

*Chicago Neighborhood JobStart*  
Full Evaluation Report:

A Transitional Jobs Response to the Great  
Recession

February 2012

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employer outreach job placement work  
a chicago neighborhood job start report

# Acknowledgements

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Chicago Neighborhood JobStart grantee program directors, staff, and participants, 2016 Fund contributors, key project partners, and 2016 Fund staff were all generous with their time and information, allowing IMPACT to evaluate the JobStart initiative along many dimensions.

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# Chicago Neighborhood JobStart Evaluation Summary:

## A Transitional Jobs Response to the Great Recession

Chicago Neighborhood JobStart sought to place 2,200 low-income residents of historically high unemployment neighborhoods into transitional jobs.

### Funding

After Chicago lost its bid for the 2016 Olympic Games in late 2009, the 2016 Fund for Chicago Neighborhoods decided to devote up to \$2 million of its remaining funds to a transitional jobs program for residents of its “priority communities.” This, along with the in-kind contribution of supervision from employers, would enable the 2016 Fund to draw down nearly \$20 million for the program from the TANF Emergency Fund which was authorized by the federal American Recovery and Reinvestment Act funding.

### Program Design

JobStart subsidized the wage and payroll costs for the participants it placed into time-limited jobs and provided services to help participants maintain employment. The program included at least 30 hours of job readiness training covering workplace behavior and other skills, up to 16 weeks of subsidized employment of 30 to 40 hours per week, case management in one-on-one meetings with program staff and group sessions with other participants, and supportive services such as transportation and childcare.

### Key Players

- **2016 Fund:** A fund created by eight private donors to help residents of several south- and west-side neighborhoods, areas with historically high unemployment and high proportions of low-income residents, benefit from a 2016 Olympic Games.
- **12 grantees:** Workforce development providers selected to operate JobStart.
- **Illinois Department of Human Services:** Applicant for the ARRA funding. IDHS applied for the TANF Emergency Fund, distributed the funds to the 2016 Fund, and helped them understand and comply with federal rules for using the funds.

### JOBSTART OBJECTIVES

1. Help participants weather the lingering effects of the 2007 recession by providing employment and income.
2. Improve the employability of participants by providing them with work opportunities to “learn how to work” in supportive environments.
3. Help participants gain permanent employment.

January 2012

This evaluation, conducted by the Social IMPACT Research Center at Heartland Alliance, was commissioned by the 2016 Fund for Chicago Neighborhoods.

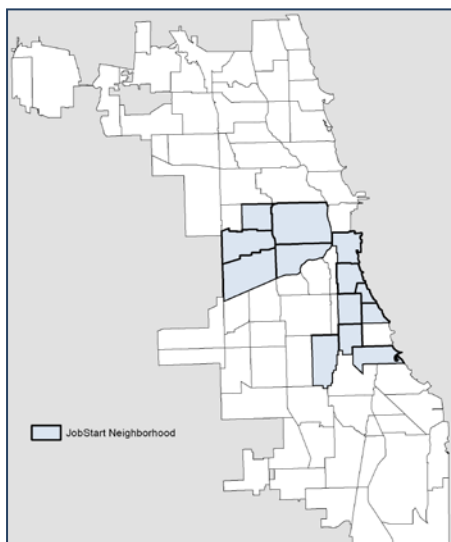
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## JobStart Snapshot

**Timing:** Operated from **June – September 2010**

### Geography

**13** Chicago Community Areas on the City's south and west sides



### Transitional Job Participants

**1,518**

- ◆ 1,030 adult participants
- ◆ 488 youth participants

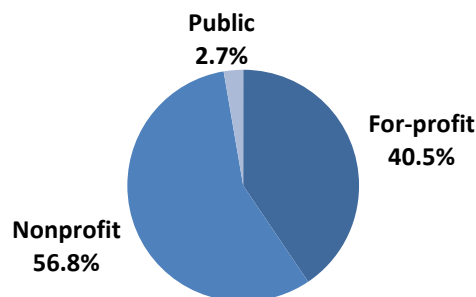
## JobStart Employers

**268:** Number of Employers

### Sample of Businesses

child care centers, churches, schools, salons, property management and landscaping companies, for-profit and nonprofit retail stores, fast food, and restaurants

