

# TAKING CARE OF BUSINESS

## Transitional Jobs & Subsidized Employment Programs Benefit the Business Community

November 2014, Research Brief

This brief draws from program evaluation evidence and other relevant research to show how businesses benefit through partnerships with transitional jobs (TJ) and subsidized employment programs. The first section describes how businesses benefit by offering time-limited job positions to subsidized workers. The second section describes how businesses benefit by hiring employment program graduates into unsubsidized positions.

We encourage employment program providers, administrators, planners, and other workforce development stakeholders to use this brief to formulate effective “business cases” for why employers should offer employment opportunities to subsidized workers or hire program graduates into unsubsidized jobs.



EMPLOYER ENGAGEMENT  
TOOLKIT

# Report Information

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The National Transitional Jobs Network (NTJN), an initiative of Heartland Alliance's National Initiatives on Poverty & Economic Opportunity, would like to thank our colleagues at the Social IMPACT Research Center for contributing their knowledge and time to the production of this report. In addition, the NTJN would like to thank other researchers in the field, including Mobility and MDRC, for their ongoing work to identify evidence-based employment solutions for the chronically unemployed.

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**Project team:** Jonathan Philipp, Caitlin C. Schnur, Kurt Vanucci, Chris Warland, Melissa Young

**Report design:** Sarah Sommers

**Report layout:** Caitlin C. Schnur

**Primary authors:** Caitlin C. Schnur & Kurt Vanucci

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## **National Initiatives on Poverty & Economic Opportunity**

Heartland Alliance's **National Initiatives on Poverty & Economic Opportunity** focus on ensuring that everyone who wants to work has the tools and opportunities to do so. These initiatives are designed to address chronic unemployment through the capturing and dissemination of best practices, seeding of research on promising practices, field building activities, and policy change. We are strategically aligned and frequently collaborate with thousands of employment, training and service providers, anti-poverty, workforce, reentry, and homelessness advocates, researchers, and government officials.

One of our national initiatives is the **National Transitional Jobs Network (NTJN)**. The NTJN is a national coalition dedicated to getting chronically unemployed Americans back to work. The NTJN advances employment solutions including transitional jobs that combine wage-paid work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce. The NTJN opens doors to work through transitional jobs programs, research and evaluation, education and training, and policy advocacy.

# Table of Contents

**Report Information** ..... 02

**Introduction** ..... 04

**I. Businesses Benefit When They Offer Employment Opportunities to Workers with Subsidized Wages**

    Benefit #1: Reduced Wage Costs, Leading to Growth ..... 05

    Benefit #2: Improved Business Performance ..... 06

    Benefit #3: The Opportunity to “Try Out” a Prospective Employee at Reduced Cost..... 06

    Benefit #4: Quality Workers with Built-In Supports to Promote Workplace Success ..... 07

    Benefit #5: Enhance Competitive Advantage by Leveraging a Commitment to Socially Responsible Business Practices ..... 08

    Benefit #6: Conduct Business in an Economically Stronger Community ..... 09

**Pull-out: Social and Economic Impact: Transitional Jobs and Subsidized Employment Programs** ..... 10

**II. Businesses Benefit When They Hire Employment Program Graduates into Unsubsidized Positions**

    Benefit #1: Reduce the Costs Associated with Hiring Qualified Workers ..... 11

    Benefit #2: Hire Individuals Who Are Work Ready and Motivated to Succeed..... 11

    Benefit #3: Leverage Job Retention Services to Reduce Employee Turnover Costs..... 12

    Benefit #4: Save Money by Claiming the Work Opportunity Tax Credit (WOTC)..... 13

    Benefit #5: Protect Against Loss or Liability with Free Federal Bonding..... 13

**Conclusion** ..... 14

**References** ..... 15

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# Introduction

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Transitional jobs (TJ) and subsidized employment programs use wage subsidies to help unemployed individuals reenter the labor market. TJ, in particular, is a subset of subsidized employment that combines wage subsidies with supportive services to help chronically unemployed individuals mitigate barriers to employment and enter and succeed in the workforce. The success of these interventions hinges on collaboration with employers, including the employers whose businesses create job opportunities for subsidized workers and the employers who hire program graduates into unsubsidized jobs.

