
	All (n=779)	Detroit (n=442)	Saginaw (n=80)	Flint (n=257)
Manufacturing	25%	33%	39%	6%
Retail	19%	31%	3%	3%
Healthcare and social assistance	16%	10%	45%	16%
Construction	10%	8%	1%	15%
Religious, grantmaking, civic, professional and similar organizations	9%	2%	9%	21%

Employer Experiences

- Employers tended to see Earn and Learn as a way to meet business needs while also reaching out to their communities (Figure ES7). While wage subsidies are clearly an incentive for employers to participate in programs such as Earn and Learn, part of the tradeoff in receiving wage subsidies is that participants generally require increased training and supervision, rendering participation by employers by no means a foregone conclusion.
- Participating employers pointed to a number of factors that went into their decision and were equally likely to point to the ability to test new workers out with the possibility of hiring them later, the opportunity to help community residents, or the wage subsidy.
- When asked if they would be willing to participate if they were responsible for part of participant wages, 74 percent of employers would participate if the subsidy covered 75 percent of Michigan's minimum wage of \$7.40 per hour, 54 percent would participate if the subsidy covered 50 percent of minimum wage, and 39 percent would participate if the subsidy covered 25 percent of the minimum wage.

MOST IMPORTANT EMPLOYER REASONS FOR PARTICIPATING IN EARN AND LEARN

FIGURE ES7
(n=27)



Lessons Learned and Recommendations

Providers that are not embedded in educational systems may need to implement creative approaches to manage the challenging logistics of offering concurrent training and subsidized employment.

Despite the appeal of being able to offer participants employment while they are attending training, program staff reported that the logistics were difficult to manage. Often employers weren't able to accommodate the training schedule and vice versa for training providers. To ameliorate the situation, Detroit providers began arranging for training to occur out at the employer worksites after the workday or to pick participants up from their worksites and transport them to training. Alternatively, Flint providers had a considerably easier time accommodating participants who were trying to do both. As sizable colleges accustomed to serving working students, the Flint providers were able to offer the kinds of evening and weekend classes that could work with an Earn and Learn participant's schedule. In some cases, Flint transitional employers required new employees to attend their own intensive training programs, which made the process easier for participants to manage.

When a program successfully targets a population with serious barriers to employment, considerable basic skills training is often needed.

In Detroit and Saginaw, participants possessed high school diplomas at a rate lower than expected, which disqualified them for many of the occupational trainings that providers had lined up. Saginaw, for example, intended to primarily enroll Earn and Learn participants in Energy Conservation Apprenticeship Readiness training, but in practice the training required more advanced math skills than many participants currently had. This mismatch forced providers to reassess the types of meaningful industry-driven training they could offer participants.

Similarly, despite early thoughts that the two efforts could collaborate, the permanent employment opportunities available through Community Ventures, a state-sponsored initiative targeted at incentivizing employers to hire low-income and otherwise disadvantaged individuals, proved too often to be at too high a skill level for Earn and Learn participants even after completing training. In the short term, providers responded by matching participants with Adult Basic Education/GED prep classes, sometimes in place of more focused industry training. In the long term, Saginaw realized it would be necessary to identify additional training opportunities at a wider range of skill levels. While some participants did not ultimately enroll in the type of industry-focused training that program designers envisioned, as a pre-requisite to many training programs, the receipt of a GED is certainly a step up the career ladder. Given the easy access to a wide range of remedial classes embedded within the community college system, Flint providers were slightly more equipped to assist participants with skilling up to the college or technical training level when necessary.

Reflecting on participant data can spur real-time innovation and program improvements.

While one Detroit provider originally required participants to score at a sixth grade level or above to meet the requirements held by many training providers, they soon realized that a significant portion of otherwise eligible individuals were testing below that threshold. In a great example of real-time innovation, the provider developed a pilot program to re-immense these participants in

the educational context to ultimately assist them in bringing up their scores so that they would qualify for occupational training. On average, participants deemed eligible for the pilot scored 5.1 in math and 5.3 in reading. By the end of the pilot, the average participant had increased their math scores by nearly 3 grade levels and increased reading scores by 2 grade levels—a notable accomplishment, especially considering the short time frame.

Mainstream workforce providers often aren't well-equipped to serve more disadvantaged job seekers.

While many of the providers were seasoned workforce providers, Earn and Learn participants represented a population with lower skills, more barriers to employment, and in at least one provider's case, a different cultural background than they were generally accustomed to serving. These differences introduced a learning curve in providing effective and targeted services, which may have caused some participants to disengage early from the program.

Detroit responded by implementing a Participant Advisory Council—a group of former and current Earn and Learn participants from both Detroit providers convened to give regular feedback and offer suggestions on how to improve the program—a promising practice associated with more effective participant engagement and improvements in a program's cultural competence.

The Flint sites also noted how difficult it was to place formerly-incarcerated individuals into transitional jobs, despite their credential attainment. This challenge suggests that future efforts should take an especially proactive approach to recruiting ex-offender-friendly employers and that providers need to be uniquely prepared to make the case for hiring these individuals to employers. One potential solution that Flint providers came up with was to offer additional training opportunities to these individuals in the hopes of increasing their marketability.

Participants with supportive relationships (with family, friends, program peers, or even their case manager) appear to fare better in transitional jobs programs.

Disconnected or chronically unemployed individuals can especially benefit from being surrounded by a strong support network from which to draw motivation, whether it is with program staff, program peers, family, or friends.⁷ Sometimes, as evidenced by participant responses indicating that the best part of the program was having people around “to help and...care about each person's success,” feeling like they have just one person rooting for them is enough to strengthen participants' confidence in their ability to succeed.

Program designers can help foster these supportive relationships by developing staff's ability to engage participants as well as providing plenty of opportunities for participants to be surrounded by their peers, particularly once they are out at their TJ worksites and/or in training. If it is not possible to place groups of participants at each worksite, providers can provide opportunities for peer support by offering regular job club meetings, participant advisory meetings, or hosting social events intended to mark participant progress—say

7. Dunlap, N. (January 2012). *Service delivery principles and techniques: Helping people experiencing homelessness engage in services and succeed in employment*. Chicago: National Transitional Jobs Network.

after completing a rigorous work readiness training course or successfully earning a credential.

The shared responsibility for funding and administering the program across so many stakeholders may have led to implementation delays and differing visions for the program's emphasis.

Earn and Learn was intended to be a large-scale statewide ARRA initiative. However, incompatible timelines and delays in both obtaining funding and establishing funding agreements resulted in several key public funding timelines to be missed or severely constricted, which in turn led to a much smaller program than originally envisioned both in terms of numbers served and regions touched. This diminished capacity reduced the program's reach and likely its impact (i.e., impacting employment rates across the state versus impacting a small percentage of the population in a few regions).

Furthermore, the providers necessarily braided together funding to meet the vision of the program and the needs of participants, using public funds for the "Learn" portion and private funds for the "Earn" portion. Earn and Learn was not ultimately administered by one funding entity as a comprehensive program and as a result oversight was split across many parties. For example, when it became clear that a significant portion of participants were not enrolling in occupational training, the state wasn't able to influence how the subsidized portion of the program was administered relative to its relationship with training. Similarly, outside of grant reports and informal check-ins, private funders would have no timely way of knowing if participants were not enrolling in concurrent training and subsidized employment.

With so many funders in the mix and with many of them focused on just their city, each region functioned more or less independently of each other, with different funders to report to, instead of a statewide initiative. The fact that one private funder extended the program in one region but not the others exemplifies this.

Establishing a formalized agreement between funders, reaching a consensus on desired program impacts, setting a regular communication mechanism for assessing progress toward those goals and sharing relevant information, and establishing a governance structure are all key strategies for managing the challenges associated with a complex web of stakeholders and decisionmakers. Implementation delays may be nearly inevitable in complex political contexts and both communication and governance challenges may be a symptom of an otherwise promising approach of braiding together funding, but the model cannot be expected to have the same reach or produce the same impacts without a full implementation of a unified vision.

Program providers should emphasize the high level of value that employer partners gain from these programs.

Providers should feel confident in selling the value of working with TJ participants to employers. Employer surveys of transitional jobs programs, including the Earn and Learn employer survey, continue to show employers touting the benefits of participating in a program such as this, from lowering the cost of hiring new employees and increasing business productivity to improving financial well-being and customer satisfaction. Time and again, as long as they have a good relationship with providers and a clear understanding of where participants are starting from, the vast majority of employers indicate that they would participate in a subsidized employment program again.

While it is certainly important to properly set employer expectations on the degree of supervision most transitional jobs participants will require, program providers and job developers should feel confident emphasizing this value to new potential employer host sites or unsubsidized hiring partners.

Final Evaluation Report

The final evaluation report, slated for release in Summer 2014, will assess unsubsidized employment outcomes and examine program impacts on participant income, public benefits receipt, and recidivism.

INTRODUCTION AND BACKGROUND

National and local economic conditions precipitated opportunities that paved the way for Michigan Earn and Learn, a transitional jobs program that targeted the chronically unemployed, formerly incarcerated, and disconnected youth residents of the particularly hard hit Michigan communities of Detroit, Flint, and Saginaw.

Michigan Earn and Learn is a transitional jobs program that launched in 2011 to address Michigan's unique economic and workforce needs in the post-recession era. In the first year and a half of programming, Earn and Learn served nearly 1,300 individuals who were chronically unemployed, formerly incarcerated, or disconnected youth with occupational training opportunities and transitional jobs.

National and Local Economic Context

The collapse of the nation's economy that began in December 2007 caused the United States' unemployment rate to skyrocket from 4.7 percent to a high of 10.0 percent in October 2009.¹ 8.4 million jobs disappeared between January 2008 and February 2010—by far the greatest loss since the Great Depression seven decades prior.² African American workers were among the hardest hit, with unemployment rates rising from 8.3 percent in 2007 to a high of 16.1 percent in 2010.³ Young African American workers fared even worse: 16 to 19 year olds had a 2010 unemployment rate of 43.0 percent, a level not seen since the early 1980s, and 20 to 24 year olds had an unemployment rate of 26.0 percent.

The national situation was bad, to be sure, but in the state of Michigan, things were even worse. Even before the recession hit, Michigan was experiencing an unemployment rate of 7.3 percent—nearly 3 percentage points higher than the national starting point.⁴ This head start on the unemployment trend led Michigan to peak in August 2009 at an unemployment rate of 14.2 percent—over 4 percentage points above the highest point the national rate reached.⁵ Michigan's African American workforce had an overall unemployment rate of 23.9 percent in 2010, with an unemployment rate of 54.3 percent for teenagers and 26.6 percent for young adults age 20 to 24.⁶

Michigan's higher recession unemployment starting point and its higher peak unemployment rate point to a much more entrenched struggle in Michigan that

Earn and Learn served nearly 1,300 individuals who were chronically unemployed, formerly incarcerated, or disconnected youth with occupational training opportunities and transitional jobs.

1. U.S. Bureau of Labor Statistics. (2013). *Labor force statistics from the Current Population Survey*. Available at <http://data.bls.gov/timeseries/LNS14000000>

2. Goodman, C., & Mance, S. (2011, April). *Employment loss and the 2007-2009 recession: An overview*. Monthly Labor Review. Washington, DC: U.S. Bureau of Labor Statistics.

3. U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics. (2011, August). *Labor force characteristics by race and ethnicity, 2010*. Report 1032. Washington, DC: Author.

4. U.S. Bureau of Labor Statistics. *Labor force statistics from the Current Population Survey*. Available at <http://www.bls.gov/cps/>

5. Ibid.

6. U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics. *States: Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, marital status, and detailed age, 2010 annual averages*. Available at <http://www.bls.gov/lau/#ex14>

not only began before the recession hit but also continued long after its official end:

- Between 2003 and 2007, well before the recession took hold, Michigan had already experienced a net loss of 178,000 jobs, over half of them from the manufacturing industry.⁷
- During the recession years of 2008 and 2009, the state lost 3,450,000 additional jobs.⁸
- By 2011, 18 months after the official end of the recession, Michigan had had the nation's highest unemployment rate for 44 consecutive months.⁹
- When including marginally attached workers, discouraged workers, and involuntary part-time workers, Michigan's post-recession 2010 un- or underemployment rate climbed to 21 percent of the workforce.¹⁰

Michigan's struggles of the last decade have roots in its long-standing ties to the manufacturing industry. The state historically prospered with the plentiful lower-skill, higher-wage jobs available in the manufacturing industry. But with the decline of the auto industry and the rapid emergence of the knowledge economy, Michigan's workforce found itself particularly unprepared to adapt to the new and higher levels of skills needed for success:

- One in three working age adults in Michigan lacks the basic skills needed to enter a community college or maintain a middle skill job.¹¹
- This significant skill gap is precipitated by a statewide high school dropout rate of 14.9 percent.¹²
- Among African American and Hispanic students, the dropout rate is nearly double, at 27.4 percent and 23.2 percent, respectively.¹³ These educational disparities—which have been linked to structural inequalities such as inequitable school resources, less access to advanced classes, less educated teachers, racial income inequality, discrimination, and minorities experiencing stricter disciplinary action for the same behavior—only serve to reinforce the gap in economic outcomes

7. Social IMPACT Research Center's analysis of Michigan Department of Technology, Management, and Budget. *Current employment statistics*. Data available at <http://milmi.org>

8. Michigan Department of Technology, Management, and Budget. *Current employment statistics*. Available at <http://milmi.org>

9. U.S. Bureau of Labor Statistics. *Regional and state employment and unemployment archived news releases*. Available at http://www.bls.gov/schedule/archives/laus_nr.htm#1993Find

10. U.S. Bureau of Labor Statistics. *Alternative measures of labor underutilization for states: 2010 annual averages*. Available at http://www.bls.gov/lau/stalt_archived.htm

11. Council for Labor and Economic Growth. (2009). *Transforming Michigan's adult infrastructure. A report to the Council for Labor and Economic Growth from the CLEG Low-Wage Worker Advancement Committee's Adult Learning Work Group*. Lansing, MI: Author.

12. Center for Educational Performance and Information. *2012 cohort four-year, 2011 cohort five-year and 2010 six-year graduation and dropout rates including subgroups*. Available at http://www.michigan.gov/cepi/0,4546,7-113-21423_30451_51357---,00.html. Data reflect the 2011 cohort five-year graduation rate.

13. Ibid.

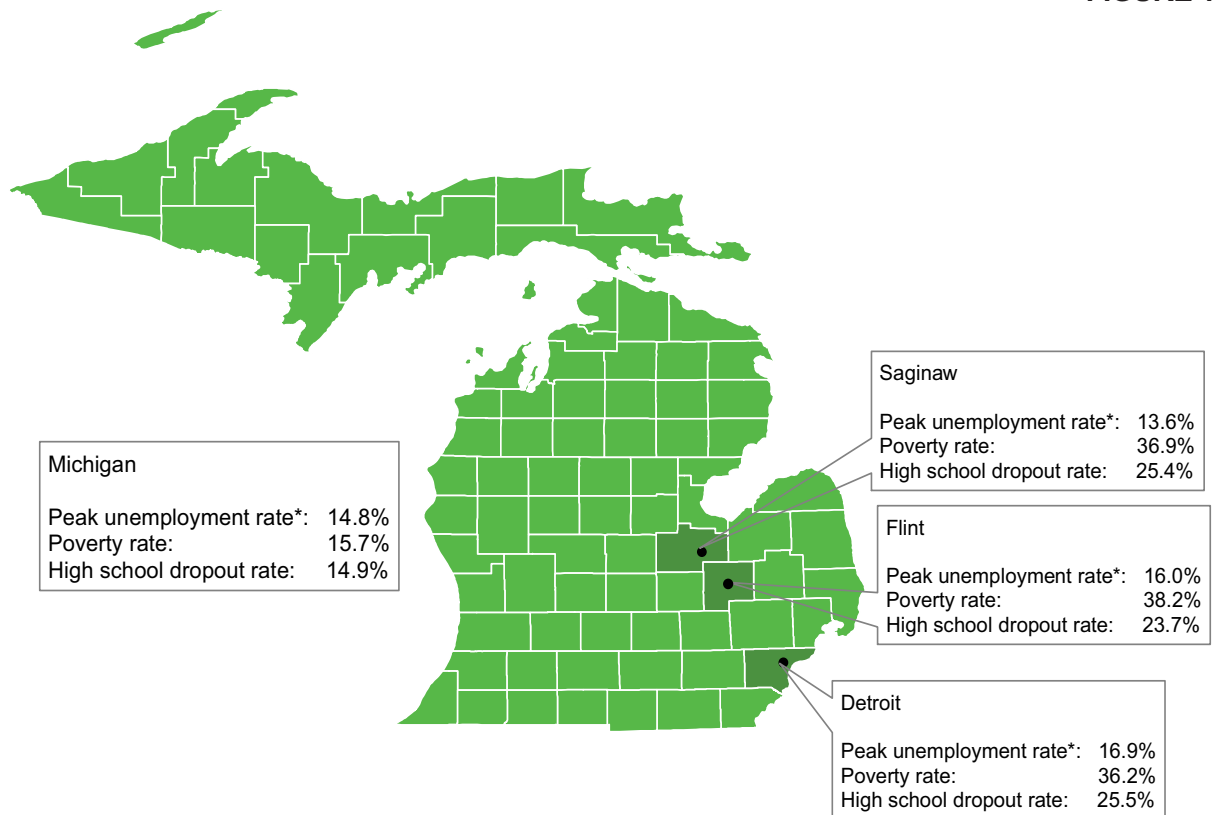
between African Americans, Hispanics, and whites.¹⁴

Though there was certainly need throughout the state, Detroit, Flint, and Saginaw had some of the most acute need—high unemployment, poverty, and high school dropout rates (Figure 1).¹⁵

So, while the Great Recession introduced unemployment and underemployment to the masses, its significant negative trends aggravated already declining rates of employment in Michigan, particularly among less-educated, young, male, and minority individuals, who were then also hit hardest by the recession.¹⁶

ECONOMIC INDICATORS OF NEED IN EARN AND LEARN CITIES

FIGURE 1



* All peaks occurred in July 2009 and are not seasonally adjusted.