### Business Type\*



### Average Size\*

- ◆ 39.3% 5 or fewer employees
- ◆ 54.1% 10 or fewer employees
- ◆ 85.2% 50 or fewer employees

## Participant Demographics

### Gender

34.6% Male  
65.4% **Female**

### Race

95.8% **African American**  
0.9% White  
3.3% Other

### Average Age

Adult participants: **28**  
Youth participants: **17**

### Household Composition

Average family size: **3.7**

Caring for a minor child in the home:

- ◆ **62.2%** of adult participants
- ◆ 5.3% of youth participants

Noncustodial parent of a minor child: **18.1%**  
(adult participants)

## Education, Income, and Work History

### Educational Attainment

	Adults	Youth
Less than a high school degree or GED	27.7%	78.9%
High school degree or GED	55.3%	13.9%
Some college	14.7%	7.0%
Associate's or bachelor's degree	2.4%	0.2%

**\$760:** Average Monthly Household Income  
(Pre-Program)

### Work History\*

86.7% had worked in the past

Average unemployment spell pre-JobStart: **1.3 years**

\* Data from survey findings are marked with an asterisk. Due to a relatively low percent of overall employers and participants responding to the surveys, caution should be used in generalizing survey findings to the entire employer or participant population. For more detail on survey response rates, see the full evaluation report.

## Transitional Jobs by the Numbers

Total hours worked: **418,500**

Average hours worked per participant: **276**

Average **weeks worked** per participant: **8**

Average **hours per week** worked: **33**

Total wages earned: **\$3,936,423**

Average wages per participant: **\$2,593**

Average wage per hour: **\$9.41**

## Business Outcomes

**Many employers reported positive changes to their business\***

Survey respondents reported performance increased or somewhat increased in the areas of **productivity, quality of work, number of customers or clients they were able to serve, customer or client satisfaction, and workforce satisfaction with workload.**

**Percent of participant and employer survey respondents that would participate in JobStart or a similar program again\***

- ◊ **91.7%** participants
- ◊ **85.1%** employers

**44.6%** of employers reported that they were more likely to hire low-income parents or youth than they were before participating in JobStart.\*

## Participant Outcomes

### Income Earned Through JobStart

	Adults	Youth
Average monthly household income prior to JobStart	\$609	\$1,127
Average monthly wages per participant earned in transitional job	\$1,361	\$884
Average wages earned per month as a percentage of prior income	223.5%	78.5%

### Entered Unsubsidized Employment, Education or Training, or Another Jobs Program

- ◊ 21.8% adult participants
- ◊ **91.8%** youth participants

### Improvement in Employability\*

amount of supervision needed, productivity, personal presentation, punctuality, communication about absences, and interpersonal skills

## Economic Impact

JobStart participants likely spent much of their earned income in the retail sector, including grocery stores, clothing stores, and gas stations.

### Estimated Economic Activity Associated With JobStart in Cook County

Increased demand	\$5,082,788
Increased household earnings	\$1,228,676
Increased employment	44 jobs

Increased demand includes initial demand from wages spent and subsequent demand from spending by businesses needed to support initial spending

\* Data from survey findings are marked with an asterisk. Due to a relatively low percent of overall employers and participants responding to the surveys, caution should be used in generalizing survey findings to the entire employer or participant population. For more detail on survey response rates, see the full evaluation report.



**Successes** ◊ Within its 4 months of operation, JobStart successfully employed very disadvantaged workers. In addition to providing earned income, the analyses in this report suggest that the program increased their employability, positively impacted businesses, and stimulated economic activity within Cook County.

Within a short period of time, JobStart recruited and trained a large number of participants, placed them into transitional jobs, and helped them access supportive services.

The individuals recruited, trained, and placed into transitional jobs had a pronounced need for earned income, as well as barriers that prevented them from earning income in a regular job.

The average participant worked the overwhelming majority of weeks available, suggesting that the services offered by JobStart helped participants overcome their barriers to employment during the in program period.

Average monthly income earned through JobStart was sufficient to make a meaningful difference in the ability of participants to support themselves and their families.