This brief draws from program evaluation evidence and other relevant research to show how businesses benefit through partnerships with TJ and subsidized employment programs. The first section describes how businesses benefit by offering time-limited job positions to subsidized workers. The second section describes how businesses benefit by hiring employment program graduates into unsubsidized positions.

We encourage employment program providers, administrators, planners, and other workforce development stakeholders to use this brief to formulate effective “business cases” for why employers should offer employment opportunities to subsidized workers or hire program graduates into unsubsidized jobs. By successfully showing employers and the business community the value of partnering with TJ and subsidized employment programs, stakeholders can help ensure that these critical interventions continue to offer individuals with barriers to employment the opportunity to work and support themselves and their families.

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# I. Businesses Benefit When They Offer Employment Opportunities to Workers with Subsidized Wages

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Transitional jobs (TJ) and subsidized employment programs frequently rely on partnerships with external employers to place program participants into time-limited, subsidized job positions. Effective recruitment of employer partners to “host” subsidized workers often requires demonstrating to employers the business advantages of this type of collaboration. This section highlights six compelling ways that businesses benefit when they offer employment opportunities to subsidized workers.

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## **Benefit #1: Reduced Wage Costs, Leading to Growth**

By subsidizing workers’ wages partially or fully, TJ and subsidized employment programs provide businesses with opportunities to expand their workforce at reduced monetary cost.<sup>i</sup> Employers acknowledge that access to wage subsidies is an important factor in their decision to provide job opportunities to TJ or subsidized employment program participants. An evaluation conducted by the Economic Mobility Corporation (Mobility) of five large-scale subsidized employment programs funded through the American Recovery and Reinvestment Act (ARRA) found that 62 percent of participating employers agreed that “the opportunity for free or low-cost labor” contributed “a lot” to their decision to take part in the program, suggesting that employers view having subsidized workers as a valuable contribution to their bottom line.<sup>1</sup>

With wages subsidized, businesses are often able to create new positions. For example, 63 percent of employers who partnered with the ARRA-funded subsidized employment programs evaluated by Mobility said they created new job positions to accommodate their expanded, subsidized workforce.<sup>2</sup> The same evaluation showed that nearly one-third of all participating businesses wanted to hire but lacked the resources to do so before the program, showing that an employer’s decision to offer opportunities to subsidized workers can help businesses expand their capacity and meet their goals for growth.<sup>3</sup> Anecdotal reports from employers who participated in Michigan Earn and Learn, a TJ and occupational training program targeted at disconnected, at-risk youth in Detroit, Flint, and Saginaw, MI, support this assertion; as one employer stated, “Because of Earn and Learn, we were able to reach 50 percent more [customers].”<sup>4</sup>

i. TJ and subsidized employment programs put policies in place to protect existing workers from being displaced by subsidized workers. Moreover, given that subsidized positions are time-limited, subsidized workers cannot function as permanent substitutes for existing workers.

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*Employers attribute a variety of improved business outcomes to employing subsidized workers, including positive changes in critical performance measures such as financial health, productivity, and customer satisfaction.*

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## **Benefit #2: Improved Business Performance**

Employers attribute a variety of improved business outcomes to employing subsidized workers, including positive changes in critical performance measures such as financial health, productivity, and customer satisfaction.<sup>5</sup>

### **Financial Health:**

Employers report that providing job opportunities for subsidized workers can improve a business' financial health. Among employers who partnered with Put Illinois to Work (PITW), a large, state-wide subsidized employment program for low-income job seekers in operation during the Great Recession, 57 percent said their business' financial health improved following PITW participation. Forty-seven percent of businesses with improved financial health attributed at least half of that improvement directly to PITW participation rather than to external factors such as overall economic growth, demonstrating that partnering with subsidized employment programs can grow a business' bottom line.<sup>6</sup> Other research supports PITW's finding, with 76 percent of employers who partnered with the ARRA-funded subsidized employment programs evaluated by Mobility saying that doing so had a positive effect on their business' profits or, among non-profit employers, their level of services rendered.<sup>7</sup>

### **Productivity:**

In a survey of employers who participated in Chicago Neighborhood JobStart, a TJ program that helped individuals with barriers to employment in very disadvantaged neighborhoods get back to work during the Great Recession, more than half of employers (54 percent) reported that their business' productivity "increased or somewhat increased" as a result of employing the subsidized workers.<sup>8</sup> Similarly, among employers who partnered with the ARRA-funded subsidized employment programs evaluated by Mobility, 79 percent reported that the subsidized workers had a somewhat or very positive effect on their business' productivity, while 68 percent of employers who partnered with PITW reported increased productivity.<sup>9</sup> These data demonstrate that when a business chooses to partner with a TJ or subsidized employment program, its ability to meet consumers' needs efficiently may increase—an important feature of any thriving and growing business.