14. While a formal treatment of educational disparities is beyond the scope of this report, further discussion of evidentiary links between race and educational outcomes can be found in: Mickelson, R. (2003). When are racial disparities in education the result of racial discrimination? A social science perspective. *Teacher's College Record*, 105(6), 1052-1086; Oladele F., & Williams, J.A. (2008). *Structural inequalities: The urgent need to move from education for some to education for all*. New York: Center for Law and Social Progress.

15. U.S. Bureau of Labor Statistics. *Local Area Unemployment Statistics*. Available at <http://www.bls.gov/lau/>; U.S. Census Bureau's 2007-2011 American Community Survey 5-year estimates program; Center for Educational Performance and Information. *2012 cohort four-year, 2011 cohort five-year and 2010 six-year graduation and dropout rates including subgroups*. Available at http://www.michigan.gov/cepi/0,4546,7-113-21423_30451_51357---,00.html. Data reflect the 2011 cohort five-year graduation rate.

16. Edelman, P., & Holzer, H (2013). *Connecting the disconnected: Improving education and employment outcomes among disadvantaged youth*. IRP Discussion Paper, No. 1412-13. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.

The National Response and Local Adaptation

On the national level, these nearly unprecedented levels of unemployment and job loss created a critical need for immediate action. To counteract the country's downward economic trend, President Obama signed the American Recovery and Reinvestment Act (ARRA) in February 2009. Among the legislation's many measures was the creation of a pool of emergency funds available through Temporary Assistance to Needy Families (TANF) intended to support states in throwing out a lifeline to struggling citizens. With this funding, states could be reimbursed for 80 percent of increased spending in three categories: basic assistance, short-term non-recurrent benefits, and subsidized employment programs.¹⁷

Government leaders, advocates, and funders in Michigan responded by calling for programs and policies that would provide work and education opportunities to stem the tide of economic losses spreading across the state.

These provisions encouraged states to use the injection of funding to increase TANF caseloads, expand cash benefits and other short-term assistance for TANF recipients, collaborate with community-based organizations to extend emergency food or cash assistance to non-TANF recipients with extreme needs, and expand or create subsidized employment programs intended to create jobs by subsidizing wages.¹⁸ The 20 percent of spending not reimbursed by the TANF Emergency Contingency Fund could be provided by non-federal funds, other public or private funding, or in-kind contributions, including training and supervision provided by participating employers.¹⁹

Times of economic downturn tend to hit low-income, low-skilled, disconnected, and chronically unemployed individuals—particularly African American men—hardest, effectively compounding the disadvantage they already experience on a regular basis.²⁰ Beyond these immediate effects, the combination of poor schooling, disproportionate incarceration rates, and lack of employment opportunities often experienced by these populations early on in life carry long-term ramifications on earning potential and economic outcomes.²¹

Setting aside the considerable costs to the individual, there are also a slew of costs to society that accompany the higher incidence of physical and mental health issues, crime and justice system involvement, and need for welfare and other social supports associated with a lack of economic opportunity among disconnected youth and adults.²² Aware of this trajectory, government leaders, advocates, and funders in Michigan responded by calling for programs and policies that would provide work and education opportunities to stem the tide of economic losses spreading across the state. These advocates underscored the need to immediately connect at-risk youth and unemployed adults with jobs so that they could earn wages, support their families, and infuse their local economies with their earnings—while at the same time launching or maintaining a work history.

17. Lower-Basch, E. (2009, November). *Questions and answers about the TANF Emergency Fund*. Washington, DC: Center on Law and Social Policy.

18. Schott, L. (2010). *Using TANF Emergency Funds to help prevent and address family homelessness*. Washington, DC: Center on Budget and Policy Priorities.

19. Ibid.

20. Edelman P. & Holzer H. (2013). *Connecting the disconnected. Improving education and employment outcomes among disadvantaged youth*. IRP Discussion Paper, No. 1412-13. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.

21. Edelman, P., Greenberg, M., & Holzer, H. (2008). *A safety net for the least fortunate*. Available at <http://www.urban.org/publications/1001249.html>; Alexander, M. (2010). *The new Jim Crow: Mass incarceration in the age of colorblindness*. New York: The New Press.

22. Belfield, C., Levin, H., & Rosen, R. (2012). *The economic value of opportunity youth*. Washington, DC: Civic Enterprises.

The overarching intent of Earn and Learn was to make the pursuit of training with labor market value to disconnected and chronically unemployed individuals feasible by offering them a chance to earn an income through simultaneous transitional employment.

This push was based on a research base that indicates that in order to truly impact these individuals and their economic outcomes, a multi-pronged approach—including industry-driven training, case management, transitional job experiences, and employer engagement—is necessary to enable them to attain and sustain better jobs over the long term.²³ The demonstrated need in Michigan, combined with research support for the notion that transitional jobs programs can get people back to work and keep them working even in times of poor economic conditions, indicated to decision makers that the moment was right for a strategic jobs initiative tailored to the struggling Michigan workforce that would at the same time meet the needs of local employers.²⁴

Michigan subsequently developed the Earn and Learn program with the goal of creating opportunities for individuals with barriers to employment to pursue the types of education and occupational training associated with economic advancement. The program targeted disconnected, at-risk youth (ages 18 to 24), young minority males (including prisoners re-entering communities), and chronically unemployed adults in Detroit, Flint, and Saginaw. Program cities were determined by weighing a combination of economic and social factors and local support for the program. Ultimately, Earn and Learn was supported through a combination of Workforce Investment Act (WIA) Statewide Activity funds and Wagner-Peyser 7A Employment Services funds allocated by the State of Michigan Workforce Development Agency and crucial support from both national and local philanthropic foundations, including the Open Society Foundations, the Charles Stewart Mott Foundation, the Skillman Foundation, the New Economy Initiative for Southeast Michigan, and the W.K. Kellogg Foundation.

The overarching intent of Earn and Learn was to make the pursuit of training with labor market value to disconnected and chronically unemployed individuals feasible by offering them a chance to earn an income through simultaneous transitional employment. Program framers recognized the differences in skills and demographics present in the communities at each site and subsequently designed Earn and Learn in a manner that would allow sites the flexibility to implement a model suited to unique local needs. Eighteen months into the program, Michigan Earn and Learn had served nearly 1,300 disadvantaged job seekers with skills training, education, and work, with over 800 of them earning income in a transitional job.²⁵

23. Butler, D., et. al. (2012). *Enhanced services for the hard-to-employ demonstration and evaluation project: Final results of the Hard-to-Employ Demonstration and Evaluation Project and selected sites from the Employment Retention and Advancement Project*. OPRE Report 2012-08. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services; Maguire, S., Freely, J., Conway, M., & Schwartz, D. (2010, July). *Tuning in to local labor markets: Findings from the Sectoral Employment Impact Study*. New York: Public/Private Ventures; Michigan Future, Inc. (2010). *The reducing chronic unemployment initiative big idea phase final report*. Ann Arbor: Author.

24. National Transitional Jobs Network. (2010, October). *The Transitional Jobs Reentry Demonstration: Advancing the field of transitional jobs*. Chicago: Author.

25. Since Flint programming began in May 2011, this report covers 19 months of programming in Flint.

METHODOLOGY

The Michigan Earn and Learn evaluation was designed to answer four basic research questions:

1. How was Earn and Learn designed?
2. How was Earn and Learn implemented?
3. What were Earn and Learn's outcomes?
4. What were Earn and Learn's impacts?

This outcome and implementation evaluation is based on the first 19 months of programming (May 1, 2011 through December 31, 2012) and addresses the first three research questions; a subsequent report will examine program impacts on income, public benefits receipt, and recidivism. Please refer to Appendix A for a detailed description of evaluation methodology.

Evaluators used the following sources in this report:

- **Program documents:** To understand program design and intent, evaluators reviewed related policy issuances from the Michigan Workforce Development Agency (WDA) and regional grant proposals. These documents describe both the services that each effort was required to provide as well as how they intended to do so.
- **Program records:** Data on the personal (including demographics, educational attainment, and barriers to employment) and household characteristics, services received, and program outcomes of the entire universe of Earn and Learn participants were drawn from program documentation, including intake forms, assessments, and performance measurement tools.
- **Michigan's One-Stop Management Information System (OSMIS):** To verify the complete universe of participants, demographics and data on supportive services received by all registered participants were collected from OSMIS, the state-level workforce database used for all Michigan Works! Agency programs in Michigan. Data on barriers to employment are also collected in this database, which allowed OSMIS data to serve as a supplement to information collected from other sources.
- **Interviews:** To understand the circumstances that led to the creation of Earn and Learn and shaped its design and implementation, evaluators interviewed representatives of key organizations involved in the design, administration, and funding of the program. To understand each site's experience implementing Earn and Learn, evaluators interviewed staff and administrators from each site. Finally, to understand their experiences prior to the program and to gain additional program feedback, evaluators also interviewed participants from each site.
- **Participant survey:** Primary data on participant program experiences and satisfaction with Earn and Learn were drawn from responses to a 30-question survey sent to the entire universe of participants. Of all surveys sent, 137 useable responses were received—a response

rate of slightly over 9 percent. Because the number of responses constitutes a relatively small and non-representative proportion of all 1,295 participants, caution must be used in generalizing about the characteristics and experiences of all participants from survey responses. For a discussion of factors that may have contributed to the low response rate, please see Appendix A.

- **Employer survey:** Data on the characteristics of Earn and Learn employers, their assessments of participant progress, and their satisfaction with the program were collected in a 44-question survey sent to all participating employers. Of all surveys sent, 27 useable responses were received, constituting a response rate of 33 percent. Because responses received are not necessarily representative of all 80 Earn and Learn employers, caution must be used in generalizing about all employers from survey responses.

WHY TRANSITIONAL JOBS?

Large-scale subsidized (or publicly-funded) jobs programs are intended to rapidly inject work-based income into the community and drive down unemployment rates among individuals with limited or no work experience, particularly during recessions or other times of high unemployment. Transitional jobs (TJ) are a subset of subsidized employment programs that add enhancements intended to increase the long-term employability and economic advancement of individuals disconnected from the workforce, including case management, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce. Transitional jobs participants receive individualized wraparound services that may include training, education, case management, job coaching at their transitional worksites, mediation with worksite supervisors, supportive services, and mental or physical health referrals. Over the past few decades, evidence has been mounting for the efficacy of transitional jobs in meeting those goals as well as other important outcomes, such as reducing recidivism among returning citizens, supporting small businesses, preventing future justice system involvement, and reducing reliance on public benefits.¹

A growing body of evidence suggests that TJ programs that integrate adult learning contextualized to the workplace and credential attainment lead to even more sustained economic gains and other positive outcomes for program participants.² This approach allows programs to meet participants where they are in terms of skills and education—since many members of the populations TJ programs are targeted at require additional education/training to qualify for many of the sectoral trainings, certification programs, and entry-level employment opportunities that afford TJ participants opportunities for advancement. Combining education with wage-paid work also makes pursuing education a more feasible endeavor for individuals with low or no income. Notably,

1. Bloom, D. (2010). *Transitional jobs: Background, program model, and evaluation evidence*. New York: MDRC; Birchfield, E. (2002). *Community jobs program moves people from welfare to career track*. Seattle: Economic Opportunity Institute; Social IMPACT Research Center. (2010, October). *Put Illinois to Work evaluation: An early look*. Chicago: Author.

2. The National Transitional Jobs Network. (2010). *The Transitional Jobs Reentry Demonstration: Advancing the field of transitional jobs*. Chicago: Author.

this enhancement of learning contextualized to work was incorporated as a key aspect of Earn and Learn.

Subsidized jobs and TJ programs can be especially mutually beneficial during times of high unemployment and economic downturn when employers do not have the financial solvency to take on new workers but stand to benefit from the additional capacity the subsidized workforce helps realize.³ There is also an economic ripple effect associated with the wages participants earn in these types of programs. For example, a large-scale statewide subsidized jobs program in Illinois that paid out \$107 million in wages generated nearly \$13.6 million in federal income, Medicare, and Social Security taxes, over \$2.7 million in state income tax, and nearly \$400,000 in garnished support orders (e.g., child support, alimony, family support).⁴

Further, though they may require additional support, participants regarded as “hard-to-employ”—i.e., those who are unable to obtain employment on their own due to lack of experience, who have not had the opportunity to develop workplace behaviors, and who may also be experiencing additional barriers, such as low literacy, lack of affordable childcare, or the stigma surrounding an incarceration history, generally have the most ground to gain and are in turn best served by these programs.⁵

Awareness of these macro and micro-level benefits led private funders, advocates, and policymakers to identify the American Recovery and Reinvestment Act’s TANF Emergency Contingency Fund as a unique opportunity to inject local economies with much-needed income, stir economic activity, and provide disconnected individuals opportunities for economic advancement. Program designers also saw a moment for individuals who generally do not have the option of pursuing training while foregoing an income to have an opportunity to earn money while gaining the type of industry-recognized skills that would advance their career toward more of a livable income.

3. Social IMPACT Research Center. (2010, October). *Put Illinois to Work evaluation: An early look*. Chicago: Author.

4. Ibid.

5. Michalopoulos, C. (2004). *What works best for whom: Effects of welfare and work policies by subgroup*. New York: MDRC.

PROGRAM DESIGN AND IMPLEMENTATION

Earn and Learn's existence and design is owed to a group of committed public and private funders, workforce providers, and workforce advocates who saw the program through despite funding shifts and delays. Their persistence paid off and manifested in a program model that allowed program sites flexibility within a broad program structure based on transitional jobs best practices. Programming in Saginaw and Detroit officially ended December 31, 2013, but may be renewed by private funders. Flint obtained additional funding from the Charles Stewart Mott Foundation to continue program activities into 2014 to help program completers obtain unsubsidized employment.

Earn and Learn's program model allowed Detroit, Saginaw, and Flint flexibility within a broad program structure based on transitional jobs best practices.

Earn and Learn was designed to both align with other workforce development policies and programs and to fill a gap left by existing policies and programs:

- Nationally, over the last decade or two, the Workforce Investment Act (WIA) has shifted to serving a greater share of unemployed individuals with more extensive work histories and a smaller share of low-income jobseekers with barriers to employment.²⁶
- No Worker Left Behind (NWLB), initiated by the Granholm Administration in 2007, provided free tuition to unemployed and moderate-income individuals to return to school and earn credentials with labor market value. Earn and Learn was intended to share NWLB's emphasis on training and focus on making training attractive and accessible to individuals disconnected from education and the labor market.²⁷
- Jobs Education and Training (JET),²⁸ Michigan's TANF jobs program, already provided training and supportive services to help low-income individuals with children meet TANF work participation requirements.
- A version of JET called JET Plus provided subsidized employment to TANF participants—generally single mothers.

None of these publicly supported programs provided targeted subsidized employment and support for disconnected men without children, a strategy and population subset that Earn and Learn's designers viewed as critical to ameliorating Michigan's economic woes.

Program Design and Launch

The program used an innovative braided funding structure consisting of philanthropic support combined with state and federal dollars in order to fund the various aspects of the program, including case management,

26. Center for Law and Social Policy (2008). *Written comments on Workforce Investment Act reauthorization*. Washington, DC: Author.

27. Earn and Learn is intended to "augment and enhance the scope of No Worker Left Behind" according to the State of Michigan's Department of Career Development, Bureau of Workforce Transformation's Policy Issuance 10-28 dated 04/15/2011.

28. As of January 1, 2013, JET became known as Partnership, Accountability, Training, Hope (PATH). More information is available at http://www.michigan.gov/mdcd/0,4611,7-122-1678_41500--00.html

supportive services, subsidized wages, education, and training. While perhaps introducing an additional level of complexity, combining funding streams is a promising approach for increasing program sustainability as well as promoting consistency among funding streams aimed at the same goal of economic advancement.

In effect, then, what was intended to be a statewide ARRA program funded with substantial federal and private funds became a similar post-ARRA program funded with fewer state and private funds.

Fresh from successfully partnering with several states and localities to draw down various American Recovery and Reinvestment Act (ARRA) funds, the Open Society Foundations (OSF) played a lead role in driving the effort in Michigan that ultimately resulted in the creation of Earn and Learn. In an early plan for the program, OSF would have contributed \$7.5 million. Local foundations, including the Charles Stewart Mott Foundation, the Skillman Foundation, the New Economy Initiative, and the W.K. Kellogg Foundation would have together contributed a total match of \$7.5 million. Program designers envisioned using \$5 million of the combined private funds to draw down \$30 million in TANF Emergency Contingency Funds (ECF) to provide \$20 million in subsidized wages for TANF-eligible individuals through the Jet Plus program and the remaining \$10 million to offer subsidized wages to disconnected men without TANF-eligible dependents in the economically depressed areas of Detroit (including Detroit, Hamtramck, Highland Park, and Pontiac), Flint, Saginaw, and western Michigan (including Benton Harbor, Greenville, and Muskegon Heights) through Earn and Learn.

Several contextual challenges burdened the timely and as-designed launch of Earn and Learn. After the state legislature missed the deadline of September 30, 2010, to draw down ECF dollars, the ARRA ECF money originally anticipated for Earn and Learn was no longer available and the state had to scramble to identify alternative funds. Ultimately, the State of Michigan's Workforce Development Agency shored up ARRA WIA Statewide Activities funding to replace the ARRA ECF dollars. However, philanthropic awards were not made until February 2011, a delay that introduced further complications, since by that time only 4 months of spending authority was left on the WIA Statewide Activities funds.²⁹ After it became clear that the substantial ARRA ECF money would be unavailable, in the interest of maximizing leverage of OSF funds, OSF added a requirement to their funding offer to each region that the State of Michigan would also have to match OSF and local foundation funding one-to-one to-one. This modification meant that the State had to work further to secure additional funds, which again delayed implementation. Ultimately, Wagner-Peyser 7A Employment Services funding was used to supplement the state's final contribution to Earn and Learn.