The majority of employer survey respondents reported employing JobStart participants resulted in positive business changes in the areas of productivity, quality of work, number of customers /clients they were able to serve, customer or client satisfaction, and workforce satisfaction with workload.

In addition to its direct effects on the economic circumstances of participants and employers, JobStart most likely affected businesses and their employees throughout Cook County through an economic multiplier effect.

JobStart helped participants improve employability by helping them learn and practice soft skills.

Participant and employer survey respondents indicated a high level of satisfaction with JobStart.

**Challenges** ◊ JobStart provided participants with badly-needed earnings and appears to have benefited businesses directly and indirectly; however, based on program records JobStart fell short of its goals for transitional and unsubsidized job placements after the program ended. JobStart fell short of these goals for a number of reasons:

- 1 The federal funds used for JobStart had to be spent by September 30, 2010. This fact, combined with the relatively late timing of Illinois' application for the funds, left grantees with less than a month to set up programs in order to provide participants with the maximum 16 weeks of transitional employment possible.
- 2 The requirement that grantees recruit participants exclusively from 13 community areas impeded their ability to meet JobStart's transitional job placement goal.
- 3 Contemporaneous operation of JobStart and a larger scale subsidized employment program, Put Illinois to Work, appears to have caused some confusion and competition for employers.
- 4 JobStart relied heavily on relatively small for-profit and nonprofit employers for transitional jobs. Such employers were less likely to hire participants permanently due to their relatively small budgets and few job slots.
- 5 Absence of funding for job placement and retention after the transitional jobs ended appears to have impeded unsubsidized placement.
- 6 Economic conditions across Illinois and the United States may have impeded placement of JobStart participants into unsubsidized jobs.
- 7 Finally, placement data from program records likely under-represent the percentage of adult participants who found employment after JobStart ended.

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**Next Steps** ◊ The full report provides recommendations for future subsidized and transitional jobs programs based on the successes and challenges of JobStart. The intent is for the evaluation to be ongoing. The Social IMPACT Research Center has requested records from Illinois' Unemployment Insurance system and other public programs to investigate the employment and earnings outcomes of participants and to estimate the impact of JobStart on their employment earnings, and public benefits receipt.



# Introduction

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This report describes the results of an evaluation of Chicago Neighborhood JobStart, a transitional jobs (TJ) program that sought to place 2,200 low-income residents of high-unemployment neighborhoods into temporary jobs with local employers. The program operated for approximately 4 months between June and September 30, 2010, using a combination of public funding from the American Recovery and Reinvestment Act (ARRA) and private funding from the 2016 Fund for Chicago Neighborhoods (hereinafter the 2016 Fund).

After Chicago lost its bid for the Olympics in late 2009, the 2016 Fund decided to devote \$2 million of its remaining funds to a TJ program for residents of its “priority communities.” This, along with the in-kind contribution of supervision from employers, would enable the 2016 Fund to draw down \$18.2 million in ARRA funding for the program.

JobStart subsidized wage and payroll costs for the participants it placed into temporary jobs and provided services to help participants maintain employment. The program included at least 30 hours of job readiness training covering workplace behavior and other skills, up to 16 weeks of subsidized employment of 30 to 40 hours per week, case management in one-on-one meetings with program staff and group sessions with other participants, and supportive services such as transportation and childcare.

The combination of subsidized employment and supportive services was intended to accomplish three objectives: First, in the short run, it was intended to help participants weather the lingering effects of the recession that began in December 2007 by providing employment and income. Second, over the long run, it was intended to improve the employability of participants by providing them with opportunities to “learn how to work” in supportive environments. Finally, it was intended to help them gain permanent employment after their transitional jobs ended.

This report sets forth the initial results of an evaluation of JobStart. It begins with details on the unique national and local circumstances that motivated a group of public agencies, nonprofit organizations, and philanthropic funders to create the JobStart program using ARRA funding. Characteristics of JobStart participants and their neighborhoods are then presented, followed by findings on the implementation of the program by 12 providers. Using data from program records and surveys of participants, employers, and program staff, the report explores the outcomes of JobStart for participants and employers and estimates JobStart’s impact on economic activity across Cook County. It concludes with a summary of the successes and challenges experienced by providers as they implemented the JobStart program within a demanding timeframe and offers recommendations for future transitional jobs programs based on their experiences.