### **Customer satisfaction:**

The majority of employers participating in TJ or subsidized employment programs say they have seen higher levels of customer satisfaction as a result of program participation—an improvement in business performance that is likely to retain current customers as well as attract new business.<sup>10</sup>

## **Benefit #3: The Opportunity to “Try Out” a Prospective Employee at Reduced Cost**

TJ and subsidized employment programs give businesses the opportunity to “try out” a worker at reduced cost before deciding whether to invest in hiring that worker into an unsubsidized position. Employers want to hire workers who mesh with organizational culture, understand the job tasks, and can perform job functions effectively. Employers value that partnering with TJ and subsidized employment programs gives them the unique opportunity to identify workers who are a good fit and add value to their business; in recent

evaluations of subsidized employment programs, about half of surveyed employers indicated that trying out a prospective employee before committing to hire factored into their decision to partner with the programs.<sup>11</sup> With risk and cost limited, businesses benefit by giving a subsidized worker a “trial run” and hiring that worker as an unsubsidized employee when he or she is a good match and has already produced positive results for the business. This matching may reduce the costs associated with turnover, which tends to occur at higher rates in entry-level positions.<sup>12</sup>

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**Exceeding Employer  
Expectations:  
Subsidized Employees  
Experience Success in  
the Workplace**

Put Illinois to Work (PITW), a statewide subsidized employment program aimed at countering the effects of the Great Recession on Illinois communities, employed trainee-workers who were low-income parents and low-income youth—populations likely to experience barriers to workplace entry and success, including employers’ pre-existing beliefs about the how well they will perform on the job. Speaking to the quality of these workers, however, a preliminary program evaluation found that the majority of employer partners said that after PITW participation, they were more willing to hire low-income parents and youth than they were prior to PITW participation. This suggests that apprehensions about the employability of TJ or subsidized employment program participants may be misplaced—and shows that when given the opportunity to work, individuals with barriers to employment can and do exceed expectations and succeed on the job.

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**Benefit #4: Quality Workers with Built-In Supports to Promote Workplace Success**

Employers who have not previously partnered with a TJ or subsidized employment program may experience apprehension about offering subsidized positions to individuals with barriers to employment. However, research shows that if given the opportunity to do so, the overwhelming majority of employer partners would offer job slots to subsidized employees again—an indication that employers frequently have positive experiences with their subsidized employees.<sup>13</sup>

In terms of worker quality, Mobility’s evaluation data of ARRA-funded subsidized employment programs show that nearly seven out of 10 employer partners who offered subsidized job opportunities said that doing so had a positive effect on their ability to recruit qualified workers.<sup>14</sup> Although the majority of these employers acknowledged that their subsidized employees had less work experience than candidates typically hired for similar positions, the majority also said their subsidized employees’ occupational skills, attendance, and punctuality matched or exceeded those of their unsubsidized employees.<sup>15</sup> Similarly, the majority of JobStart employer survey respondents said that their workers’ personal presentation, punctuality, interpersonal skills, and overall performance were already good or very good at the beginning of their TJ placement.<sup>16</sup> Employers noted that the workers’ soft skills in these and other areas only improved by the end of the subsidy period, suggesting that individuals facing barriers to work are dedicated to enhancing their employability when given the opportunity to do so.<sup>17</sup>

It is important to recognize that while subsidized employees add value to the workplace, some subsidized workers need assistance managing employment barriers to succeed in work. Although any job candidate may have barriers to employment, those who come through TJ programs have access to services that support their success in the workplace that other job candidates may not.<sup>ii</sup> For example, JobStart provided job coaching, mentoring, and helped participants access services such as childcare, transportation, and work clothes.<sup>18</sup> These services can help a participant succeed in a subsidized job placement and transition into unsubsidized work as well as serve an important human resources and risk-reduction function for businesses.