In light of reduced public funding as well as local private funder interest in the especially hard hit region of Detroit, in January of 2011, the State of Michigan decided to move ahead with Earn and Learn on a reduced scale, eliminating western Michigan from the program. In effect, then, what was intended to be a statewide ARRA program funded with substantial federal and private funds became a smaller post-ARRA program funded with fewer state and private funds. Generally speaking, public dollars were intended to be spent on training, education, and supportive services, while private funds were intended to be used on subsidized wages and case management. Earn and Learn operated in three cities—Detroit, Flint, and Saginaw—by several local

29. WIA Statewide Activities funds refer to the discretionary WIA dollars that states can set aside for workforce development initiatives throughout the state, while Wagner-Peyser funds stem from the Wagner-Peyser Act of 1933, legislation intended to help workers and businesses affected by the Great Depression. Wagner-Peyser was eventually amended to be folded into the Workforce Investment Act of 1998.

workforce providers, all of whom were already WIA providers but some of whom were not used to serving individuals with more barriers to employment than the average WIA client.

By design, Earn and Learn allowed local providers flexibility within a broad program structure based on transitional jobs best practices and regional needs. The Michigan Workforce Development Agency (WDA), the state agency that was home to Earn and Learn, issued the following broad policy guidelines on Earn and Learn that local providers had to work within when crafting their own local versions of Earn and Learn:³⁰

To varying degrees in each city, Earn and Learn was not implemented strictly according to original program design.

- Since WIA funds were to be used for education and training components, all participants were required to be eligible for and registered for the WIA Adult program.³¹
- All education and training activities were to be offered at the same time as subsidized employment to allow participants to complete both on a parallel track. Transitional jobs were intended to incentivize participants to engage in education or training. Obtaining a transitional job should “be conditional upon concurrent engagement in approved education or training programs that solidify basic skills and ultimately result in the attainment of degrees and/or certificates with labor market value.”
- To assist participants with achieving success in transitional jobs and education or training, providers were to help participants manage barriers to employment and offer “follow-up” services such as assistance with job search, interview skills, resume, and work readiness training.
- Providers were to be equipped to bridge the gap between participant skill levels at the time of enrollment and skills needed to begin occupational training and transitional jobs by offering adult basic education tailored to the workplace (contextualized literacy) and English as a Second Language (ESL) to those who needed it.
- Providers were instructed to include work readiness training or life skills classes “to help individuals become familiar with general workplace expectations and to learn the behaviors and attitudes necessary to compete effectively in the labor market.”
- Case management, career advising, and supportive services were to be offered by the providers for up to 180 days after participants are placed in permanent employment.

Considering these guidelines, it is evident that to varying degrees in each city, Earn and Learn was not implemented strictly according to original program design. As will become clear in the following sections, program realities conflicted with intended design in terms of who was recruited to participate, the systematic offering of work readiness training, the necessity of attending occupational training in order to be offered a transitional job, and for those who did enroll in both training and the TJ, the timing of those two activities was not always concurrent. While this flexibility may have been necessary

30. State of Michigan’s Department of Career Development, Bureau of Workforce Transformation’s Policy Issuance 10-28 dated 04/15/2011.

31. All women over age 18 and men who have completed Selective Service registration over age 18 are eligible for WIA adult core services, which provides job search and placement assistance, labor market information, and outreach. More information available at http://www.doleta.gov/programs/general_info.cfm.

to mesh with the realities of participants' lives and program implementation obstacles, the program model cannot necessarily be expected to achieve the intended effect of fostering economic advancement in the long-term without full implementation.

Key Players

A diverse cadre of state and local government entities, local nonprofit providers, and both public and private funders carried out the work of operating Earn and Learn. The funding structure and management of Earn and Learn was innovative but also fairly complex. The key players can be broken into five categories: multi-site funders, locally-based funders, program administrators, Michigan Works! agencies, and local service providers.

Multi-site funders provided the initial impetus for Earn and Learn, set program priorities, and crafted a flexible program designed to allow each city to cater to regional needs. The following multi-site funders supported program efforts in all Earn and Learn cities:

- The U.S. Programs operated by the **Open Society Foundations (OSF)** support efforts to advance equality, fairness, and justice with a focus on the most vulnerable and marginalized communities and the most significant threats to open society in the United States today.³² In April 2009, George Soros and his Open Society Foundations established the Special Fund for Poverty Alleviation in response to the economic crisis to provide humanitarian and direct services. During Earn and Learn, OSF played a lead role in driving the design of the program. Before Earn and Learn was conceived, OSF had successfully contributed private funds to serve as state match to draw down ARRA funds for programming in New York. OSF was looking to replicate this success in Michigan and subsequently sought contributions from local foundations that would be combined with OSF funds and be used to draw down ARRA funds. In 2009, OSF and the State of Michigan successfully approached the Mott Foundation about providing matching funds. Ultimately, OSF dollars were used to fund case management, subsidized wages, and supportive services not covered by WIA.
- The **State of Michigan Workforce Development Agency (WDA)** is the home of Earn and Learn at the state level. After the deadline for drawing down ARRA funds passed, the WDA allocated funding from WIA to pay for participant training and case management; the WDA also contributed Wagner-Peyser funds to support job development staff. The WDA played a lead role in designing Earn and Learn and crafted policy issuances intended to establish program framework, clarify allowable spending, and provide implementation instructions. As program implementation wore on, staff from the WDA provided feedback on program performance, continuous guidance on how public funding could be used, and other advice intended to reinforce program priorities and maintain compliance with program requirements.

To increase buy-in in the region and promote a grassroots intervention, OSF required that **locally-based funders** match their contribution in each city as a condition of Earn and Learn funding. Regional funders met that requirement

32. Open Society Foundations. *U.S. Programs*. Available at <http://www.opensocietyfoundations.org/about/programs/us-programs>.

A diverse cadre of state and local government entities, local nonprofit providers, and both public and private funders carried out the work of operating Earn and Learn.

and used their unique knowledge of the local ecologies to provide insight into program priorities. The following regional funders supported Earn and Learn:

- **The Charles Stewart Mott Foundation** is a private grant-making organization located in Flint seeking to support efforts related to civil society, the environment, the Flint area, and creating and testing pathways out of poverty. Mott's involvement with Earn and Learn was twofold: Mott granted their own funds directly to program administrators in Flint and Saginaw as part of their pathways out of poverty grant-making and they also re-granted Earn and Learn funding from OSF to program administrators in Flint, Saginaw, and Detroit. Leveraging their connections with program administrators in each Earn and Learn city, Mott also organized a multi-site convening to discuss cross-city successes, challenges, and new approaches.
- **The New Economy Initiative for Southeast Michigan (NEI)** is a consortium of ten local and national foundations committed to an 8-year initiative to transition metropolitan Detroit to a knowledge-based economy. NEI contributed funds for the local match in Detroit and helped guide program priorities, particularly the targeting of disconnected individuals.
- **The Skillman Foundation** is a Detroit-based private grant-making organization focused on funding efforts to improve the lives of Detroit children. Skillman is a member of NEI and also contributed its own additional funds for the local match in Detroit.
- **The W.K. Kellogg Foundation** is a private grant-making organization located in Battle Creek seeking to improve the lives of children and families. Kellogg is a member of NEI, contributed its own additional funds for the local match OSF required in Detroit, and helped guide program priorities.

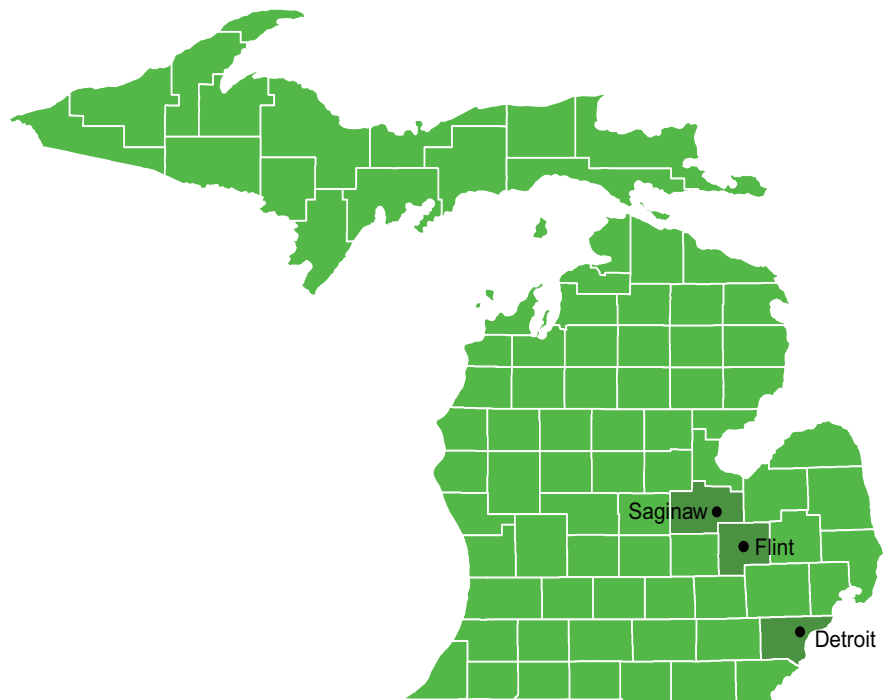
Program administrators led the implementation of Earn and Learn in each region (Figure 2). This leadership included designing an Earn and Learn program tailored to local needs, grant management, program oversight, performance management, and managing funding relationships. In some cases, program administrators also managed the payroll of subsidized wages earned by their participants. The following entities served as program administrators:

- **Southwest Housing Solutions (SWHS)** is part of a family of nonprofits established to serve disconnected populations in Detroit. Due to the organization's administrative capacity and success at managing large-scale initiatives with a complex web of collaborators, private funders selected SWHS to serve as the program administrator in Detroit. As program administrator, SWHS selected and subcontracted with service providers in Detroit, Dearborn, and Hamtramck, oversaw the administration of Earn and Learn in the region, and managed the Earn and Learn working group—a biweekly convening of service providers, staff from the two MWAs working with Earn and Learn in the region, and participant representatives. As the grantee of private Earn and Learn funding, SWHS managed the philanthropic dollars. Somewhat uniquely due to the organization's administrative capacity, SWHS also directly managed the payroll of subsidized wages.

- Genesee/Shiawassee Michigan Works!** (formerly known as Career Alliance, Inc.) is the Michigan Works! Agency (MWA) serving Genesee/Shiawassee counties.³³ As a MWA, Genesee/Shiawassee Michigan Works! is responsible for monitoring, managing and administering public workforce programs in the region. GSMW selected and subcontracted with the Earn and Learn service providers in the Flint area. As a MWA, GSMW managed the public portion of Earn and Learn funding in Genesee County (where Flint is located). As the grantee of Earn and Learn philanthropic funds, GSMW also administered the philanthropic portion of Earn and Learn funding in the region. Through the Wagner-Peyser funds allocated to Earn and Learn, GSMW also employed a job developer working to identify transitional and permanent unsubsidized employment opportunities specifically for Earn and Learn participants, a practice acknowledged as promising in previous research.^{34,35}

EARN AND LEARN PROGRAM SITES

FIGURE 2



33. Michigan Works! Agencies (MWAs) are part of the state's unified workforce development system, which integrates state and federal funding—including funding from WIA, TANF, Trade Adjustment Assistance, and other public streams that become available. Each county and in some cases, larger cities, have their own MWA responsible for managing the planning, implementation, and delivery of workforce programs in their region. While MWAs recently received permission to provide services to clients, MWAs generally act as administrative bodies that instead identify service providers in the community to act as subcontractors. MWAs are also tasked with staying attuned to the needs of local employers to ensure that the pipeline of workers emerging have relevant skills and experiences. The role of each MWA involved with Earn and Learn varied by city.

34. Wagner-Peyser funds allocated to Earn and Learn job developers ended September 30, 2011.

35. Kirby, G., Hill, H., Pavetti, L., Jacobson, J., Derr, M., & Winston, P. (2002). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc.

- **Great Lakes Bay Michigan Works! (GLBMW)** is a consortium of Saginaw, Midland, and Bay Counties established to monitor, manage, and operate public workforce development programs for the region. GLBMW selected and subcontracted with the Earn and Learn service provider in the Saginaw region. As a MWA and the grantee of Earn and Learn philanthropic funds, GLBMW managed both the private and public portion of Earn and Learn funding for Saginaw. Through the Wagner-Peyser funds allocated to Earn and Learn, GLBMW also employed a job developer co-located at the provider agency working to identify transitional and permanent unsubsidized employment opportunities specifically for Earn and Learn participants, a practice acknowledged as promising in previous research.³⁶

The following **Michigan Works! agencies** processed WIA registrations and administered Individual Training Accounts (only used in Detroit):

- **The Detroit Workforce Development Department (DWDD)** was a department of the Detroit city government and functioned as a Michigan Works! agency serving the City of Detroit until June 2012. While serving as a collaborative partner with Detroit service providers and program administrators, DWDD served as part of the regional Earn and Learn working group, provided participant referrals to Detroit providers, played a role in developing transitional job worksites, and promoted Earn and Learn to local employers. Through the Wagner-Peyser funds allocated to Earn and Learn, DWDD also employed a job developer co-located at the provider agencies working to identify transitional and permanent unsubsidized employment opportunities specifically for Earn and Learn participants, a practice acknowledged as promising in previous research.³⁷
- **Detroit Employment Solutions Corporation (DESC)**, a nonprofit organization, was formed in July 2012 and replaced DWDD as the Michigan Works! agency serving the city of Detroit. As a MWA, DESC contracted with Grant Associates, a private workforce development company, to process WIA registrations and administer state funds in the form of ITAs, which the Detroit region elected to use to fund training for Earn and Learn participants. As a collaborative partner with Detroit service providers and program administrators, Grant Associates served as part of the regional Earn and Learn working group, provided participant referrals to Detroit providers, and promoted Earn and Learn graduates to local employers.
- **Southeast Michigan Community Alliance (SEMCA)** is a nonprofit Michigan Works! agency that serves Monroe and Wayne Counties, excluding the city of Detroit (located in Wayne County). As a MWA, SEMCA processed WIA registrations and administered state funds in the form of ITAs, which the Detroit region elected to use to fund training for Earn and Learn participants. As a collaborative partner with Detroit service providers and program administrators, SEMCA also served as a contributor to the regional Earn and Learn working group, and provided participant referrals to Detroit providers. Through the Wagner-Peyser funds allocated to Earn and Learn, SEMCA also employed a

36. Kirby, G., Hill, H., Pavetti, L., Jacobson, J., Derr, M., & Winston, P. (2002). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc.
37. Ibid.

job developer co-located at the provider agencies working to identify transitional and permanent unsubsidized employment opportunities specifically for Earn and Learn participants, a practice acknowledged as promising in previous research.³⁸

Local service providers were responsible for recruiting and screening participants, case management, providing or making referrals for supportive services, adult basic education, ESL classes, and workplace literacy as needed, transitional job and training placement, and supporting participants in their efforts to obtain permanent unsubsidized employment:

- **Focus: Hope** has been a human service provider in Detroit since 1968. Focus: Hope offers career training programs and houses extensive training facilities onsite, including an Information Technologies Center and a Machinist Training Institute. As an Earn and Learn provider, Focus: Hope served participants in the Detroit area and also offered training programs for all Detroit participants.
- **Arab Community Center for Economic and Social Services (ACCESS)** provides an array of health and human services, including employment services, youth programs, educational and cultural programs and civic engagement, advocacy, and social entrepreneurship services. ACCESS has served the Detroit, Dearborn, and Hamtramck communities since 1971 and operates a one-stop center for SEMCA. ACCESS served Earn and Learn participants from Highland Park, Hamtramck, and parts of Detroit.
- **Mott Community College (MCC)** is a community college located in Flint. MCC operates a Workforce Education Center adjacent to its Flint campus, and staff at this center operated Earn and Learn and other publicly funded programs. Mott's Workforce Development department became a WIA Employment Services provider in July 2012, which means that they gained the ability to enroll Earn and Learn participants in WIA directly. Mott also runs payroll for the subsidized wages participants earned.
- **Baker College of Flint** is a nonprofit college belonging to the Baker College system, the third largest university system in Michigan. Prior to Earn and Learn, Baker administered a WIA youth program involving subsidized employment. During Earn and Learn, Baker served participants and like Mott, ran payroll for the subsidized wages participants earned.
- **The Arnold Center, Inc.** is a nonprofit organization in Saginaw that provides case management and other non-education and training services. It was established in 1967 to provide employment and training services for people with disabilities in Midland, Bay, and Saginaw Counties, and has served as a contractor for Job Training Partnership Act (JTPA), WIA, and TANF employment services and case management. The Arnold Center was the Earn and Learn service provider in the Saginaw region and also set up a separate limited liability company (LLC) to pay the subsidized wages of Earn and Learn participants directly.

38. Ibid.

Implementation Variations

The WDA's policy issuance allowed the MWAs and local providers substantial discretion in designing their version of the Earn and Learn program best suited to local conditions, which resulted in a number of notable differences in program design across the three cities. Appendix B contains a table that outlines these differences in detail.