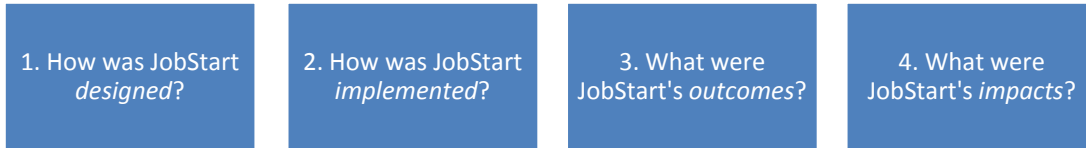
## JOBSTART OBJECTIVES

1. Help participants weather the lingering effects of the 2007 recession by providing employment and income.
2. Improve the employability of participants by providing them with opportunities to “learn how to work” in supportive environments.
3. Help participants gain permanent employment.

# Methodology

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The JobStart evaluation was designed to answer four research questions:



The evaluation report summarized by this brief addresses the first three questions. The Social IMPACT Research Center plans to analyze program impacts in a future report. The following sources were used in the report. Please refer to Appendix A for a detailed description of evaluation methodology.

- **Program documents:** To understand program design, the Community Services Agreement (CSA) between IDHS and the 2016 Fund and the JobStart Procedural Manual developed by the 2016 Fund were reviewed. These documents describe the services that grantees were required to provide and were incorporated into grant agreements between the 2016 Fund and its grantees.
- **Program records:** Data on the personal and household characteristics of JobStart participants were drawn from JobStart eligibility documentation that grantees were required to collect.
- **Interviews:** To understand the circumstances that led to the creation of JobStart and shaped its design and implementation, representatives of key organizations involved in the design, administration, and funding of JobStart were interviewed. To understand each grantee's experience implementing JobStart, all grantee project directors were interviewed.
- **Grantee Staff Survey and Project Director Survey:** To understand implementation of each grantee's JobStart program, separate surveys were sent to JobStart project directors and staff who worked directly with JobStart participants and employers at each agency. All project directors responded to the Project Director Survey, and 80 of 103 staff who were still employed at the grantees after JobStart ended responded to the Grantee Staff Survey.
- **Participant Survey:** Data on participants' employment history, barriers to employment, and satisfaction with JobStart were drawn from responses to a 36-question survey sent to all participants. Of all surveys sent, 238 useable responses were received. Because the number of responses constitutes a relatively small proportion of all 1,618 participants, caution must be used in generalizing about the characteristics and experiences of all participants from survey responses. Margins of error are available from the Social IMPACT Research Center upon request.
- **Employer Survey:** Data on the characteristics of JobStart employers, their assessments of participant progress, and their satisfaction with JobStart are from responses to a 35-question survey sent to all employers. Of all surveys sent, 77 useable responses were received. Because the number of responses constitutes a relatively small proportion of all 268 JobStart employers, caution must be used in generalizing about all employers from survey responses. Margins of error are available from the Social IMPACT Research Center upon request.

**Economic Activity Analysis:** Economic activity across Cook County associated with JobStart was estimated using economic multipliers created by the U.S. Department of Commerce, Bureau of Economic Analysis using its Regional Input-Output Modeling System (RIMS II). Research on the spending behavior of low-income households was also used to estimate economic activity.

# Background

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**This chapter describes the events that led to the creation of JobStart, including the recession that began in December 2007, Chicago’s Olympic bid, and prior workforce and community-development efforts undertaken by a group of Chicago-area philanthropic funders, nonprofit organizations, and public agencies.**

## National Context

The recession that began in December 2007 provided the impetus for the American Reinvestment and Recovery Act (ARRA), the source of funding for JobStart and scores of other subsidized employment and transitional jobs (TJ) programs across the United States. This recession proved to be the longest and most severe since the Great Depression—even after it ended in June 2009, unemployment continued to worsen, peaking at 10.1 percent in October 2009.<sup>1</sup> The recession exacerbated unemployment among minorities, individuals with low educational attainment, and youth even more severely: unemployment peaked at 16.5 percent for African Americans, 15.7 percent for individuals with less than a high-school degree, and 19.5 percent for individuals age 16 to 24 within the year following the recession’s end.<sup>2</sup> These conditions focused the attention of state and federal policymakers on policies for immediate economic stimulus, including increasing demand for goods and services and alleviating unemployment.