The rates at which employers hire their subsidized workers into unsubsidized positions, along with employers’ expressed desire to hire these workers if they had the financial resources to do so, speaks to the successful performance of many of these workers in their subsidized jobs. Among employers who partnered with the ARRA-funded subsidized employment programs evaluated by Mobility, about three-quarters retained at least one of

ii. While some subsidized employment programs offer participants supportive services to help manage employment barriers, employment-focused supportive services are a hallmark of TJ programs.

the subsidized workers following the subsidy period.<sup>19</sup> Across these sites, 37 percent of subsidized employees transitioned into unsubsidized positions with their employer hosts. This permanent hiring occurred despite the economy's sluggishness and the high rates of national unemployment that persisted at the end of the subsidy period, suggesting that employers believed that when they could afford to do so, the value their subsidized employees brought to their businesses merited long-term investments in these workers. Consistent with findings from other program evaluations, these ARRA-funded subsidized employment partners also said that lack of financial resources prevented them from hiring program participants despite wanting to do so.<sup>20</sup> This suggests that hiring rates may not fully reflect employer partners' perception of participants' work quality and is a strong indication that permanent hiring would have been even higher in a more robust economy.

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*Employers may leverage their socially-responsible partnerships with TJ or subsidized employment programs to their competitive advantage.*

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### **Benefit #5: Enhance Competitive Advantage by Leveraging a Commitment to Socially Responsible Business Practices**

Employer survey data show that employer partners' most common motivation for partnering with a TJ or subsidized employment program is the desire to help struggling communities and individuals trying to find work.<sup>21</sup> Employer partners' desire to engage in activities that yield positive social impact aligns with the business community's increasing commitment to corporate social responsibility, or CSR. Defined by business leaders as "how companies manage their economic, social, and environmental impacts," the CSR framework encourages businesses to ensure that their practices uphold the public well-being and to recognize that their firm is accountable to their employees, local communities, and society-at-large.<sup>22</sup>

Companies, including small businesses, can leverage their engagement in CSR activities to increase their competitive advantage. Nine out of 10 American consumers have a more positive impression of companies that support CSR and are more likely to trust and be loyal to those companies.<sup>23</sup> It is clear that a business' commitment to socially-responsible practices fosters brand affinity (or, a consumer's emotional and long-term connection to a product or service) and grows the bottom line.

A business' decision to offer job opportunities to low-income individuals by partnering with a TJ or subsidized employment program advances that business' CSR efforts. As highlighted on page 10 of this report, TJ and subsidized employment programs can make a compelling social and economic impact. These programs have been shown to make communities safer, improve outcomes for participants' children, strengthen vulnerable families, grow local economies, and mitigate the impact of poverty. TJ and subsidized employment programs directly address economic development, including investing in communities via human capital growth, job creation, and improvements to infrastructure, which is "far and away the most pressing issue" consumers want companies to tackle.<sup>24</sup> The impact of TJ and subsidized employment programs can also be felt locally, which consumers express is important.<sup>25</sup> As CSR commitments become increasingly critical to businesses' ability to attract customers and foster brand affinity, employers may leverage their socially-responsible partnerships with TJ or subsidized employment programs to their competitive advantage.



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***Employer partners who offer job opportunities to disadvantaged workers help to bolster the business community by improving local economic health overall.***

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### **Benefit #6: Conduct Business in an Economically Stronger Community**

Employer partners who offer job opportunities to disadvantaged workers help to ensure the overall success of TJ and subsidized employment programs—and also help to bolster the business community by improving local economic health overall. As discussed in the JobStart evaluation, lower-income earners are more likely to spend income on goods and services, and to spend in their communities, than those with higher incomes.<sup>26</sup> These individuals may spend up to 70 percent of their earned income immediately upon receiving it.<sup>27</sup> This first round of consumer spending has a multiplier effect, as businesses replenish their stock or buy services from other businesses to support consumers' purchases. The JobStart evaluation found that in just four months, TJ participants spent an estimated \$2.8 million in wages, propelling Chicagoland businesses to spend an estimated \$2.3 million and create 44 new jobs to support the increase in spending demand. The positive economic ripple effects of TJ and subsidized employment programs help foster commercially vibrant and economically healthy communities in which businesses can thrive.