The Detroit program differed from the Flint and Saginaw programs primarily in the following ways:

- **Multiple ITAs:** Detroit used WIA Title I Individual Training Accounts (ITAs) to fund education and training. ITAs allow participants to use a voucher of up to \$5,000 to attend training/education from an eligible provider. Each participant was eligible to use up to three ITAs: the first paid for certifications earned through work readiness training, the second could be used to pay for adult basic education, and the third for vocational or occupational training.
- **Work Readiness Curriculum:** Prior to enrolling in a transitional job or occupational training, participants were required to attend a mandatory 4-week course (160 hours) taught at a local community college. Topics included communication, customer service, computer literacy, financial literacy and budgeting, and job search and application skills. Upon completion, participants earned certifications in First Aid, CPR, and Michigan OSHA workplace safety, as well as a stipend for attending. Given that nearly a quarter (23 percent) of Detroit residents over 25 years old have less than high school degree, this rigorous requirement was likely a necessary step to moving into transitional employment and industry-focused occupational training.³⁹
- **Lack of Sector Focus:** Flint and Saginaw used other funding streams to provide training in energy conservation and green construction and place participants with construction, demolition, rehabilitation, and related employers; by contrast, the Detroit program was not sector-focused.
- **Employer Reimbursement:** Employers were required to take Earn and Learn participants onto their own payrolls and would subsequently be reimbursed by SWHS for wages during the subsidized job period. While this may have initially been a tough sell to employers, there is evidence that this arrangement leads employers to have an increased stake in training and supporting transitional jobs participants.⁴⁰

The Saginaw version of Earn and Learn differed slightly from the other sites primarily in the following ways:

- **Selection:** A panel of representatives from the Arnold Center, Delta College, and a faith-based organization interviewed participants to

39. U.S. Census Bureau's 2010 Census. Available at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

40. Farrell, M., Elkin, S., Broadus, J., & Bloom, D. (2011). *Subsidizing employment opportunities for low-income families: A review of state employment programs created through the TANF Emergency Fund*. New York: MDRC.

determine whether they should enter the program. Panel interviews had been used to select participants for prior GLBMW programs and appeared to be a successful method for gauging participants' level of commitment to the program.

- **Payroll Process:** To minimize organizational liability risk to both the Arnold Center and GLBMW, GLBMW set up a limited liability corporation to pay subsidized wages to Earn and Learn participants.

The Flint program differed from Detroit and Saginaw primarily in the following ways:

- **Less Use of Work Readiness Training:** Program orientation in Flint briefly covered teamwork, customer service, and other general work-related topics. Only participants found at orientation to lack the soft skills needed to begin employment were required to attend a weekly “job club” covering soft skills until they were work-ready. They could also attend additional work readiness workshops if deemed necessary. In implementation, most participants did not attend any additional work readiness training.
- **Funding for Training:** To provide training and conserve Earn and Learn funds, the Flint Earn and Learn initiative used State Energy Sector Partnership (SESP) and Pathways Out of Poverty (Pathways) grants to pay for training and Earn and Learn funds to pay for subsidized employment for Earn and Learn participants:
 - SESP grants were ARRA funds awarded to states for the purpose of teaching skills required by emerging energy-efficiency and renewable-energy industries.⁴¹ Mott Community College and Baker College of Flint used SESP grants to fund energy-conservation-related training for Earn and Learn participants.
 - Pathways grants were ARRA funds awarded to private organizations to help disadvantaged populations overcome poverty through employment in energy-efficiency and renewable-energy industries.⁴² Mott Community College used Pathways grants to fund green-construction-related training for Earn and Learn participants.
- **Training and Transitional Employment Sequence:** Participants combined education/training and subsidized employment in a sequence that fit their preferences and the preferences of employers. Whereas the Detroit and Saginaw sites originally required participants to undergo education/training and subsidized employment concurrently, Flint participants were allowed to undergo these program components concurrently, complete one component first, or move back and forth between education/training and employment. For example, some employers preferred that participants complete some training before subsidized employment in order to show commitment, and some participants wanted to get training “out of the way” before subsidized

41. U.S. Department of Labor (2010). *American Recovery and Reinvestment Act of 2009: State Energy Sector Partnership (SESP) and training grants*. Washington, DC: Author.

42. U.S. Department of Labor (2010). *U.S. Department of Labor announces \$150 million in 'Pathways Out of Poverty' training grants for green jobs*. Available at <http://www.dol.gov/opa/media/press/eta/eta20100039.htm>

employment.

Due to the fact that each city applied for funding and operated independently from each other, each city made different implementation decisions based on differing regional needs, organizational capacity to absorb risk, program realities, and participant realities. This between-region variation in implementation coupled with the fact that each city strayed from a strict rendering of the program model in different ways and to different degrees problematizes the notion of Earn and Learn as one united program or model.

SPOTLIGHT: PROGRAM COMPONENTS

ADULT BASIC EDUCATION

Some occupational training opportunities participants were interested in required GEDs or Test of Adult Basic Education (TABE) scores at a particular level. When it became clear that some participants were not able to meet these requirements, providers helped bridge the gap by matching participants with a variety of adult basic education options—including GED prep, targeted assistance with math or reading skills, or TABE review classes.

CASE MANAGEMENT

Participants were each assigned a case manager and a job coach. Case managers assessed barriers and goals, helped access supportive services, and developed individualized training plans along with the participant. Job coaches assessed career interests and provided support both with completing transitional jobs and obtaining unsubsidized employment.

TRANSITIONAL JOB

Participants were matched with transitional job experiences intended to provide a supportive environment in which to earn wages, increase soft skills, and gain recent work experience—ideally in a field related to training.

UNSUBSIDIZED JOB

Participants were matched with permanent unsubsidized jobs, sometimes at their transitional worksite and sometimes in other occupations that may or may not have been related to their transitional jobs or training.



SUPPORTIVE SERVICES

Earn and Learn providers offered a range of supportive services intended to mitigate common barriers to employment among the target population, including affordable childcare referrals, transportation assistance, health referrals, assistance with record expungement, and housing referrals.

OCCUPATIONAL TRAINING

Occupational training programs varied from program site to program site. Training programs lasted anywhere from one-week internships to semester-long credits going toward a bachelor's degree. Participants who entered occupational training pursued training in a wide range of industries—from architectural design to social work to broadcasting.

WORK READINESS

Generally included seminars on workplace etiquette, tips on resume writing and interviewing, and other activities intended to smooth the transition from unemployment to working.

PARTICIPANT CHARACTERISTICS AND BARRIERS TO WORK

The average Earn and Learn participant at the time of entry into the program was 31 years old, male, never married, childless, and African American. True to the program's intent, in practice Michigan Earn and Learn did seem to target people with significant barriers to employment, including sparse work histories, criminal records, low education levels, as well as transportation challenges, housing instability, and substance use. While the principle focus of this chapter is on characteristics of participants across cities, notable differences at the city level are highlighted as well.

True to the program's intent, in practice Michigan Earn and Learn did seem to target people with significant barriers to employment, including sparse work histories, criminal records, low education levels, as well as transportation challenges, housing instability, and substance use.

Earn and Learn's designers intended for the program to reach some of the most disadvantaged job seekers who tend not to be served by other workforce programs. Specifically, the program targeted:

- young, urban, minority men disconnected from the formal labor market and traditional education system,
- men just coming out of prison with little or no work experience and little opportunity to engage in education or training on their own, and
- other chronically unemployed individuals, since such individuals would be unlikely to gain employment even after economic growth and hiring improved.

In addition to these broad requirements set out across the board, cities had the flexibility to set additional requirements to meet their regional needs: Saginaw elected to add a strict income requirement mandating that all participants have income either below the federal poverty line or 70 percent of WIA's income standard, the Lower Living Standard Income Level. Similarly, as a city with a much higher concentration of disconnected youth minorities than Flint or Saginaw, Detroit set out to primarily serve young urban minority males between the ages of 18 and 24.⁴³

To recruit intended participants, providers relied upon referrals from faith-based organizations, community outreach, and participant word of mouth. The participants providers recruited tended to match their intended participant profile. While one could argue that individuals who have enrolled in college courses—as many Flint participants had—were not exactly disconnected from the traditional education system, providers reported that for their low-income students, work often comes before coursework, and therefore these students often struggle to complete any level of degree. In the first few months of programming, some providers struggled to engage young urban minority males and formerly incarcerated participants—not a population they had usually served. As word of the program got out, however, most providers had more participant interest among the targeted groups than they could accommodate.

43. Share of the population that is minority: 25 percent in Saginaw, 63 percent in Flint, and 90 percent in Detroit. U.S. Census Bureau's 2010 Census, available at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographics

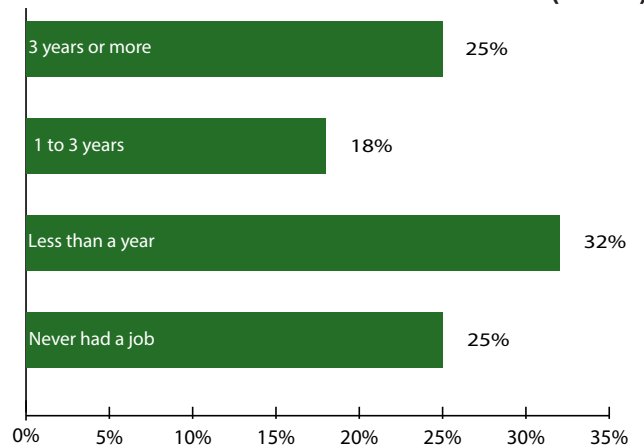
Earn and Learn participants were male and female, ranged in age from 19 to 71, and identified as African American, American Indian, Asian, Latino, and White. A full 42 percent of Earn and Learn participants fell into the age category of 18 to 24. On average, however, the 1,295 Earn and Learn participants tended to be around 31 years old, male, never married, childless, and African American. Though men were primarily targeted, a full 36 percent of Earn and Learn participants were female, alluding to the gap in services left by the elimination of Jet Plus.⁴⁴ Detroit served slightly younger participants, on average 28 years old, while Flint served slightly older participants, 36 years old on average. Saginaw participants tended to hover around the program-wide average at 32 years old. Perhaps as a result of tending to be slightly older, 63 percent of Saginaw participants and 51 percent of Flint participants had children under 18, in contrast to 27 percent of Detroit participants.

Work Histories

Though Earn and Learn participants were all working age or just passed it, a full quarter of participants had never had a job where they earned regular paychecks before Earn and Learn. Of those who had ever been employed in the formal labor market, for 32 percent—the largest share—the longest they'd ever held a job was less than a year (Figure 3). In comparison with the other sites, Detroit served individuals with the least extensive work histories, as a slightly higher percentage (31 percent) of Detroit participants never held a job, and of those who had, the majority (51 percent) had held their longest job for less than a year.

EARN AND LEARN PARTICIPANT WORK HISTORY BY LONGEST JOB IN FORMAL LABOR MARKET

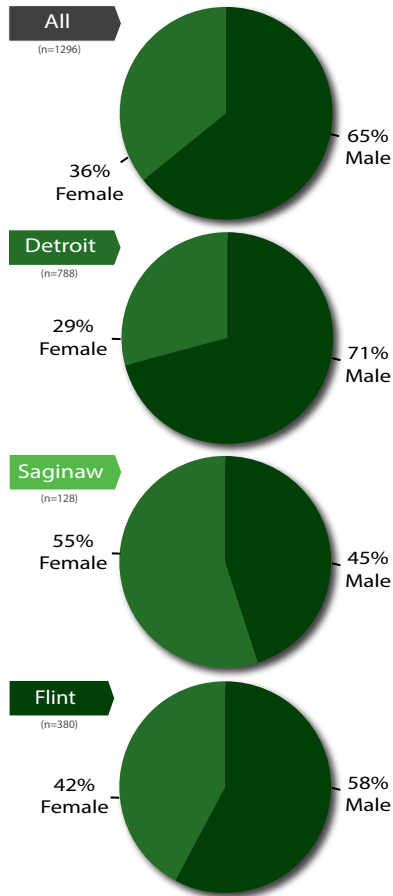
FIGURE 3
(n=803)



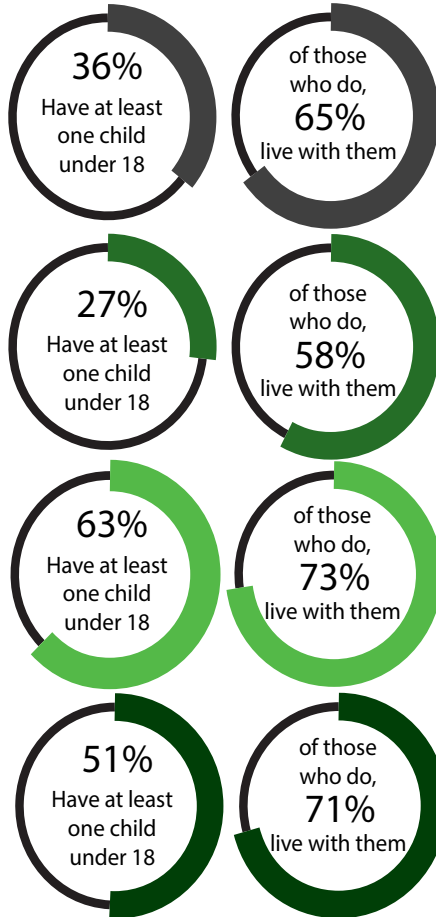
44. Jet Plus was a subsidized jobs and training program primarily targeted at women with TANF-eligible dependents. Earn and Learn was envisioned as a sister effort targeted at those who would not be reached by Jet Plus—primarily disconnected men. However, the Michigan legislature defunded Jet Plus in fiscal year 2011, at about the same time Earn and Learn kicked off.

EARN AND LEARN PARTICIPANT CHARACTERISTICS BY CITY

GENDER



CHILDREN UNDER 18

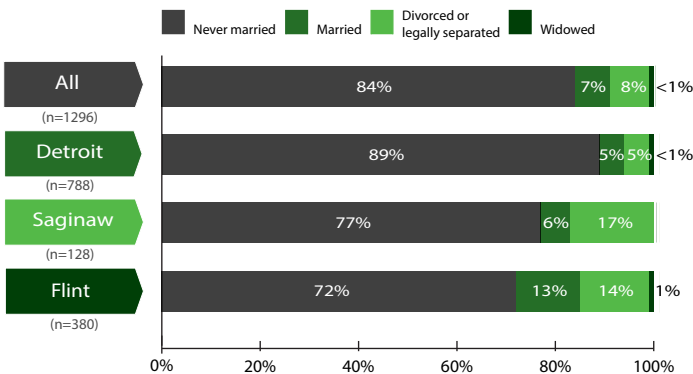


AGE

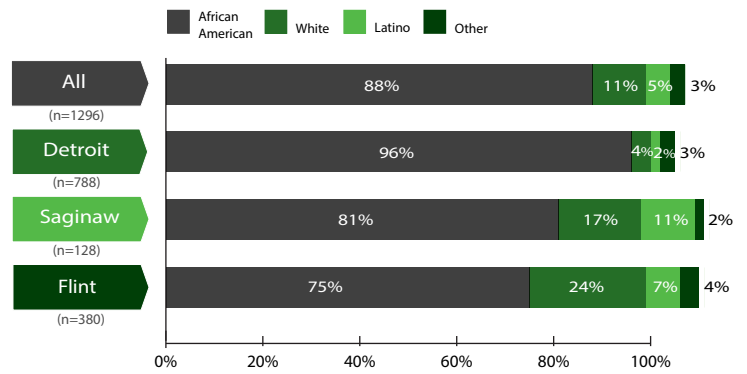
Mean Median

31 years	26 years
28 years	24 years
32 years	28 years
36 years	33 years

MARITAL STATUS



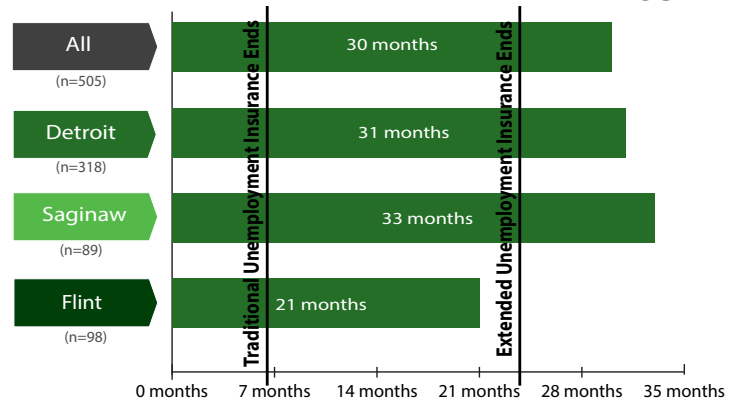
RACE



Of all Earn and Learn participants who had work experience, 16 percent had been out of work for 1 to 2 years, and 32 percent had been out of work for over 2 years prior to enrolling in Earn and Learn (Figures 4-5). This lack of employment stability likely speaks not only to these individuals' barriers to work, but also the relative instability and interchangeability of workers in the low-skill/low-wage labor market—particularly in a market containing few jobs. This disadvantage is brought into sharp focus when considering that the longer someone is unemployed, the less likely they are to secure employment in the future. Indeed, national research suggests that between the first and eighth month of unemployment, those unemployed of any and all skill levels become 45 percent less likely to even be called for an interview, let alone get offered a job.⁴⁵ Hence, Earn and Learn participants with their very slim work histories and extended unemployment were likely to have a more difficult time

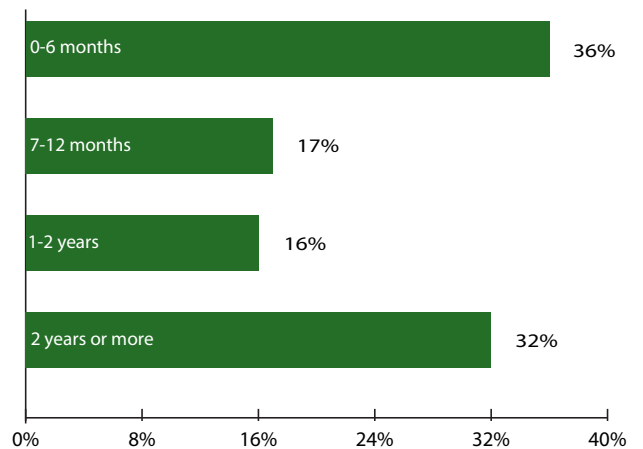
EARN AND LEARN PARTICIPANTS BY AVERAGE LENGTH OF UNEMPLOYMENT

FIGURE 4



LENGTH OF UNEMPLOYMENT PRIOR TO EARN AND LEARN

FIGURE 5
(n=459)