ARRA included a \$5.0 billion fund to help states cover the cost of increased spending on Temporary Assistance to Needy Families (TANF) resulting from the recession.<sup>3</sup> Called the TANF Emergency Contingency Fund (TANF EF), it was designed to reimburse approved states for 80 percent of their increased spending on three types of benefits and services funded by TANF: (1) basic assistance, (2) non-recurrent, short-term benefits, and (3) programs that create jobs for needy parents by subsidizing their wages (subsidized employment programs). Importantly, the increased TANF spending had to occur before September 30, 2010 in order to qualify for reimbursement from the TANF EF.

For subsidized employment programs, costs eligible for reimbursement from the TANF EF included subsidies to employers to help cover the cost of wages, payroll taxes, benefits, and training; the cost of FICA and workers compensation taxes; the cost of supervising program participants borne by employers; and the administrative cost of operating a subsidized employment program.<sup>4</sup> Consequently, the TANF EF enabled states to establish new subsidized employment programs or to expand existing programs for TANF-eligible individuals and receive reimbursement for 80 percent of the attendant costs.

The flexibility of TANF funding enables states to serve a wide variety of low-income individuals through subsidized employment programs. All individuals served must belong to a family that meets the state definition of need in terms of its income and assets. Custodial parents or other adult caretakers from needy families may participate, and a state may decide to allow noncustodial parents from needy

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<sup>1</sup> The Business Cycle Dating Committee of the National Bureau of Economic Research defines the most recent recession as having begun in December 2007 and ended in June 2009. National Bureau of Economic Research. (n.d.). US business cycle expansions and contractions. Retrieved February 25, 2011, from <http://www.nber.org/cycles.html>

<sup>2</sup> Social IMPACT Research Center analysis of seasonally adjusted data from the U.S. Bureau of Labor Statistics, Current Population Survey.

<sup>3</sup> Enacted in 1996, TANF replaced Aid to Families with Dependent Children as America’s primary source of cash assistance for low-income families. It dramatically shifted the emphasis of American welfare policy from providing cash assistance to moving welfare recipients into work by imposing work requirements on recipients of federal assistance and by limiting receipt of federal assistance to no more than 5 years.

<sup>4</sup> Specifically, the TANF EF would reimburse states for 80 percent of the difference in spending from federal fiscal year 2007 or 2008 (whichever had lower spending) to federal fiscal year 2009 or 2010. Lower-Basch, E. (2010 April). *TANF Emergency Fund: Creating summer jobs for youth*. Washington, DC: Center on Law and Social Policy. (p. 1).

families to participate. Children living with custodial parents or other adult caretakers may participate, and states may define a child as less than 18 years of age or use a broader definition from state law.<sup>5</sup> In sum, states may use TANF funding to establish subsidized employment programs for noncustodial fathers, adult children in needy families, and low-income parents with income above the income limits for other TANF-funded benefits and services—that is, for a broader subset of low-income individuals than very low-income women with children, the group most commonly associated with TANF.

Only the TANF agencies of states, territories, or Indian tribes were allowed to apply for TANF EF funding. Consequently, foundations, businesses, and local governments that wanted to create subsidized employment programs using TANF EF support had to cooperate with TANF agencies in order to apply for funding and receive reimbursement.

Despite the potential for helping a broad cross-section of low-income Americans increase their earnings through subsidized employment, states seldom used TANF funding for subsidized employment before the creation of the TANF EF. A survey of state officials revealed that most subsidized employment programs preceding ARRA “were operated on a very small scale—and many had ended long before the recession hit. In the year immediately preceding the advent of the TANF Emergency Fund, only five states (California, Hawaii, New York, Pennsylvania, and Washington) recorded subsidized employment as a work activity for 100 or more TANF recipients.”<sup>6</sup> The severity of the recession and the substantial level of reimbursement provided by the TANF EF (i.e., 80 percent of increased TANF costs) combined to make subsidized employment programs an attractive option for alleviating unemployment.