# SOCIAL AND ECONOMIC IMPACT:

## Transitional Jobs and Subsidized Employment Programs

### **STRONGER FAMILIES.**

Employment, earnings, and economic stability strengthen families and support positive outcomes for children by improving relationship quality and stability between co-parents as well as among parents and their children.<sup>28</sup> [Learn more here.](#)

### **BENEFITS TO CHILDREN.**

Parental participation in TJ improves children's educational outcomes, pro-social behavior, and attitudes toward work.<sup>29</sup> [Learn more here.](#)

### **BETTER-EQUIPPED YOUTH.**

Helping youth gain a foothold in the labor market is essential to this country's future. Research on unemployment's effects on youth shows that lack of work leads to lower lifetime wages and worse economic prospects.<sup>30</sup> TJ and subsidized employment programs can be a first step in positioning these youth for future earnings as productive members of the labor market. [Learn more here.](#)

### **DECREASED RELIANCE ON PUBLIC BENEFITS.**

TJ can play a role in decreasing reliance on public benefits such as Temporary Assistance to Needy Families (TANF), or welfare. An evaluation of a Philadelphia-based TJ program found that 62 percent of participants sustained unsubsidized employment for at least six to nine months following program completion, allowing them to stay off public assistance.<sup>31</sup> [Learn more here.](#)

### **ECONOMIC INDEPENDENCE.**

TJ and subsidized employment generate immediate earned income for low-income individuals, increasing their ability to pay for basic needs including food and clothing. Workers also earn quarters toward wage-based tax incentives such as the Earned Income Tax Credit (EITC), which has been proven to lift individuals and families out of poverty. Taken together, earned income and tax-based credits can mitigate poverty's harshest impacts and foster economic independence.

### **REDUCED RECIDIVISM.**

TJ participation among individuals recently released from incarceration significantly reduces recidivism rates and can generate cost-savings to society of up to \$8,300 per participant.<sup>32</sup> [Learn more here.](#)

### **SAFER COMMUNITIES.**

TJ participation among individuals recently released from incarceration significantly reduces reincarceration rates for committing a *new* crime, indicating that TJ programs can increase safety in communities.<sup>33</sup> [Learn more here.](#)

### **LOCAL ECONOMIC GROWTH.**

Low-income workers tend to spend earned income in their communities to meet immediate needs, increasing local demand for goods and services. An evaluation of a Chicago-based TJ program estimated that over a four month period, the program increased demand by over \$5 million and generated 44 new jobs.<sup>34</sup> [Learn more here.](#)

## II. Businesses Benefit When They Hire Employment Program Graduates into Unsubsidized Positions

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A central goal of transitional jobs (TJ) and many subsidized employment programs is to assist participants in securing permanent, unsubsidized jobs following program completion. Effective job development for program graduates is integral to achieving successful program outcomes. This process often requires demonstrating how a business can benefit from hiring TJ and subsidized employment program graduates. This section presents five important ways businesses may benefit when they hire program graduates into permanent, unsubsidized jobs.

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### **Benefit #1: Reduce the Costs Associated with Hiring Qualified Workers**

At the heart of any business is the employees who make that business run every day. As a result, it is critical that employers hire candidates who are a good match for an organization's culture, can perform key job tasks effectively, and are excited to stay with a business over the long term. Attracting, screening, and assessing qualified job candidates can be an expensive undertaking; in 2011, the median cost per hire for small, U.S.-based firms was \$3,665 per new employee.<sup>35</sup> Because TJ programs frequently assume a portion of these human resource functions by helping employers identify well-matched job candidates, businesses may see significant cost savings when they partner with TJ programs to hire their graduates.

TJ program staff assess participants' strengths and professional goals, gaining an understanding of participants' skills and interests that few small to mid-sized employers have the time or resources to achieve. At the same time, TJ program staff research local labor market trends and develop professional relationships with employers to understand the types of job candidates employers want. By leveraging their knowledge of businesses' staffing needs along with program graduates' strengths, TJ programs can reduce the cost, time-to-hire, and effort it takes employers to find well-matched workers who are likely to thrive at their respective businesses.