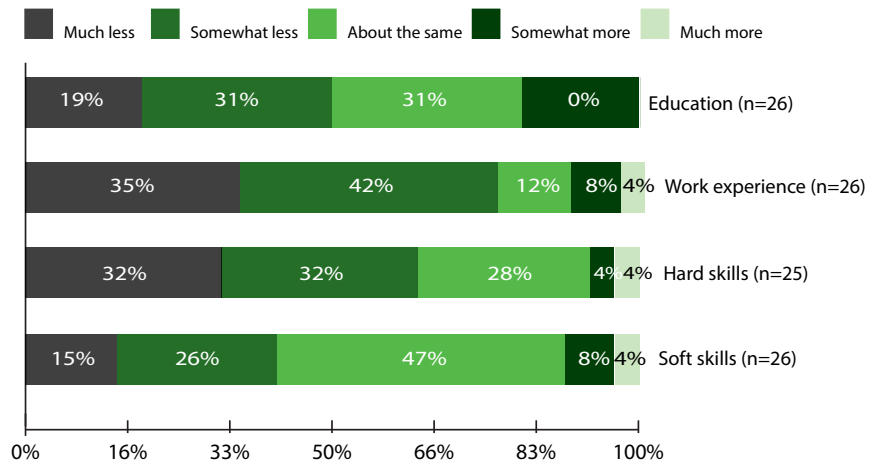
45. Kroft, K., Lange, F., & Notowidigdo, M.J. (2012, September). *Duration dependence and labor market conditions: Theory and evidence from a field experiment*. NBER Working Paper No. 18387. Cambridge: The National Bureau of Economic Research.

than most in finding work. Considering the documented hiring discrimination experienced primarily by low skill African Americans across industries and occupations, the universal difficulty in obtaining employment as an individual with little experience or skills was for the majority of Earn and Learn participants likely to be compounded by racial discrimination.⁴⁶

Consistent with the program’s target population, transitional job worksite supervisors reported that Earn and Learn participants tended to have less work experience and possess fewer or many fewer hard skills than their typical employees. Perhaps reflecting effective application of work readiness training prior to entering the transitional job, supervisors indicated that participants had about the same level of soft skills as individuals they would normally hire (Figure 6).⁴⁷

EMPLOYER PERCEPTIONS OF EARN AND LEARN PARTICIPANT EDUCATION, WORK EXPERIENCE, AND SKILLS RELATIVE TO TYPICAL EMPLOYEES

FIGURE 6



46. e.g., Betrand, M., & Mullainathat, S. (2002). *Are Emily and Brendan more employable than Lakisha and Jamal?* Chicago, IL: University of Chicago Graduate School of Business; Turner, M.A., Fix, M., & Struyk, R. (1991). *Opportunities denied, opportunities: Racial discrimination in hiring.* Washington, DC: Urban Institute; Holzer, H. (1996). *Employer hiring decisions and antidiscrimination policy.* East Lansing, MI: Michigan State University Department of Economics.

47. In Saginaw and Detroit participants completed mandatory work readiness training before being matched with subsidized employers, while in Flint staff referred participants in need of work readiness training to relevant seminars. So it is possible that employers may actually be commenting on the effectiveness of that training.

Criminal Backgrounds

Over a third of participants across sites had spent time in prison, jail, or juvenile detention before becoming involved in Earn and Learn—a history that research consistently finds to negatively impact employment (Figure 7).⁴⁸ Evidence suggests that regardless of length of stay, incarceration can erode a worker’s employability, both in terms of the associated stigma on the part of employers as well as the delays in formal education and the erosion of hard skills, soft skills, and positive social networks often experienced by the individual.

Among groups traditionally regarded as hard-to-employ, including high school dropouts, welfare recipients, and formerly incarcerated individuals, employers feel least favorably toward the formerly incarcerated.⁴⁹ Further, even among the formerly incarcerated, employer preferences play out inequitably along racial lines: when hiring for entry level positions, employers are more likely to consider a white applicant with a record than an African American applicant without a record.⁵⁰

This all suggests that with its emphasis on the formerly incarcerated and minorities, Earn and Learn was indeed serving those among the very hardest-to-employ. Of the 34 percent of Earn and Learn participants with a criminal record, over half were single-time offenders. The majority (80 percent) of formerly incarcerated participants had been released within the last two years, rendering them some of the most difficult to employ among the formerly incarcerated, as there is evidence that employers who are willing to hire individuals with a background generally prefer those whose justice system involvement was further in the past.⁵¹

EARN AND LEARN PARTICIPANTS WITH HISTORY OF INCARCERATION BY CITY

FIGURE 7

	All	Detroit	Saginaw	Flint
	(n=845); (n=231); (n=246)	(n=565); (n=140); (n=156)	(n=121); (n=47); (n=38)	(n=159); (n=44) (n=51)
Been incarcerated	34%	31%	47%	35%
Single incarceration	52%	61%	43%	34%
Released in last 2 years	62%	72%	58%	33%

48. Holzer, H. (2007, October). *Collateral costs: the effects of incarceration on the employment and earnings of young workers*. Discussion Paper No. 3118. Bonn, Germany: IZA; Schmitt, J., & Warner, K. (2010, November). *Ex-offenders and the labor market*. Washington, DC: Center for Economic and Policy Research.

49. Holzer, H. J., Raphael, S., & Stoll, M. A. (2003, May). *Employment barriers facing ex-offenders*. Presented at Urban Institute’s Reentry Roundtable, Employment Dimensions of Reentry: Understanding the Nexus between Prisoner Reentry and Work. Washington, DC: Urban Institute.

50. Pager, D. (2002). *The mark of a criminal record*. Madison, WI: Department of Sociology, University of Wisconsin.

51. Bloom, D., Redcross, C., Hsueh, J., Rich, S., & Martin, V. (2007). *Four strategies to overcome barriers to employment*. New York: MDRC.

Saginaw served the highest proportion of formerly incarcerated individuals—47 percent compared to 35 percent in Flint and 31 percent in Detroit. Mirroring the trend across all sites, of Saginaw participants who had been incarcerated, over half (58 percent) had been released within the last 2 years, again speaking to their status as some of the hardest-to-employ.

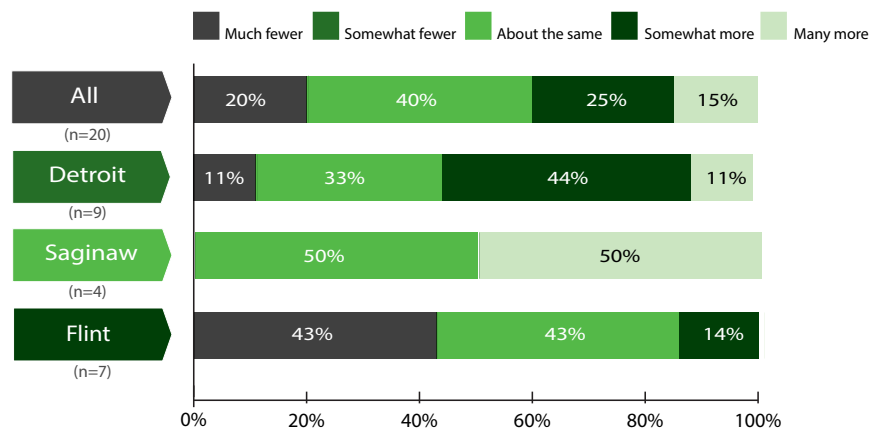
Overall, employers reported that Earn and Learn participants had criminal records at about the same rate as individuals they typically hire (Figure 8). Flint and Detroit diverged at the site level, as Flint employers most frequently reported that Earn and Learn workers had much fewer criminal records than their typical employees, while Detroit employers most frequently reported that Earn and Learn workers had somewhat more criminal records than typical employees. In Saginaw, which of the three cities contains the largest population of formerly incarcerated individuals, employers tended to indicate that their Earn and Learn employees were just about as likely to have a criminal record as their typical employees. These discrepancies may suggest that providers in Flint and Saginaw targeted employers that were already working with formerly incarcerated individuals.

Education Levels

Many low-income individuals attend college at some point, but completion rates are quite low due to lack of affordability, insufficient financial aid, and poor K-12 preparation.⁵² As an additional challenge, low-income individuals often have to work while enrolled, which renders attendance and homework completion difficult in settings with limited course offerings or flexibility.

EMPLOYER PERCEPTIONS OF EARN AND LEARN PARTICIPANT CRIMINAL RECORDS RELATIVE TO TYPICAL EMPLOYEES

FIGURE 8



52. Walton Radford, A., Berkner, L., Wheelless, S.C., Shepard, B., & Hunt-White, T. (2010, December). *Persistence and attainment of 2003–04 beginning postsecondary students: After 6 years*. Washington, DC: National Center for Education Statistics; Hamilton, G., & Scrivener, S. (2012). *Facilitating postsecondary education and training for TANF recipients*. Washington, DC: Urban Institute.

Earn and Learn participants demonstrate this reality: prior to the program 40 percent of participants had attended some college, despite being identified as skills-deficient or hard-to-employ (Figure 9). Another 30 percent of participants had only a high school diploma or GED, a level of education generally associated with stagnant wages in today’s economy.⁵³ Detroit participants were slightly more likely to have ended their education at the high school/GED level and slightly less likely to have some college under their belts than participants in other cities. Detroit also served the highest proportion of individuals without high school degrees. Though 79 percent in total had completed high school or had schooling beyond it, the average Detroit participant scored below an eighth grade level for math (7.2) and just above an eighth grade level for reading (8.3 percent), further demonstrating the skill deficiencies present among Detroit participants.⁵⁴

Transitional employers most frequently reported that Earn and Learn participants tended to have about the same level of education or be less educated than individuals they would normally hire, which is somewhat surprising. The notion that Earn and Learn participants had about the same level of education as typical employees at the transitional job sites suggests that some of the TJs were fairly low-skilled or low quality positions. However, it is also important to note that in some cases Earn and Learn participants completed occupational training prior to beginning their transitional job, in which case the employer could be referring to the level of education/training the participants had after completing that portion of the program. In contrast to the other cities, however, Flint employers most frequently indicated that Earn and Learn participants had somewhat less education than their typical employees, which again, may speak to the quality of the transitional jobs Flint participants were working (e.g., it required more skills) (Figure 10).

EDUCATIONAL ATTAINMENT OF EARN AND LEARN PARTICIPANTS

FIGURE 9

	All (n=137)	Detroit (n=63)	Saginaw (n=17)	Flint (n=65)
Less than high school diploma/GED	15%	16%	13%	9%
High school diploma/GED	29%	37%	44%	30%
Vocational training	7%	6%	6%	9%
Some college	40%	35%	44%	34%
Associate degree	7%	2%	6%	22%
Bachelor’s degree or higher	3%	2%	6%	5%

53. Mishel, L., Bivens, J., Gould, E., & Shierholz, H. (2012). *The state of working America 12th edition*. Ithaca, NY: Cornell University Press.

54. These figures are based on Test of Adult Basic Education (TABE) scores and are only available for Detroit participants.

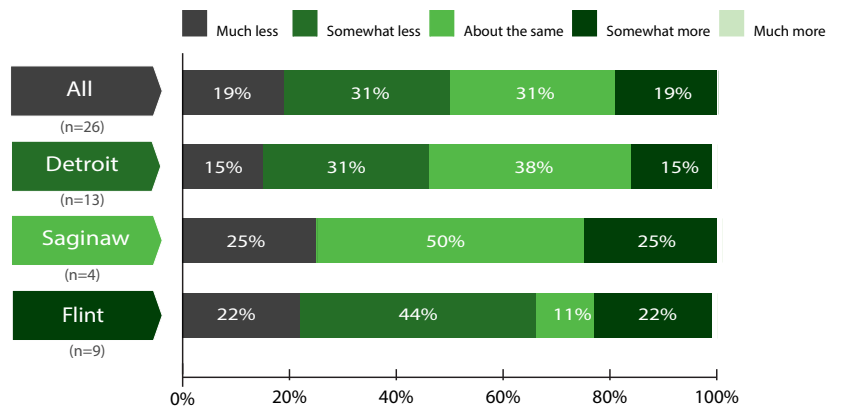
Other Barriers to Work

There are a host of other barriers, many of which are situational or environmental, that layer on top of the more obvious barriers of work histories, low education, and criminal records to greatly impact work success. Research indicates that as the number of barriers to work increases, the likelihood that a person will get and keep a job decreases.⁵⁵

Reliable transportation was a major concern across sites (Figure 11). A majority of participants (56 percent) did not have their driver's license when they entered Earn and Learn and 44 percent did not have access to a car. Detroit participants tended to experience transportation barriers at a slightly higher rate, as nearly two thirds of participants did not have their driver's license, and over half did not have access to car. While securing reliable transportation is often a challenge among low-income populations in general, Detroit's skeleton mass transit system in particular has been cited for

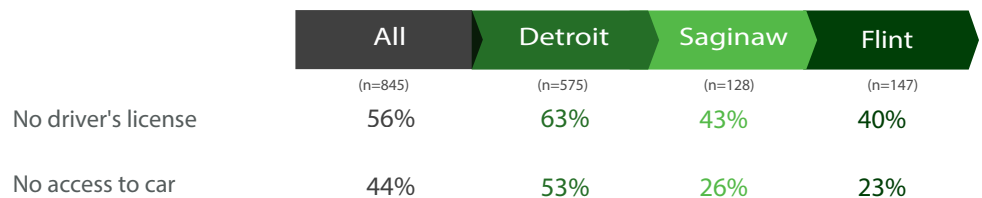
EMPLOYER PERCEPTIONS OF EDUCATION LEVEL OF EARN AND LEARN PARTICIPANTS RELATIVE TO TYPICAL EMPLOYEES

FIGURE 10



EARN AND LEARN PARTICIPANT TRANSPORTATION BARRIERS

FIGURE 11



55. Danziger, S., et. al. (2000). Barriers to employment among welfare recipients. In Cherry, R. and Rodgers, W.M. (eds). *Prosperity for all? The Economic boom and African Americans*. New York, NY: Russell Sage Foundation.

“poor reliability” and “inefficient operation,” which only compounds the challenge faced by participants forced to rely on public transportation to get to work, training, and program activities on time.⁵⁶ The spatial mismatch between jobs available (mostly in the suburbs) and where participants live in Detroit was also a concern.⁵⁷ This concern was confirmed by employers and program staff across sites, many of whom pointed to unreliable transportation as the number one barrier to participant success in the program.

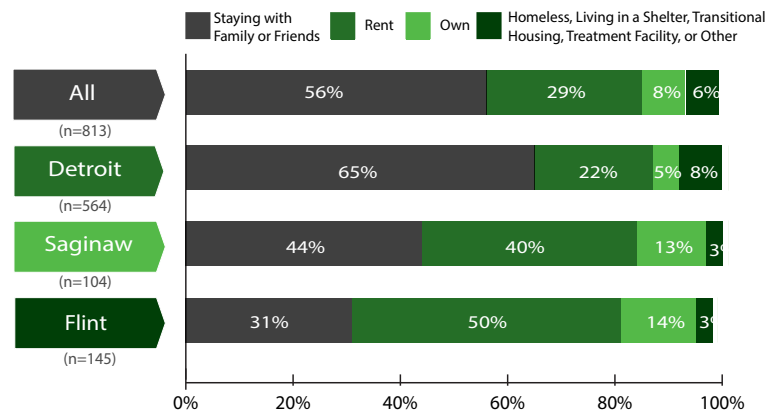
Living situations also presented a barrier for some Earn and Learn participants. Research has consistently demonstrated that housing stability is key to success in employment.⁵⁸ Yet, a majority (56 percent) of participants across sites were staying with friends or family when they entered the program, a living situation that can provide a supportive environment but also may prove to be chaotic and tenuous (Figure 12). In some instances, participants were moving around between different friends and family. Flint participants appeared more stably housed than other Earn and Learn participants: half (50 percent) of them stayed in a house or apartment they themselves rented. As would be expected among a disconnected and/or chronically unemployed population, few Earn and Learn participants (6 percent overall) stayed in a house or apartment that they owned.

Substance use can be another barrier to both getting and keeping a job since many employers perform drug testing and on the job performance may suffer. While less than 10 percent of all participants had been in treatment for drug or alcohol abuse, 36 percent of the individuals who had been in treatment had been multiple times, suggesting a persistent substance use barrier.

In short, as envisioned by program designers, Earn and Learn successfully reached individuals who were experiencing a multitude of personal, societal, and structural barriers to obtaining and maintaining employment.

LIVING SITUATION AT PROGRAM ENTRY

FIGURE 12



56. Applegate, C. (2011). *Detroit: An analysis of problems and solutions*. Chicago: American Planning Association.

57. Allard, S. & Danziger, S. (2003). *Proximity and opportunity: How residence and race affect the employment of welfare recipients*. Ann Arbor, MI: University of Michigan Gerald R. Ford School of Public Policy.

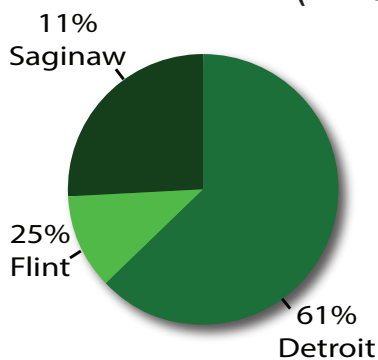
58. Culhane, D.P. Metraux, S., & Hadley, T. (2002). Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing: The New York Initiative. *Housing Policy Debate*, 13(1), 108-139.