Importantly, regulations promulgated by the Department of Health and Human Services (HHS) increased the attractiveness of the TANF EF as a source of support for subsidized employment. HHS allowed states to count public and private contributions to subsidized employment programs, such as grants from foundations or supervision provided by employers, as state contributions that would draw down 80 percent reimbursement from the TANF EF. For the purpose of counting the cost of employer supervision, HHS allowed states to claim costs equivalent to 25 percent of participant wage costs. HHS also allowed states to count funding from foundations and other non-governmental entities used to cover the costs of recruiting participants and employers, providing job readiness training and other supportive services, and administering payroll, and to reimburse these entities for 80 percent of their contributions.<sup>7</sup> The ability to count private contributions enabled states like Illinois, with resources strained by the recession, to “draw down” TANF EF funding using private contributions.

A remarkable expansion of subsidized employment programs followed the establishment of the TANF EF. Despite delays in the publication of guidance from HHS and state budget cuts that reduced the capacity of states to implement new programs, 39 states and the District of Columbia had established subsidized employment programs by the time the TANF EF expired in September 2010. Together, these programs provided approximately 260,000 individuals with subsidized and transitional jobs.<sup>8</sup>

Illinois established three subsidized employment programs: Put Illinois to Work (PITW), a statewide program that placed over 27,000 adults into subsidized jobs; the Youth Employment for the Summer

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<sup>5</sup> For example, states may use the definition of “child” that applies to coverage under a parent’s health insurance, allowing them to serve children older than 18. The U.S. Department of Health and Human Services has stated that it considers age 24 a reasonable upper bound for state definitions of a child. Lower-Basch, E. (2010 April). *TANF Emergency Fund: Creating summer jobs for youth*. Washington, DC: Center on Law and Social Policy. (p. 3).

<sup>6</sup> Pavetti, L., Schott, L., & Lower-Basch, E. (2010 January). *Creating subsidized employment opportunities for low-income parents: The legacy of the TANF Emergency Fund*. Washington, DC: Center on Budget and Policy Priorities. (p. 4).

<sup>7</sup> Lower-Basch, E. (2010 April). *TANF Emergency Fund: Creating summer jobs for youth*. Washington, DC: Center on Law and Social Policy. (p. 5-6).

<sup>8</sup> Pavetti, L., Schott, L., & Lower-Basch, E. (2011 February). *Creating subsidized employment opportunities for low-income parents: The legacy of the TANF Emergency Fund*. Washington, DC: Center on Budget and Policy Priorities. (p. 5-6).

(YES) program, which placed 2,586 youth into subsidized jobs in Chicago; and JobStart, which placed 1,030 adults and 488 youth into transitional jobs in Chicago. Like PITW and YES, JobStart depended critically on TANF EF funding and was designed and implemented under a demanding timeframe in response to the recession. Unlike these programs, JobStart was designed to provide supportive services, and used private funding to draw down the TANF EF funding used for these services.

## Local Context

Illinois experienced more severe unemployment than the United States during the recession that began in December 2007. In every month from the beginning of the recession through September 2010, the Illinois unemployment rate exceeded that of the nation. At its peak in January 2010, Illinois' rate was 11.2 percent, 1.5 percentage points higher than the U.S.<sup>9</sup> The severity of the recession in Illinois reflects historical conditions. As a percentage of total employment, employment losses in Illinois have exceeded those in the U.S. across the last decade: while total employment across the U.S. decreased by less than one percent between 2000 and 2009, it decreased by 6.4 percent in Illinois.<sup>10</sup>

In Chicago, a group of philanthropic funders, nonprofit organizations, and public agencies designed, implemented, and helped to fund JobStart. Funders contributed the private funding used to draw down TANF EF funding for supportive services. The Chicago Jobs Council (CJC), the Chicago Department of Family and Support Services (DFSS), and the Chicago Workforce Investment Council (CWIC) helped to plan and oversee JobStart. Human service agencies with experience operating subsidized employment programs recruited participants, placed them into subsidized jobs, and provided training and supportive services. Prior to the recession, many members of this group collaborated on Opportunity Chicago, a program to help public housing residents find long-term employment.<sup>11</sup> The ongoing relationships fostered by this collaboration enabled them to design and implement JobStart quickly.