### **Benefit #2: Hire Individuals Who Are Work Ready and Motivated to Succeed**

Businesses that hire graduates of TJ programs can be reasonably assured that they are hiring work ready employees who are motivated to succeed. A central component of most TJ programs is developing program participants' soft skills and overall work readiness, including punctuality, personal presentation, effective communication, and conflict management skills. These skills are essential to an employee's success and are highly valued by employers. For example, a national survey of over 400 employers

found that employers ranked professionalism and work ethic, teamwork and collaboration, and oral communications as the three most important skills needed by workers entering the labor market.<sup>36</sup> Employers ranked these types of soft skills as more important than new workers' basic knowledge skills.

TJ programs also develop reliable workers by going “beyond the soft skills” to help program participants manage and overcome barriers to employment that could easily hinder the success of any job seeker or employee. TJ programs invest significant resources in identifying, assessing, and helping individuals overcome barriers to employment so that by program graduation, participants are truly ready to work.

Finally, it is important to remember that the best indicator that a worker will contribute productively to a business is the largely unquantifiable measure of that individual's motivation to succeed. By the time a TJ program graduate reaches the interview seat, he or she has already committed to and completed work readiness training, honed soft skills, identified and worked to overcome barriers to employment, and succeeded in a subsidized job position. A graduate's program success indicates that he or she has demonstrated resilience, determination, a commitment to self-improvement, and a willingness to be a productive, reliable employee.

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### **Program Example: Job Retention Services Reduce Turnover**

Employment programs may offer their graduates job retention services over an extended period to facilitate success in an unsubsidized job. For example, Cleanslate, a Chicago-based TJ program, offers its graduates up to one year of follow-up job retention services that include regular meetings and phone calls to check on graduates' employment status and workplace progress, childcare referrals, rental assistance, and a match-savings program to encourage economic independence.<sup>40</sup> Notably, Cleanslate graduates boast a 65 percent one-year job retention rate compared to the national average rate of 50 percent in the industries that typically hire Cleanslate graduates.<sup>41</sup>

### **Benefit #3: Leverage Job Retention Services to Reduce Employee Turnover Costs**

Job retention services provided by TJ programs are designed to increase the likelihood that their graduates will remain in permanent unsubsidized jobs, and therefore businesses that hire TJ graduates may be able to reduce their employee turnover and its associated costs. In 2013, the total national turnover rate across all industries was about 15 percent,<sup>37</sup> and turnover tends to occur most frequently in entry-level positions.<sup>38</sup> The typical cost of employee turnover for positions in which workers earn less than \$30,000 per year is 16 percent of that employee's annual salary (or up to \$4,800), representing a substantial cost to employers.<sup>39</sup> Regardless of whether an employee is discharged or leaves voluntarily, costs incurred in the process of finding a new worker include lost productivity, job advertisements, and new employee training.

TJ programs offer an array of ongoing supports designed to help ensure that program graduates succeed in their unsubsidized positions. While these retention services vary by program, they may include job retention bonuses, regular check-ins with employers to ensure effective workplace communication and address conflicts as they arise, ongoing assistance with transportation or linkages to childcare services, and mentoring or job coaching.

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## Understanding the Work Opportunity Tax Credit (WOTC)

### Q: Which new hires are eligible for WOTC?

A: See a list of [WOTC target groups](#).

### Q: How much are the WOTC tax credit amounts per target group?

A: [This webpage](#) provides WOTC tax credit amounts for different target groups.

### Q: Can an employer estimate the tax credit his or her business will receive?

A: Estimate an employer's tax credit with [this calculator](#).

### Q: How does an employer apply for WOTC?

A: An employer will need to complete [these brief forms](#).

### Q: How can an employer learn more about WOTC?

A: This [online tutorial](#) provides an introduction to WOTC, details on worker eligibility, and a step-by-step guide on how to apply for the tax credit.

### Q: How can an employer contact a state WOTC coordinator?

A: This [interactive online map](#) provides contact information for state WOTC coordinators.

For more information, visit the [U.S. Department of Labor's website](#).