OUTCOMES AND EXPERIENCES

Earn and Learn served 1,295 people with at least one program component—work readiness training, occupational training, supportive services, or a transitional job. Over 800 people worked in a transitional job, earning on average over \$3,000 per person. 366 people obtained a credential or certificate. Both participants and employers involved in the program speak to how Earn and Learn gave them a boost during a difficult economic time.

EARN AND LEARN SHARE OF TOTAL ENROLLMENT

BY CITY
FIGURE 13
(n=1295)



While securing permanent unsubsidized employment and increasing self-sufficiency are generally the ultimate aim, there are a variety of other outcomes that can constitute success in the context of a transitional jobs program, particularly an enhanced TJ such as Earn and Learn that also includes education or training. Among them are outcomes that have the potential to increase a person's marketability in the workforce and advance their economic standing, and they include successfully completing structured work readiness training, successfully completing occupational training, gaining credentials and certifications, gaining recent work experience by participating in a transitional job, reducing recidivism, and decreasing dependence on public benefits.⁵⁹

A total of 1,295 people enrolled in the Earn and Learn program in the first year and a half of programming, the timeframe for this report's analysis.⁶⁰ True to their relative population sizes, Detroit ran the largest Earn and Learn program, with nearly two thirds of the total enrolled population, while Flint and Saginaw enrolled smaller shares—25 percent and 11 percent, respectively (Figure 13).

No two Earn and Learn participants experienced the program in the same way. That is to say that program staff and participants together tailored a unique program plan for each participant that best fit his or her unique goals and program component availability. For some participants this meant experiencing the program as originally designed—i.e., proceeding from work readiness training to concurrent enrollment in occupational training and a transitional job. Others went straight to a transitional job. Some participants found that the training or transitional job they were interested in required that they first complete adult basic education. All together, the most commonly experienced program components were work readiness training and transitional jobs (Figure 14).

Work Readiness Training

The majority (66 percent) of Earn and Learn participants completed some type of work readiness training, which generally includes seminars on workplace etiquette, tips on resume writing and interviewing, and other activities intended to smooth the transition from unemployment to working. As a required component of Detroit's iteration of Earn and Learn, all Detroit participants were required to complete a 4-week course in work readiness training before moving on to occupational training or a transitional job. Similarly, Saginaw

59. Data on public benefit usage and recidivism will be included in the impact analysis slated for release in spring 2014.

60. Data collected from the Flint sites represents the first 19 months of programming.

EARN AND LEARN PARTICIPANT OCCUPATIONAL TRAINING FIGURE 15 (n=533)

Type of Training	Pct of Participants
Health	23.7%
Green Energy Management	17.0%
Trucking	8.4%
IT	7.3%
Clerical	7.3%
Welding	6.4%
Food service	5.6%
Manufacturing	5.0%
Design & Communication	4.3%
Custodial	3.0%
Automotive Service & Technology	1.9%
HVAC	1.7%
Customer service	1.7%
Graphic design	1.7%
Architectural design	1.1%
Construction	1.1%
Criminal justice	0.7%
Business	0.6%
Social work	0.6%
Electrician	0.4%
Computer-Assisted Design	0.4%
Plumbing	0.4%
Logistics	0.2%
Journalism	0.2%
Hospitality	0.2%
Fitness	0.2%
Education	0.2%
Carpentry	0.2%
Broadcasting	0.2%

displayed a similar rate of 94 percent work readiness training completion. On the other hand, Flint program staff had the discretion to determine if participants needed work readiness training beyond the hour or so that is covered in program orientation, and as a result, only 5 percent of Flint participants attended additional work readiness seminars.

According to nearly a majority of transitional employers across sites (47 percent), Earn and Learn participants had about the same, somewhat more, or many more soft skills as people they would typically hire, which suggests not only the various levels of work readiness training offered were effective among those who attended but also that the participants deemed by providers as not needing work readiness truly did not.

Occupational Training

The length of occupational training programs and the variety of the programs that Earn and Learn funds supported varied quite a bit. Training programs lasted anywhere from one-week internships to semester-long credits going toward a bachelor’s degree. The 562 participants who entered occupational training pursued training in a wide range of industries—from architectural design to social work to broadcasting (Figure 15). The most popular training programs were clustered in healthcare, green energy management, and trucking.

Fifty-four participants (less than 10 percent of those who enrolled in occupational training) went on to enroll in second, third, and even fourth short-term occupational training programs. Most of these auxiliary trainings tended to be either very closely related to previous training (33 percent), such as a review course for the test to become certified as a nursing assistant or earning additional certifications in the same industry as the first training program completed, or to be more generalized, such as training to increase math or typing skills (48 percent).

PARTICIPATION IN EARN AND LEARN PROGRAM COMPONENTS FIGURE 14 (n=1295)

Program Component	Entered	Completed	
		Those who entered	All participants
Work readiness training	71% (n=1274)	93%* (n=902)	66%* (n=1264)†
Occupational training	43% (n=1296)	88% (n=498)†	32% (n=1137)†
Adult basic education	8% (n=1296)	95% (n=76)†	6% (n=1274)†
Transitional job	65% (n=1276)	Unavailable	Unavailable
Supportive services	16% (n=1,296)	N/A	N/A

*Only ACCESS and Saginaw have provided data on who entered JRT but did not finish it.
†Excludes in progress.

TOP FIVE CREDENTIALS OBTAINED THROUGH EARN AND LEARN

(n=263)

FIGURE 16

Credential	Percentage
Certified nursing assistant	16%
Class A commercial driver's license	10%
Gas metal arc welding certificate	10%
Building science academy certificate	7%
Certification in dining services & bartending	6%

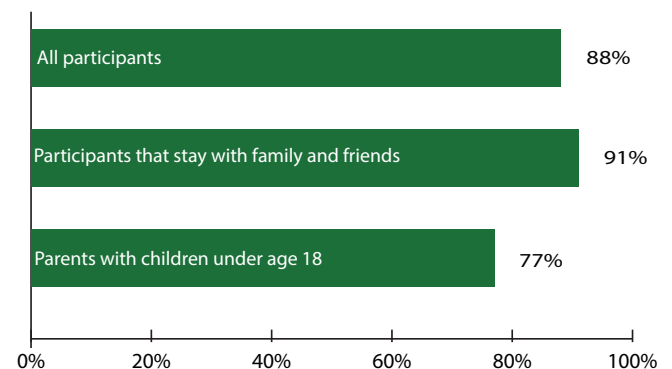
Of the participants who entered occupational training, 366 (88 percent) successfully completed it. Participants most frequently earned industry-recognized credentials such as Certified Nursing Assistant, a Class A Commercial Driver's License, and a Gas Metal Arc Welding Certificate (Figure 16).

Of those who successfully completed occupational training, 12 percent moved on to a transitional job if they hadn't been attending training and a transitional job concurrently. Ten percent went on to pursue additional credentials or to brush up on basic skills, and the remaining participants worked on securing unsubsidized employment. An additional 13 percent of participants completed their transitional job first and then went on to occupational training. Regardless of the order in which they completed them, participants who had completed training and their transitional job but had not yet secured unsubsidized employment were still eligible to receive supportive services and were encouraged by providers to stay engaged. At all sites, participants were encouraged to frequently check in with job developer staff for job leads and/or attend regular meetings with staff and other participants searching for employment (sometimes referred to as "job club") to share leads and encourage one another.

Having children under 18 seems to have been a slight barrier to completing training as parents were less likely than non-parents to finish (Figure 17).⁶¹ This may be due to the difficulty often associated with securing consistent and affordable childcare. Overall, however, individuals with significant barriers to employment—including mental health issues, physical health issues, incarceration history, and low literacy levels—completed training at about the same rate as those without, suggesting that service providers did an effective job of ensuring participants had the support they needed to be successful in training. On the positive side, staying in the home of family or friends—as opposed to living in a shelter, transitional housing, being homeless, or even

OCCUPATIONAL TRAINING COMPLETION RATES FOR PARENTS AND PARTICIPANTS WHO STAY WITH FAMILY OR FRIENDS

FIGURE 17



61. More specifically, a statistically significant relationship between having children under 18 and successfully completing training was observed in the direction of less success among participants with children under 18.

renting or owning one’s own house—seems to have positively contributed to occupational completion training rates, as participants staying with family completed training at a rate higher than the overall completion rate (91 percent versus 88 percent).⁶²

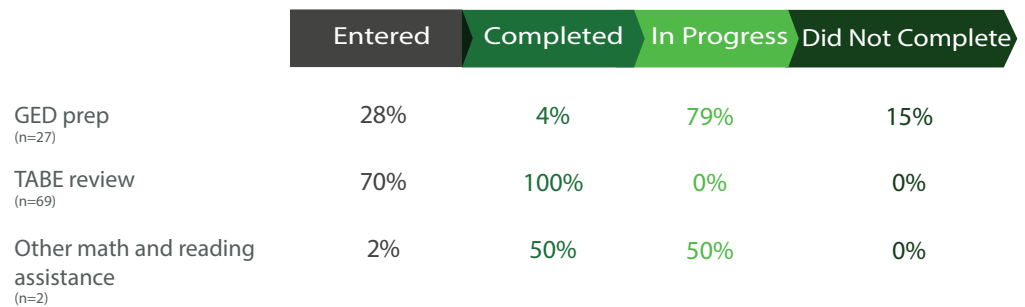
Adult Basic Education (ABE)

In some cases, the training programs and/or jobs participants were interested in required GEDs or Test of Adult Basic Education (TABE) scores higher than some participants currently had.⁶³ Providers responded by matching 98 participants with a variety of adult basic education options—including either GED prep, targeted assistance with math or reading skills, or TABE review classes (Figure 18).

GED prep and other ABE can go on for long stretches—from several months to over a year—which may have delayed participant progression through the program more than expected. At the 18-month program mark, of those who had enrolled in adult basic education, only slightly more than half had completed their ABE and gone on to enroll in either occupational training (15 percent) or a transitional job (37 percent).

EARN AND LEARN PARTICIPATION IN ADULT BASIC EDUCATION (n=98)

FIGURE 18



62. More specifically, a statistically significant relationship between staying with family or friends and successfully completing training was observed in the direction of more success among participants staying with family or friends.

63. The TABE assessment is a standardized test that measures math and reading ability at approximate grade levels.

BREAKDOWN OF TOP MOST COMMONLY RECEIVED SUPPORT SERVICES

FIGURE 19



Supportive Services

Consistent with acknowledged best practices, Earn and Learn providers offered a range of supportive services intended to mitigate common barriers to employment among the target population, including affordable childcare referrals, transportation assistance, health referrals, assistance with record expungement, and housing referrals.⁶⁴ A total of 666 incidences of supportive services were provided to Earn and Learn participants, with some of these incidences going to the same individuals.

Earn and Learn participants most frequently needed and received assistance with public transportation in the form of bus passes (45 percent), work clothes (15 percent), or paying for permit or testing fees (6 percent) (Figure 19).

Despite these important supports, there were gaps. Participants most frequently pointed to unmet needs related to dental care (31 percent), housing assistance (24 percent), and medical care (24 percent). Provider staff also related that the ability to pay for state-issued identification, a disallowed expense under Earn and Learn rules, would have been very useful as low-income participants were often faced with a chicken-or-the-egg dilemma in which they could not afford to obtain or reinstate identification they needed to get a job but were unable to obtain employment to generate the income necessary to do so.

Transitional Jobs

Earn and Learn providers cultivated relationships with 80 employers that led to 895 transitional job placements, clustered primarily in the manufacturing, retail, and healthcare and social assistance industries (Figure 20). Overall, 69 percent of Earn and Learn participants were matched with transitional jobs, and 67 percent of participants had transitional jobs that were related—either by industry or occupation—to the training they completed. Most (58 percent) transitional jobs were in production, sales and related occupations, or office and administrative support (Figure 21).

TOP EARN AND LEARN TRANSITIONAL JOBS PLACEMENTS BY INDUSTRY

FIGURE 20

	All (n=779)	Detroit (n=442)	Saginaw (n=80)	Flint (n=257)
Manufacturing	25%	33%	39%	6%
Retail	19%	31%	3%	3%
Healthcare and social assistance	16%	10%	45%	16%
Construction	10%	8%	1%	15%
Religious, grantmaking, civic, professional and similar organizations	9%	2%	9%	21%

64. National Transitional Jobs Network (2010). *Transitional jobs program design elements*. Available at <http://www.scribd.com/doc/59499221/Transitional-Jobs-Program-Design-Elements>

WEEKS AND HOURS WORKED IN EARN AND LEARN TRANSITIONAL JOBS

FIGURE 22
(n=309)

Weeks Worked

0-4	18%
5-9	15%
10-14	45%
15-19	9%
20-24	1%
25-29	7%
30-34	1%
35 or more	4%

Employers were nearly evenly split between for-profit (48 percent) and nonprofit companies (44 percent), with a very small percentage of government/public employers (7 percent). The largest share of employers were midsized companies with 20 to 99 employees (37 percent); the remainder were smaller companies with 10 to 19 employees (19 percent) and larger companies with 100 to 500 employees (15 percent). This breakdown is consistent with anecdotal evidence from providers, who posit that small and midsize companies tend to see the transitional jobs model as a better deal than large companies, who may already have large human resource departments to conduct screening and institutionalized employee training programs.

Each Earn and Learn participant had a different dosage of transitional job, meaning the days worked per week varied and the hours worked per week varied. But, on average, transitional jobs lasted 375 hours, or 47 eight-hour workdays (Figure 22).

The majority (63 percent) of participants earned exactly what the Earn and Learn wage subsidy paid, which was Michigan's minimum wage (\$7.40). Some employers chose to pay Earn and Learn participants above and beyond the wage subsidy, either as a matter of principle, to stay consistent with what typical employees in the same roles earn, or as required by federal contracts (Figure 23). The industries most likely to contribute to wages beyond the program-provided subsidy included heavy and civil engineering (96 percent of TJs offered), manufacturing (71 percent of TJs offered), or construction (50 percent of TJs offered). Over the course of their transitional job, participants earned an average of \$3,011 in pre-tax wages.

TOP EARN AND LEARN TRANSITIONAL JOBS PLACEMENTS BY OCCUPATION

FIGURE 21

	All (n=774)	Detroit (n=440)	Saginaw (n=80)	Flint (n=254)
Production	25%	28%	39%	15%
Sales and related occupations	19%	32%	3%	2%
Office and administrative support	14%	11%	24%	17%
Construction and extraction	12%	2%	1%	31%
Buildings and grounds cleaning and maintenance	10%	10%	3%	13%

HOURLY WAGE OF EARN AND LEARN TRANSITIONAL JOBS FIGURE 23 (n=895)

Wage	
\$7.40 (minimum wage)	63%
\$7.50 - \$8.50	23%
\$8.60 - \$9.60	6%
\$9.70 - \$10.70	8%
\$10.80 and above	1%

Lower-income individuals and families have a higher propensity to spend income on goods and services (as opposed to saving or investing) and to spend locally than those with higher-incomes, which can often create a ripple effect in local economies.⁶⁵ In total, Earn and Learn subsidized jobs infused \$1,951,167 into Michigan’s economy by putting people who were not working back to work, a substantial support not just to Earn and Learn participants and employers but to struggling Michigan communities as well.

Program Dosage

Just as each Earn and Learn participant experienced the program uniquely, each participant received a different dosage of the intervention in terms of program component completion (Figure 24). In particular, participants who completed Adult Basic Education (ABE) appeared to complete occupational training and transitional jobs at lower rates relative to other participants (13 percent and 27 percent, respectively). This may have been due to the substantial time commitment ABE often requires.

PROGRAM DOSAGE CROSTAB OF PROGRAM COMPONENT COMPLETION FIGURE 24

	Work Readiness Training	Occupational Training	Adult Basic Education	Transitional Job
Work readiness training	100%	64%	100%	63%*
Occupational training	32%	100%	13%	37%*
Adult basic education	9%	2%	100%	2%*
Transitional job	61%*	73%*	27%*	100%*

*Since we do not have reliable TJ completion data, these figures reflect those that participated in a TJ

65. Orszag, P., & Stiglitz, J. (2001 November). *Budget cuts versus tax increases at the state level: is one more counter-productive than the other during a recession?* Washington, DC: Center for Budget and Policy Priorities; Johnson, D., Parker, J., & Souleles, N. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, 96, 1589-1610; Parker, J., Souleles, N., Johnson, D., & McClelland, R. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Philadelphia, PA: University of Pennsylvania Wharton School.

Participants' and Employers' View of their Earn and Learn Experience

“I was at my wit’s end. I did not have money or a means to get anywhere and when I called and entered the Earn and Learn program and they gave me bus tickets, I cried. This program saved my life and gave me a new beginning. I was truly blessed to be able to attend.”