Following Opportunity Chicago, a new initiative began to prepare Chicago's south and west-side neighborhoods for the potential 2016 Olympic Games. This initiative positioned some of the organizations that collaborated on Opportunity Chicago to leverage TANF EF funding for JobStart. In January 2008, the City of Chicago submitted its bid to host the 2016 Olympic Games. The plan involved the construction and operation of large sports venues in several south and west-side neighborhoods with historically high unemployment and high proportions of low-income residents. The Chicago Community Trust (CCT) and other philanthropic funders formed a fund at CCT to help these neighborhoods benefit from a 2016 Olympic Games.<sup>12</sup> Called the 2016 Fund for Chicago Neighborhoods (2016 Fund), it raised nearly \$5 million to research investment opportunities, provide training to prepare neighborhood residents for jobs related to the Olympics, and make grants to community organizations for Olympics-related activities.<sup>13</sup> By September 2009, the 2016 Fund had granted nearly \$2 million for research, planning, and other projects.<sup>14</sup> However, the International Olympic Committee rejected Chicago's bid in October 2009, leaving the 2016 Fund without an immediate target for additional investment.

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<sup>9</sup> Social IMPACT Research Center analysis of seasonally adjusted data from the U.S. Bureau of Labor Statistics, Current Population Survey.

<sup>10</sup> Illinois Department of Employment Security. (n.d.). Illinois' changing demographic structure and its impact on the labor force. Retrieved August 3, 2011 from [http://lmi.ides.state.il.us/lmr/feb\\_2011/feb11\\_3.html](http://lmi.ides.state.il.us/lmr/feb_2011/feb11_3.html)

<sup>11</sup> Opportunity Chicago. (n.d.). *A partnership for change: How Opportunity Chicago helped create new workforce pathways for public housing residents*. Chicago: Author. (p. 27).

<sup>12</sup> The philanthropic funders included the Boeing Company, The Chicago Community Trust, the Joyce Foundation, the John D. and Catherine T. MacArthur Foundation, the McCormick Foundation, the Polk Bros. Foundation, the Wieboldt Foundation, the Lloyd A. Fry Foundation and an anonymous donor.

<sup>13</sup> Chicago Community Trust. (2008 December). *Foundations for an Olympic legacy: The 2016 Fund for Chicago Neighborhoods*. Chicago: Author.

<sup>14</sup> Chicago Community Trust. (2009 September). *2016 Fund for Chicago Neighborhoods announces second phase of grants*. Chicago: Author.

## Snapshot of Key Players Involved in JobStart

### **U.S. Department of Health and Human Services (HHS)**

HHS administered the TANF Emergency Contingency Fund (TANF EF), which provided states with enhanced funding for subsidized employment and transitional jobs programs. It issued rules for using TANF EF funding, reviewed applications for funding from the state TANF agencies, and distributed funding to agencies whose applications it approved.

### **Illinois Department of Human Services (IDHS)**

As Illinois' TANF agency, IDHS applied for TANF EF funding from HHS and distributed it to non-profit entities that operated subsidized employment and transitional jobs programs. IDHS also worked with these entities to help them understand and comply with federal rules for using TANF EF funding.

### **2016 Fund for Chicago Neighborhoods (2016 Fund)**

The 2016 Fund was created to help ensure that neighborhoods on Chicago's south and west sides would benefit from a 2016 Olympic Games. It played a central role in funding, designing, and managing JobStart. After Chicago lost its bid for the Olympic Games, the 2016 Fund provided \$2 million in private funding so IDHS could draw down TANF EF funding for JobStart. 2016 Fund personnel worked with other key organizations to design the JobStart program and select program providers. Once JobStart began operating, the 2016 Fund staff verified the eligibility of participants and employers, monitored providers as they carried out the program, received vouchers from providers for participant payroll and supportive services costs, and reimbursed providers for these costs.