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## Benefit #4: Save Money by Claiming the Work Opportunity Tax Credit (WOTC)

Businesses that hire TJ or subsidized employment program graduates may realize cost savings by claiming the Work Opportunity Tax Credit (WOTC).<sup>iii</sup> WOTC is a federally-funded program that gives employers over \$1 billion in tax credits each year for hiring individuals from target groups who face significant barriers to employment, including veterans, long-term recipients of welfare, and individuals returning home from incarceration.<sup>42</sup> While not all TJ and subsidized employment program graduates will be covered by WOTC, target groups eligible for the tax credit frequently overlap with the populations served by these types of employment programs.

Employers can claim a tax credit that ranges from \$1,200 to \$9,600, depending on the employee hired. TJ program staff is often willing to assist employers with applying for the WOTC so that businesses can successfully receive the tax credit. By incentivizing employers to hire individuals with barriers to employment, WOTC is a win-win for business as well as TJ and subsidized employment program graduates.

## Benefit #5: Protect Against Loss or Liability with Free Federal Bonding

Although workplace crimes committed by individuals with barriers to employment happen very rarely,<sup>iv</sup> some employers may allow worries about theft or fraud to prevent them from hiring graduates of TJ or subsidized employment programs. Business owners can rest assured, however, because many employers who hire these graduates will be able to obtain free fidelity bonds through the [Federal Bonding Program](#) to protect against any loss of money or property due to employee theft, forgery, larceny, or embezzlement.<sup>43</sup>

A U.S. Department of Labor initiative, the Federal Bonding Program is a no-cost means for businesses to mitigate the perceived risk of workplace dishonesty among individuals with barriers to employment such as a criminal record, a history of substance abuse, or a dishonorable military discharge.<sup>44</sup> The fidelity bonds, which last for up to six months,<sup>v</sup> provide coverage from \$5,000 to \$25,000. Requesting a bond requires no paperwork on the part of employers, and interested parties should contact their state bonding coordinator for more information via this frequently-updated [online directory](#). By offering employers liability protection against workers deemed “not bondable” by commercial insurance companies, the Federal Bonding Program incentivizes hiring and helps to ensure that an individual's past is not the sole predictor of his or her future success.

iii. As of January 6, 2014, the U.S. Department of Labor's website states: “The legislative authority for the WOTC program expired on December 31, 2013. At this time, we have no indication whether Congress may pass legislation extending authority for the program beyond December 31, 2013. However, in the past when the program's authority lapsed, Congress has retroactively reauthorized the program back to the date of expiration.” For more information, please see <http://www.doleta.gov/business/incentives/opptax/whatsnew.cfm>. This information was current as of October 29, 2014.

iv. According to the Federal Bonding Program's materials, “about 40,000 applicants have obtained jobs due to being bonded, and 99% have proven to be honest employees.” For more information, see: <http://www.bonds4jobs.com/assets/brochure.pdf>

v. A worker who demonstrates job honesty during the six months of Federal Bonding Program coverage can become bondable for life under commercial bonding made available to the employer for purchase from the Travelers Property Casualty insurance company. For more information, see: <http://www.bonds4jobs.com/assets/brochure.pdf>

# Conclusion

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Employers and the business community have much to gain by partnering with transitional jobs (TJ) and subsidized employment programs—and it's critical that employment program staff and other workforce development stakeholders lift up and showcase these business-friendly advantages to attract and retain employer partners.

By offering employment opportunities to subsidized workers, businesses can expand their workforce, improve their overall business performance, and enjoy the unique opportunity to screen and develop talent from a pool of well-supported, quality workers at reduced cost. By leveraging their commitment to support disadvantaged jobseekers through their hiring practices, businesses can enhance their competitive advantage—and grow their bottom line—while making a real social impact. This impact includes positive economic ripple effects across communities, further fostering a thriving business environment.

At the same time, businesses that hire employment program graduates, and especially TJ program graduates, into permanent positions also garner positive returns. Employers can reduce their hiring and turnover costs by bringing on work ready employees who are committed to on-the-job success. With the added advantages of the WOTC and free fidelity bonds, employers can realize additional savings and liability protections.

The success of TJ and subsidized employment programs relies on strong partnerships with employers and the business community. By showing these key stakeholders the value of these partnerships, employment program providers can help open doors to work for people with barriers to employment, forging pathways out of poverty for individuals and families while also strengthening businesses and local economies. Working together, TJ and subsidized employment programs and businesses can offer vulnerable workers the opportunity to work and support themselves and their families—and help to rebuild the foundation on which the American Dream is realized.