-Earn and Learn participant

Participants were enthusiastic about the opportunity to increase their skills while also earning necessary income. The overwhelming majority of Earn and Learn participants described the opportunity to undergo new skills training at no charge, have paid work, and have the opportunity to secure long-term employment as the driving factors behind entering the program (Figure 25). One participant reflected on the tremendous benefit of Earn and Learn in light of the stigma he had faced both in getting hired and keeping jobs due to his criminal record. He went on to share that he just “needed a chance,” and that Earn and Learn “gave [him] hope.” Another shared:

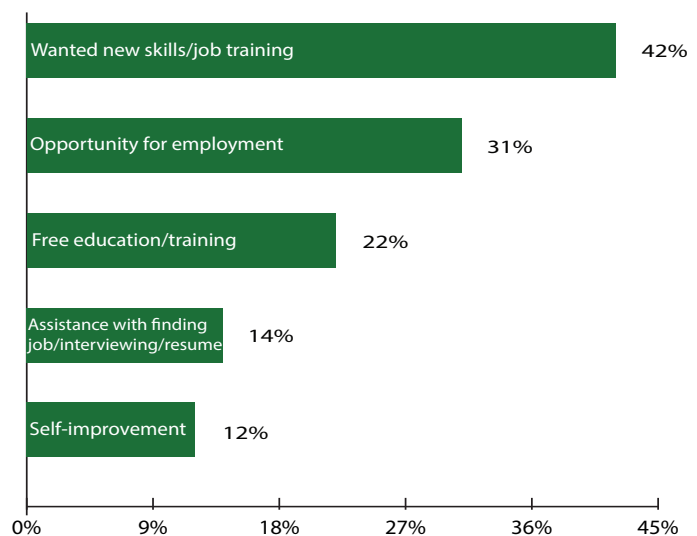
“I was at my wit’s end. I did not have money or a means to get anywhere and when I called and entered the Earn and Learn program and they gave me bus tickets, I cried. This program saved my life and gave me a new beginning. I was truly blessed to be able to attend.”

Participants were also enthusiastic about the economic opportunities the program presented them, particularly the ability to “do something” with their lives, “better [themselves] for a brighter future,” and getting a chance at “a career and a stable income.”

At the completion of the program, participants seemed to view the Earn and Learn program as an effective and heartening tool to make the transition from unemployment. One participant considered Earn and Learn key to helping him “learn how to...obtain a job and learn from the experience.” Other participants echoed that sentiment, stating that the program was important because it gave them “the tools that I needed to find a better job,” “more confidence when being interviewed, and “confidence about being able to get a job.” Similar refrains were repeated throughout interviews with participants and program staff.

MOST COMMON PARTICIPANT REASONS FOR PARTICIPATING IN EARN AND LEARN

FIGURE 25
(n=132)



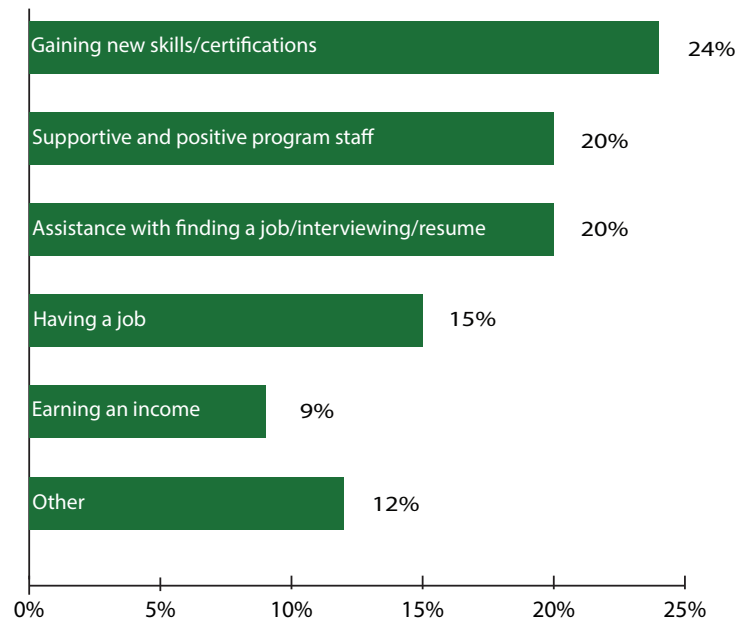
Beyond increasing marketability, participants cited program benefits such as “instilling positive aspirations,” “making me feel important,” “feeling so good about myself,” and finally feeling like “an asset to my community.” Others pointed to the positive peer benefits of Earn and Learn, including hearing other participants “describe something bold and impactful” on a daily basis, “meeting a lot of people with the same goals I have,” and having people around “to help and...care about each person’s success”(Figure 26).

Setting aside their own personal benefits, many participants expressed sentiments related to the positive effects Earn and Learn was having on their communities, such as Earn and Learn is “good for the city,” and that the program needs “more exposure” for the great opportunities it brings. Other satisfied participants expressed a hope that the program could expand and “keep helping to a make a difference in the community.” One individual went so far as to state that he would “continue to encourage anyone to take advantage of this program.”

There were, however, a few negative aspects that participants reported encountering during their tenure with Earn and Learn. Though a minority of participants acknowledged complaints, their complaints were relatively similar. Of those who had negative feedback, many reported frustration at trying to learn alongside participants that acted in a “disruptive” and “disrespectful” manner. There were complaints regarding training instructors not properly controlling his or her students which negatively impacted the learning environment, illustrated by comments such as the program needs “more discipline on behavior,” and “the rules should be more rigidly enforced.” These difficulties may be due to instructors leading larger classes or more disadvantaged learners than they are used to.

MOST FREQUENTLY CITED BENEFITS OF PARTICIPATING IN EARN AND LEARN

FIGURE 26



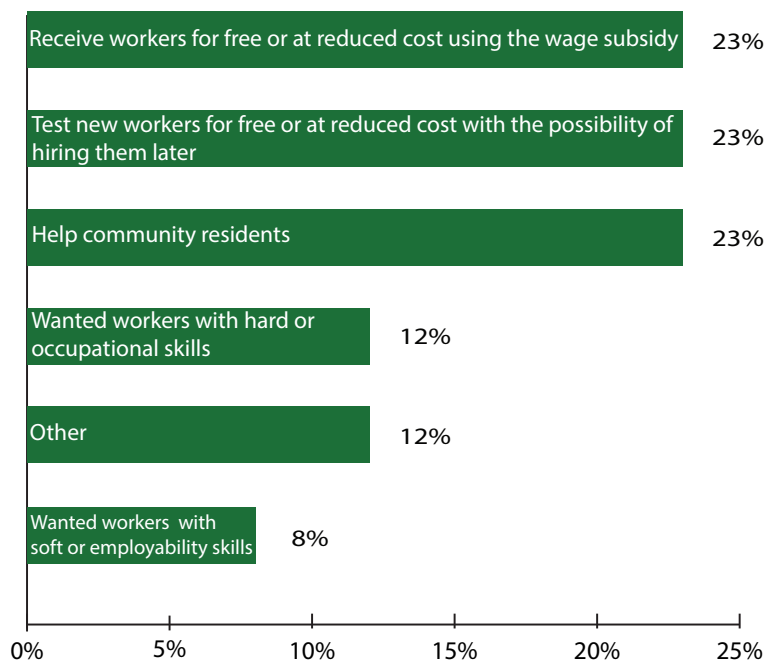
Of those who had negative feedback, many participants felt they could have been supported more by program staff, including one who thought that staff needed to be “more in touch with community,” another who thought participants would be better served if case managers scheduled regular “mandatory one-on-one meetings,” and another who felt that “job developers need to be more serious and not discriminate against felons.” And though participants who responded to the survey were at all different stages in the program, a substantial swath of participants were displeased about not having obtained unsubsidized employment and felt the program could have provided more support. As one individual stated, “once the person did not get the job someone needs to follow up with them and find out what happened...,” which, according to the program design, should have happened. This discrepancy suggests that staff may have struggled with capacity issues, an issue directly identified by another participant, who stated that the program “needs more counselors,” as there are “not enough to serve those in need.”

Other common complaints, albeit from a very small percentage of participants, cited a lack of supportive services to help them manage barriers to their success in the program, including help with obtaining driver’s licenses, assistance with car repairs, bus passes, childcare support, and providing food. Bus passes and assistance with car repairs were allowable supportive services and therefore the fact that participants reported that they were not available may speak to a low level of engagement with the program or perhaps implementation difficulties in providing those services (e.g., temporarily running out of bus passes, etc).

Employers, on the other hand, tended to see Earn and Learn as a way to meet business needs while also reaching out to their communities (Figure 27).

MOST IMPORTANT EMPLOYER REASONS FOR PARTICIPATING IN EARN AND LEARN

FIGURE 27
(n=27)



While wage subsidies are clearly an incentive for employers to participate in programs such as Earn and Learn, part of the tradeoff in receiving wage subsidies is that participants generally require increased training and supervision, rendering participation by employers by no means a foregone conclusion. One supervisor related the struggle saying, “We dropped out after a short time. [We were] disappointed with the amount of time and supervision needed.”

“It sounded like a win/win deal. We would get workers who were receiving job coaching and skills training for free, and the program would take unemployed workers out of the [unemployment] system.”

-Earn and Learn employer

Those that did decide to participate were equally likely to point to the ability to test new workers out with the possibility of hiring them later, the opportunity to help community residents, and the wage subsidy as factors that went into their decision. As one employer noted, “It sounded like a win/win deal. We would get workers who were receiving job coaching and skills training for free, and the program would take unemployed workers out of the [unemployment] system.” Another explained that the value of Earn and Learn lies in its ability to “[give] opportunities to the most in need, and as an employer it met our need and helped us give back to the community.” Another employer appreciated that Earn and Learn helped their store reach a new employee pool, saying, “Earn and Learn has been tremendously beneficial to our organization. It allows my staff to hire, coach, and supervise people from different walks of life. Earn and Learn diversifies the store in a great way.”

Other employers focused on the timeliness of Earn and Learn, which came at a time of scarcity for many of them. As employers related, “The [Earn and Learn] workers fill a need during a time with little or no money to hire regular staff,” the program was “absolutely” beneficial because “budget restraints did not allow the staff I needed to get the job done,” and “Earn and Learn assisted [us] at a time when the organization was financially struggling and needed additional assistance.” Another characterized Earn and Learn as a “great program that allows potential employers to test benefits during a time they couldn’t afford/justify to pay a training employee.” This sentiment was echoed by yet another employer who highlighted the worth of the pre-screening and wage reimbursement model, which notably, “saved us time and energy.” Many employers also pointed to the increased capacity Earn and Learn afforded, illustrated by one supervisor’s statement that Earn and Learn workers were so helpful because “it help[ed] us man the job or project while meeting our schedules,” which they may not have been able to do without Earn and Learn. Employers also felt that Earn and Learn was “very beneficial to small employers.” Another employer got right to the point and said, “Because of Earn and Learn, we were able to reach 50 percent more [customers].”

Importantly, employer feedback suggests that future iterations of Earn and Learn or similar TJ programs may be sustainable even in times of scarcity. When asked if they would participate without the full wage subsidy, 74 percent of employers would participate if the subsidy covered 75 percent of Michigan’s minimum wage of \$7.40 per hour, 54 percent would participate if the subsidy covered 50 percent of minimum wage, and 39 percent would participate if the subsidy covered 25 percent of the minimum wage.

LESSONS LEARNED AND RECOMMENDATIONS

Earn and Learn's winding path to becoming a reality and its local variations provide insights into what worked, what didn't, and how to build on the effort in the future and in other places.

Providers that are not embedded in educational systems may need to implement creative approaches to manage the challenging logistics of offering concurrent training and subsidized employment.

Despite the appeal of being able to offer participants employment while they are attending training, program staff reported that the logistics were difficult to manage. Often employers weren't able to accommodate the training schedule and vice versa for training providers. To ameliorate the situation, Detroit providers began arranging for training to occur out at the employer worksites after the workday or to pick participants up from their worksites and transport them to training. Alternatively, Flint providers had a considerably easier time accommodating participants who were trying to do both. As sizable colleges accustomed to serving working students, the Flint providers were able to offer the kinds of evening and weekend classes that could work with an Earn and Learn participant's schedule. In some cases, Flint transitional employers required new employees to attend their own intensive training programs, which made the process easier for participants to manage.

When a program successfully targets a population with serious barriers to employment, providers often must provide considerable basic skills training.

In Detroit and Saginaw, participants possessed high school diplomas at a rate lower than expected, which disqualified them for many of the occupational trainings that providers had lined up. Saginaw, for example, intended to primarily enroll Earn and Learn participants in Energy Conservation Apprenticeship Readiness training, but in practice the training required more advanced math skills than many participants currently had. This mismatch forced providers to reassess the types of meaningful industry-driven training they could offer participants.

Similarly, despite early thoughts that the two efforts could collaborate, the permanent employment opportunities available through Community Ventures, a state-sponsored initiative targeted at incentivizing employers to hire low-income and otherwise disadvantaged individuals, often proved to be at too high a skill level for Earn and Learn participants even after completing training. In the short term, providers responded by matching participants with Adult Basic Education/GED prep classes, sometimes in place of more focused industry training. In the long term, Saginaw realized it would be necessary to identify additional training opportunities at a wider range of skill levels. While some participants did not ultimately enroll in the type of industry-focused training that program designers envisioned, as a pre-requisite to many training programs, the receipt of a GED is certainly a step up the career ladder. Given the easy access to a wide range of remedial classes embedded within the community college system, Flint providers were slightly more equipped to assist participants with skilling up to the college or technical training level when necessary.

Reflecting on participant data can spur real-time innovation and program improvements.

While one Detroit provider originally required participants to score at a sixth grade level or above to meet the requirements held by many training providers, they soon realized that a significant portion of otherwise eligible individuals were testing below that threshold. In a great example of real-time innovation, the provider developed a pilot program to re-immense these participants in the educational context to ultimately assist them in bringing up their scores so that they would qualify for occupational training. On average, participants deemed eligible for the pilot scored 5.1 in math and 5.3 in reading. By the end of the pilot, the average participant had increased their math scores by nearly 3 grade levels and increased reading scores by 2 grade levels—an impressive accomplishment, especially considering the short time frame.

Mainstream workforce providers often aren't well-equipped to serve more disadvantaged job seekers.

While many of the providers were seasoned workforce providers, Earn and Learn participants represented a population with lower skills, more barriers to employment, and in at least one provider's case, a different cultural background than they were generally accustomed to serving. These differences introduced a learning curve in providing effective and targeted services, which may have caused some participants to disengage early from the program.

Detroit responded by implementing a Participant Advisory Council—a group of former and current Earn and Learn participants from both Detroit providers convened to give regular feedback and offer suggestions on how to improve the program—an approach that has been shown to lead to more effective participant engagement and improvements in a program's cultural competence.

The Flint sites also cited surprise at how difficult it was to place formerly-incarcerated individuals into transitional jobs, despite their credential attainment. This challenge suggests that future efforts should take an especially proactive approach to recruiting ex-offender-friendly employers and that providers need to be especially prepared to make the case for hiring these individuals to employers. One potential solution that Flint providers came up with was to offer additional training opportunities to these individuals in the hopes of increasing their marketability.

Participants with supportive relationships (with family, friends, program peers, or even their case manager) appear to fare better in transitional jobs programs.

Disconnected or chronically unemployed individuals can especially benefit from being surrounded by a strong support network from which to draw motivation, whether it is with program staff, program peers, family, or friends.⁶⁶ Sometimes, as evidenced by participant responses indicating that the best part of the program was having people around “to

66. Dunlap, N. (January 2012). *Service delivery principles and techniques: Helping people experiencing homelessness engage in services and succeed in employment*. Chicago: National Transitional Jobs Network.

help and...care about each person's success," feeling like they have just one person rooting for them is enough to strengthen participants' confidence in their ability to succeed.

Program designers can help foster these supportive relationships by developing staff's ability to engage participants as well as providing plenty of opportunities for participants to be surrounded by their peers, particularly once they are out at their TJ worksites and/or in training. If it is not possible to place large groups of participants at each worksite, providers can provide opportunities for peer support by offering regular job club meetings, participant advisory meetings, or hosting social events intended to mark participant progress—say after completing a rigorous work readiness training course or successfully earning a credential.

The shared responsibility for funding and administering the program across so many stakeholders may have led to implementation delays and differing visions for the program's emphasis.

Earn and Learn was intended to be a large-scale statewide ARRA initiative. However, incompatible timelines and delays in both obtaining funding and establishing funding agreements resulted in several key public funding timelines to be missed or severely constricted, which in turn led to a much smaller program than originally envisioned both in terms of numbers served and regions touched. This diminished capacity reduced the program's reach and likely its impact (i.e., impacting employment rates across the state versus impacting a small percentage of the population in a few regions).

Furthermore, the providers necessarily braided together funding to meet the vision of the program and the needs of participants, using public funds for the "Learn" portion and private funds for the "Earn" portion. Earn and Learn was not ultimately administered by one funding entity as a comprehensive program and as a result oversight was split across many parties. For example, when it became clear that a significant portion of participants were not enrolling in occupational training, the state wasn't able to influence how the subsidized portion of the program was administered relative to its relationship with training. Similarly, outside of grant reports and informal check-ins, private funders would have no timely way of knowing if participants were not enrolling in concurrent training and subsidized employment.

With so many funders in the mix and with many of them focused on just their city, each region functioned more or less independently of each other, with different funders to report to, instead of a statewide initiative. The fact that one private funder extended the program in one region but not the others exemplifies this.

Establishing a formalized agreement between funders, reaching a consensus on desired program impacts, setting a regular communication mechanism for assessing progress toward those goals and sharing relevant information, and establishing a governance structure are all key strategies for managing the challenges associated with a complex web of stakeholders and decisionmakers. Implementation delays may be nearly inevitable in complex political contexts and both communication and governance challenges may be a symptom of an otherwise promising approach of braiding together funding, but the model cannot be expected to have the same reach or produce the same impacts without a full implementation of a unified vision.

Program providers should emphasize the high level of value that employer partners gain from these programs.

Providers should feel confident in selling the value of working with TJ participants to employers. Employer surveys of transitional jobs programs, including the Earn and Learn employer survey, continue to show employers touting the benefits of participating in a program such as this, from lowering the cost of hiring new employees and increasing business productivity to improving financial well-being and customer satisfaction. Time and again, as long as they have a good relationship with providers and a clear understanding of where participants are starting from, the vast majority of employers indicate that they would participate in a subsidized employment program again. While it is certainly important to properly set employer expectations on the degree of supervision most transitional jobs participants will require, program providers and job developers should feel confident emphasizing this value to new potential employer host sites or unsubsidized hiring partners.