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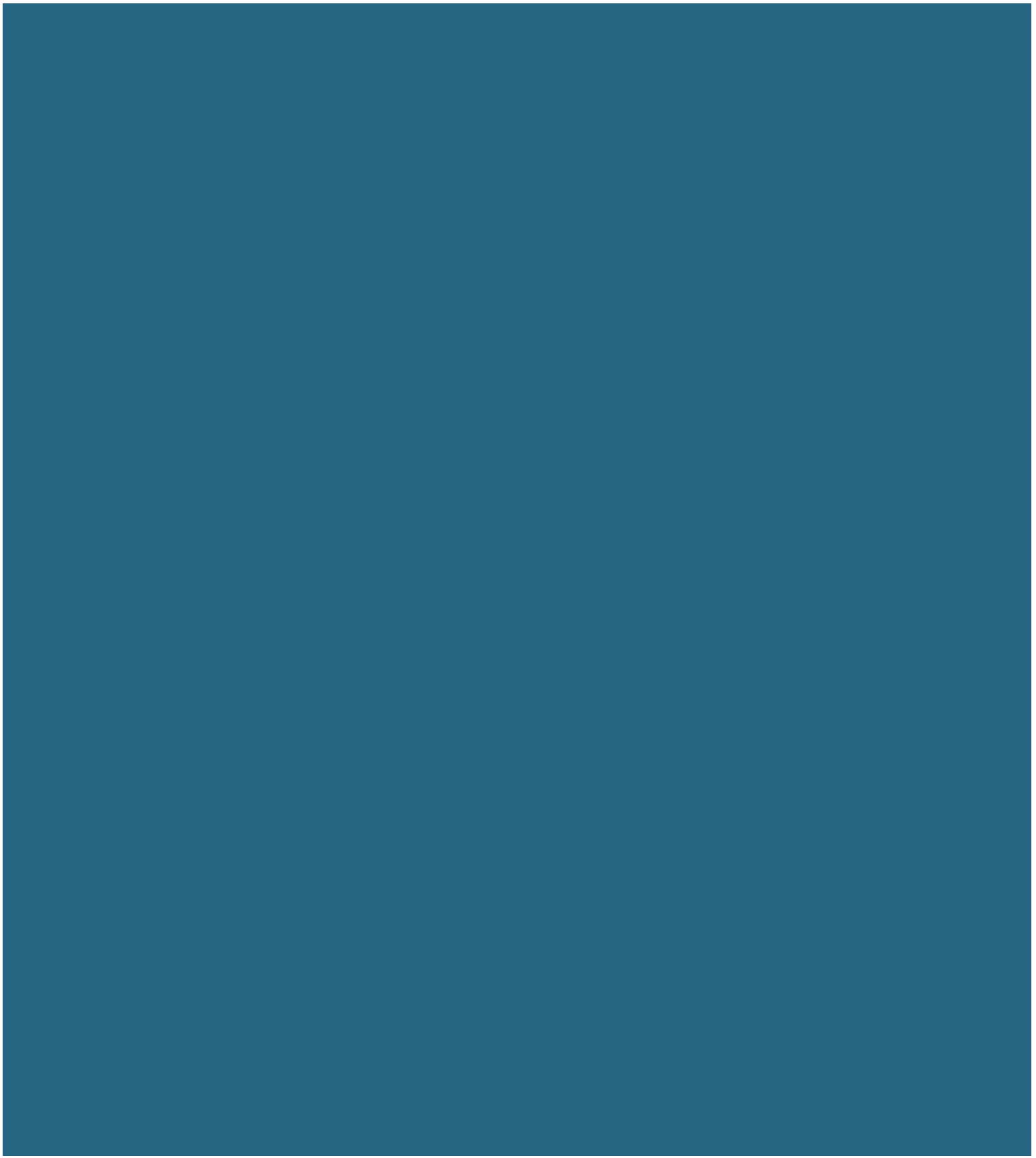
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33 W. Grand Avenue, Suite 500, Chicago, IL 60654 | 312.870.4949 | [ntjn@heartlandalliance.org](mailto:ntjn@heartlandalliance.org) | [transitionaljobs.net](http://transitionaljobs.net)  
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