APPENDIX A: DETAILED EVALUATION METHODOLOGY

The Michigan Earn and Learn evaluation was designed to answer four basic research questions:

1. How was Earn and Learn designed?
2. How was Earn and Learn implemented?
3. What were Earn and Learn's outcomes?
4. What were Earn and Learn's impacts?

This outcome and implementation evaluation is based on the first 18 months of programming (May 1, 2011 through December 31, 2012) and addresses the first three research questions; a subsequent report will examine program impacts on income, public benefits receipt, and recidivism.

Data Sources

Primary sources used to assess the implementation and outcomes of Earn and Learn include: program documents describing program funding, design, and goals; program records containing data collected by providers on assessment, participant characteristics, and outcomes; the database used by WIA providers across the state containing data on participant demographics, supportive services received, and barriers to employment; interviews with key program informants, employers, and program participants; and surveys with employers and participants.

Program Documents

To understand program design and intent, evaluators reviewed related policy issuances from the Michigan Workforce Development Agency (WDA) and regional grant proposals. These documents describe both the services that each region was required to provide as well as how they intended to do so.

Program Records

Data on the personal (including demographics, educational attainment, and barriers to employment) and household characteristics, services received, and program outcomes of the entire universe of Earn and Learn participants were drawn from program documentation, assessments, and provider performance measurement tracking tools. Since providers were already collecting much of the program record data evaluators were interested in for performance measurement purposes, evaluators permitted providers to submit program data in the format they were currently using.

Evaluators also developed an intake form that participants completed once they were enrolled in Earn and Learn to systematically collect information on participant characteristics and barriers to employment. While some of this data was present in the OSMIS data, the participant intake form served to fill in and expand upon the details of those barriers.

Michigan's One-Stop Management Information System (OSMIS)

To verify the complete universe of participants, demographics and data on supportive services received by all registered participants were collected from OSMIS, the state-level workforce database used for all Michigan Works! Agency programs in Michigan. Data on barriers to employment are also collected in this database, which allowed OSMIS data to serve as a supplement to information collected from other sources.

Interviews

To understand the circumstances that led to the creation of Earn and Learn and shaped its design and implementation, evaluators interviewed representatives of key organizations involved in the design, administration, and funding of the program. To gain a sense of each sites' experience implementing Earn and Learn, evaluators interviewed staff and administrators from each site. Evaluators also interviewed employers—many of whom had both hosted transitional job participants and hired participants into unsubsidized employment—to gather their feedback on their involvement in the program. Finally, to understand their experiences prior to the program and to gain program feedback, evaluators also interviewed participants from each site. Interviews were conducted in the fall of 2011, spring of 2012, and winter of 2013.

Participant Survey

Primary data on participant program experiences and satisfaction with Earn and Learn were drawn from responses to a 30-question survey sent to the entire universe of participants. Of all surveys sent, 137 useable responses were received—a response rate of slightly over 9 percent. Because the number of responses constitutes a relatively small and non-randomly sampled proportion of all 1,295 participants, caution must be used in generalizing about the characteristics and experiences of all participants from survey responses.

Employer Survey

Data on the characteristics of Earn and Learn employers, their assessments of participant progress, and their satisfaction with the program were collected in a 44-question survey sent to all participating employers in late fall of 2012. Of all surveys sent, 27 useable responses were received, constituting a response rate of 33 percent. Because the number of responses is based on a non-randomly sampled proportion of all 80 Earn and Learn employers, caution must be used in generalizing about all employers from survey responses.

Data Analysis

Given the myriad of data sources used in this evaluation, researchers built a database of all data available for the entire universe of Earn and Learn participants in a manner that allowed for the construction of a single longitudinal record for each. Considering the nominal nature of most of the data collected and the non-experimental design, evaluators primarily conducted descriptive analyses and where appropriate, chi-square tests of association. Open-ended survey responses were analyzed using Atlas.ti qualitative analysis software. With the benefit of more complete program records and state wage data once the program has completely ended, the final report will include an analysis of the impact of program involvement among Earn and Learn participants and a matched comparison group.

Missing Data

Evaluators utilized pairwise deletion to handle missing program data. Pairwise deletion allows all cases (or participant records) to be included in all the analyses for which there is data. If there was a systematic reason the data were missing (i.e., data was missing not at random), pairwise deletion could potentially skew the analyses. However, since evaluators did not discover any systematic relationships between cases missing the same data points, pairwise deletion was deemed a sufficient method of handling missing data.

Study Limitations

There are two potential limitations associated with this study's evaluation related to the use of program records and the participant survey response rate. While evaluators made every effort to collect program record data covering the entire population of Earn and Learn participants, relying upon the data providers were already collecting seemed to have some limitations, as there were instances in which one or more data points in a participant's longitudinal record were missing. For example, though program records indicate that 355 participants completed occupational training, at the time of data collection providers were only able to specify the type of credential earned for 263 participants. This gap may speak to the delays in communication that may occur in scattered site programs, the struggles busy providers often have in staying on top of a large amount of data, and the often-inadequate management information systems they are using or are required to use. It is likely that more complete program data will be available after all Earn and Learn activities have ceased (currently slated for the spring of 2014).

The low response rate of the participant survey may be attributed to a number of factors. Though researchers employed the established best practices of offering point-of-sale gift card incentives, mailing advance notice of the survey, using paper surveys, sending reminder postcards, providing email and mobile-friendly versions, and calling all non-respondents to follow up, a substantial swath of participants remained unreachable. Many phone numbers were no longer in service and mailing addresses were no longer valid—a challenge commonly experienced by researchers and providers alike with the target population.

APPENDIX B: DETAILED PROGRAM DESIGN AND IMPLEMENTATION BY CITY

	Program Length	Variation from design
DETROIT	July 2011 through December 2013	None
FLINT	May 2011 through December 2012	Extended through April 2014
SAGINAW	Summer 2011 through December 2013	Extended through December 2013

	Michigan Works Agency (MWA)	Variation from Design
DETROIT	Detroit Workforce Development Department (DWDD)/Detroit Employment Solutions and Southeast Michigan Community Alliance (SEMCA)	City government-run DWDD ceased operations and transitioned to a new nonprofit (DESC) in July 2012—one year into implementation; this transition along with inefficiencies at DWDD resulted in training providers having to wait up a year for payment, which caused some training organizations to refuse to provide training until they were paid. This implementation challenge made it more difficult for Detroit providers, especially ACCESS, which does not have training facilities onsite, to match participants with training to the extent intended.
FLINT	Genesee/Shiawassee Michigan Works (GSMW)	None
SAGINAW	None	None

	Role of MWAs	Variation from Design
DETROIT	Processed participant registration with WIA system and distributed vouchers for participant training using Individual Training Accounts	A private third party workforce company, Grant Associates, assumed DESC's participant enrollment and ITA reimbursement responsibilities in July 2012
FLINT	Administered grant, oversaw subcontractor, program providers; processed participant registration with WIA system	In July 2012, Mott Community College became a WIA provider and therefore gained the ability to enroll Earn and Learn participants in WIA internally. This seems to have decreased the wait time between initial program intake and enrollment in program activities for Mott participants
SAGINAW	Administered grant and oversees subcontractor program provider	None
	Grant Administrator	Variation from Design
DETROIT	Southwest Housing Solutions (SWHS)	None
FLINT	Genesee/Shiawassee Michigan Works	None
SAGINAW	Great Lakes Bay Michigan Works	None
	Program Providers	Variation from Design
DETROIT	Focus: HOPE ACCESS	None
FLINT	Mott Community College Baker College of Flint	None
SAGINAW	Arnold Center, Inc.	None

	Target Population	Variation from Design
DETROIT	Residents of Detroit, Highland Park, or Hamtramck who were either low-income disconnected urban youth, especially young minority males ages 18-24, formerly incarcerated individuals (especially those released in the last year), or unemployed adults (especially those unemployed 27 weeks or longer). Required TABE scores above the 6th-grade level, which is often a minimum requirement for occupational training. Original program design explicitly excluded those using drugs, a mental-health or behavioral issue that would interfere with the program, a criminal sexual conviction, or three or more felony convictions	Substantial portion of otherwise eligible participants scored below the sixth grade level on the TABE; one Detroit provider subsequently developed a pilot program to help increase scores to allow these participants to enroll. Substantial proportion of otherwise eligible participants tested positive for drug use and the other Detroit provider responded by creating a pilot program intended to educate participants about the negative effect of drug use on employment; upon completion participants were eligible to take another drug test and enroll in Earn and Learn if they passed
FLINT	Residents of Genesee County who are unemployed adults, ex-offenders re-entering the workforce, and/or disenfranchised youth	None
SAGINAW	Residents of Saginaw who are low-income, formerly incarcerated (especially those released within the last 5 to 7 years), or chronically unemployed (especially those unemployed 27 weeks or longer). Defined low-income as belonging to a household that receives cash assistance or food stamps, or whose income does not exceed the higher of the poverty level or 70 percent of the Lower Living Standard Income Level in the 6 months prior to applying for Earn and Learn	None

	Planned Enrollment	Variation from Design
DETROIT	1,406 in a cohort model	None added; 788 actually enrolled as of early 2013
FLINT	264 on a rolling basis	150 added at extension in January 2013; 380 actually enrolled as of early 2013
SAGINAW	80	80 added at extension in February 2013; 128 actually enrolled as of early 2013

	Enrollment Process	Variation from Design
DETROIT	Participants referred to appropriate MWA's one-stop service center; MWA's provide initial intake and assessment to determine program eligibility, complete TABE testing, and initiate the participant file in the WIA management information system; eligible prospective participants referred to the appropriate Detroit provider for further screening and assessment	TABEs were actually completed during JRT (after enrollment process)
FLINT	Participants referred to MWA's one-stop service center; MWA provides initial intake and assessment to determine program eligibility; eligible prospective participants referred to the appropriate Flint provider for further screening and assessment; once eligibility is demonstrated and case management activity identified, participant file created in the WIA management information system	One Flint provider became a WIA Employment Service provider and therefore gained ability to enroll participants in WIA directly instead of going through the MWA
SAGINAW	As a contracted WIA provider, the Saginaw provider screened and registered participants for WIA directly	None

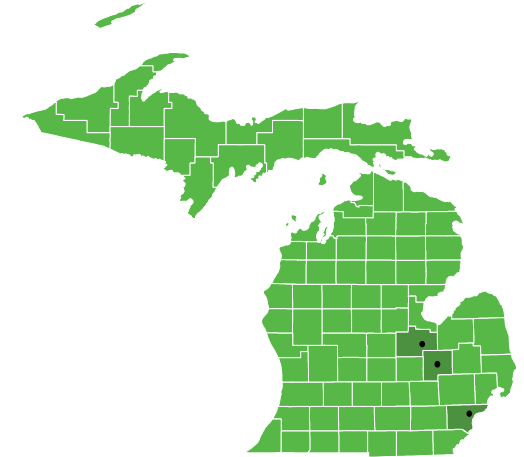
	Case Management	Variation from Design
DETROIT	Participants assigned a case manager and a job coach to assess participant barriers and goals, help access supportive services, develop an individualized training plan, and complete transitional job; job coach evaluates each participant every two weeks by talking with worksite supervisor and participant	None
FLINT	Participants meet with case manager, who reviews assessment results and develops individual service strategy for education and training, transitional job, and supportive services if necessary; participants referred to remedial training if necessary; participants meet with a case manager at least once per month; participants also have access to job developers, who support their employment search	None
SAGINAW	Participants assigned a career manager; based on assessment, career manager develops an individual service strategy and provides supportive services or access to remedial education if necessary; participants were to communicate with career manager once per week throughout the program by phone or in person	None

	Work Readiness Training	Variation from Design
DETROIT	Mandatory intensive 4 week course taught at local community college	None
FLINT	Job club and workshops as needed	None
SAGINAW	2 full-day day or 4 half-day workshop called Essential Work Skills (EWS), a statewide Michigan Works-approved training based on employer feedback of desired skills and behaviors. EWS covers communication, teamwork and conflict management, customer service, appearance, and other topics	None
	Planned Enrollment in Occupational Training	Variation from Design
DETROIT	1,110	No additions to target; 281 entered occupational training as of early 2013
FLINT	238	108 added at extension; 187 entered occupational training as of early 2013
SAGINAW	76	76 added at extension; 93 entered occupational training as of early 2013
	Occupational Training Sector Focus	Variation from Design
DETROIT	None	None
FLINT	Energy-conservation and green-construction training	In reality, participants pursued a variety of trainings
SAGINAW	Energy Conservation Apprenticeship Readiness (ECAR) training was planned to be offered to most participants, who would then be placed in subsidized employment with construction contractors; other participants were to be offered training in healthcare and solar panel manufacturing	ECAR training proved to be more challenging for participants than expected; in response, the Saginaw provider offered remedial training and also identified additional training opportunities. A substantial number (36 percent) of participants pursued clerical training rather than any of the trainings originally planned

	Training Providers	Variation from Design
DETROIT	Various Michigan Career Education Consumer Report (CECR)-approved training providers	None
FLINT	Mott Community College and Baker College	None
SAGINAW	Delta College (a local community college) and various CECR-approved training providers	None
	Concurrent Training/Job Requirements	Variation from Design
DETROIT	Participants were required to participate in education or training and subsidized employment concurrently; participants were required to work at least 20 hours per week in subsidized employment for a total of at least 40 hours per week in both activities	While concurrent training and employment were encouraged, in reality providers struggled to identify employers and training opportunities that were compatible schedule-wise; severe delays in voucher reimbursement to training providers also caused some training providers to refuse service and withdraw students from class; all three issues led this requirement to soften
FLINT	Participants could combine education/training and subsidized employment in a sequence that fit their preferences and the preferences of employers	
SAGINAW	Participants were required to work in subsidized employment and attend training concurrently	None
	Planned Participants for Transitional Jobs	Variation from Design
DETROIT	1,110	1 exception was made
FLINT	238	None added; 449 entered transitional jobs as of early 2013
SAGINAW	72	120 added at extension in January 2013; 303 entered transitional jobs as of early 2013 72 more added at extension in January 2013; 80 entered transitional jobs as of early 2013

	Maximum Length of Transitional Job	Variation from Design
DETROIT	550 hours	None
FLINT	640 hours	None
SAGINAW	640 hours	None
	Payroll for Subsidized Wages	Variation from Design
DETROIT	Participants were to be on employers' payroll for subsidized employment: participants were paid by employers and employers were to be reimbursed by SWHS	None
FLINT	Flint providers pay participants directly	None
SAGINAW	Saginaw provider established an independent limited liability company to pay Earn and Learn participants	None
	Targets for Unsubsidized Employment	Variation from Design
DETROIT	633 entering unsubsidized employment; 320 retained for at least 6 months	Data unavailable at this time
FLINT	217 originally; 123 added at extension	Data unavailable at this time
SAGINAW	64 originally; 64 added at extension	Data unavailable at this time

APPENDIX C: EARN AND LEARN IMPLEMENTATION TIMELINE

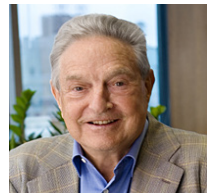


A precursor to Earn and Learn known as No Worker Left Behind (NWLB) is initiated by the then Governor Granholm's Administration. NWLB provided free tuition to unemployed and moderate-income individuals to return to school and earn credentials with labor market value, and Earn and Learn was intended to share NWLB's emphasis on training and focus on making training attractive and accessible to individuals disconnected from education and the labor market.



Open Society Foundations and the State of Michigan approach the Charles Stewart Mott Foundation about providing matching funds for a program that would draw down American Recovery and Reinvestment Act dollars to provide transitional jobs and education to disconnected individuals throughout the state.

In response to the missed ARRA funding opportunity, Open Society Foundations (OSF) adds an additional matching requirement that the State of Michigan match OSF's contribution, leaving the State to identify additional funding.



APRIL 2009
George Soros and his Open Society Foundations establish the Special Fund for Poverty Alleviation in response to the economic crisis to provide humanitarian and direct services.

SEPTEMBER 2010
Michigan's state legislature misses the deadline to draw down Emergency Contingency Funds dollars, rendering the American Recovery and Reinvestment Act Emergency Contingency Funds money originally anticipated for Earn and Learn no longer available.

OCTOBER 2010
The Michigan Legislature does not fund Earn and Learn's sister program Jobs Education and Training Plus as much as anticipated, leaving a gap in services for individuals with Temporary Assistance to Needy Families-eligible dependents. Due to this gap, individuals who would have been served by Jobs Education and Training Plus are afforded eligibility to Earn and Learn.



FEBRUARY-MAY 2011
Southwest Housing Solutions, Great Lakes Bay Michigan Works, and Genessee/Shiawassee Michigan Works apply to private funders to serve as regional program administrators.

APRIL 2011
The Michigan Workforce Development Agency, the state agency that was home to Earn and Learn, releases a policy issuance on Earn and Learn authorizing the use of public funding, setting program priorities, and highlighting program requirements.

FEBRUARY 2011
Philanthropic awards made, leaving only 4 months of spending authority on the Workforce Investment Act Statewide Activities funds being used as the public portion of funding.

JANUARY 2011
In light of reduced public funding as well as local private funder interest in the hard hit region of Detroit, the state of Michigan decides to move ahead with Earn and Learn on a reduced scale, eliminating western Michigan from the program.

JANUARY 2013
Flint and Saginaw providers receive an extension to continue programming through the end of 2013.

NOVEMBER 2013
Flint obtains additional funding from Mott to continue program activities into the spring of 2014.

DECEMBER 2013
Earn and Learn programming officially ends in Detroit and Saginaw.

EARN + LEARN

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Michigan Earn and Learn: An Outcome & Implementation Evaluation of a Transitional Job and Training Program

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