### **Chicago Jobs Council (CJC)**

CJC advocates for public policies and programs to help low-income people succeed in the workforce. It was instrumental in promoting the opportunity to create transitional jobs presented by the TANF EF and in coordinating stakeholders to advocate and plan for JobStart. After Illinois received TANF EF funding for JobStart, CJC helped refine the program design and keep providers informed about the program.

### **Chicago Workforce Investment Council (CWIC)**

CWIC monitors public investment in education and training across the city of Chicago and provides guidance to city agencies on how to coordinate their activities. Along with the 2016 Fund, CJC, and DFSS, CWIC contributed to a working group that designed the JobStart program.

### **Chicago Department of Family and Support Services (DFSS)**

DFSS oversees a variety of workforce and social services across Chicago. It also contributed to the working group that designed the JobStart program.

### **Grantees**

Twelve program providers with experience operating subsidized employment and transitional jobs programs were chosen to implement JobStart. Responsibilities included recruiting JobStart participants, placing them in transitional jobs and providing supportive services, and helping them find unsubsidized employment. Each provider operated its program according to a grant agreement with the 2016 Fund.



## Toward JobStart and Put Illinois to Work: Action at the State Level

Soon after Chicago lost its Olympic bid, a change of leadership within the state's human services agency, the Illinois Department of Human Services (IDHS), opened the way for use of TANF EF funding to support subsidized employment programs in Illinois. Following enactment of ARRA and creation of the TANF EF, a stimulus working group convened in Illinois to consider uses of TANF EF funding. As part of this group, CJC advocated use of TANF EF funding for a subsidized employment program; however, divergence of opinion among group members about the best use of TANF EF funding forestalled release of recommendations from the group, and IDHS leadership did not move forward on using TANF EF funding.

In late 2009, Governor Quinn appointed Michelle Saddler as Secretary of IDHS. The secretary supported the use of TANF EF funding for subsidized employment and convened meetings to identify resources that could count as the state's contribution for drawing down TANF EF funding. With a receptive administration at IDHS and no immediate target for additional 2016 Fund investment, CJC worked to generate interest in using unused 2016 Fund resources to help the state draw down the TANF EF funding needed to support a TJ program in Chicago. In February 2010, the 2016 Fund decided to devote \$2.0 million to a TJ program that would serve residents of south and west-side neighborhoods. This contribution, in combination with employer supervision valued at \$2.6 million, would leverage \$18.2 million from the TANF EF for a total program budget of \$20.3 million.<sup>15</sup>

Also in February 2010, Governor Quinn directed IDHS to develop a large-scale subsidized employment program using TANF EF funding. IDHS wrote its application for TANF EF funding broadly, to include the TJ program envisioned by the 2016 Fund and its partners that would become JobStart, and the large-scale subsidized employment program that would become Put Illinois to Work (PITW).<sup>16</sup> In March 2010, IDHS submitted and received approval for its application from HHS.

Approximately 3 months elapsed from the time IDHS received approval for TANF EF funding and the time IDHS and the 2016 Fund executed the Community Services Agreement (CSA) that granted TANF EF funding to the 2016 Fund and established the framework for the JobStart program. During this time, the 2016 Fund communicated with IDHS about program design, selected JobStart providers, and communicated with providers about the program design as it developed.

IDHS and the 2016 Fund executed the final CSA in June 2010, only one week before the target date for placing participants into subsidized employment. JobStart was intended to provide participants with up to 16 weeks of wages; because the TANF EF would not reimburse program expenses after September 30, participants would have to begin their transitional jobs by June 14 in order to work the full 16 weeks. By the time the CSA was executed, some grantees had already started their JobStart programs.

The timeline leading from approval of TANF EF funding to JobStart implementation left relatively little time for the 2016 Fund and its partners to plan the program and communicate its rules and procedures to grantees. Moreover, the 2016 Fund continued to receive clarification about implementing the CSA from IDHS after the CSA was executed. As described in subsequent chapters, this timeline made JobStart administration difficult for the 2016 Fund and its grantees.

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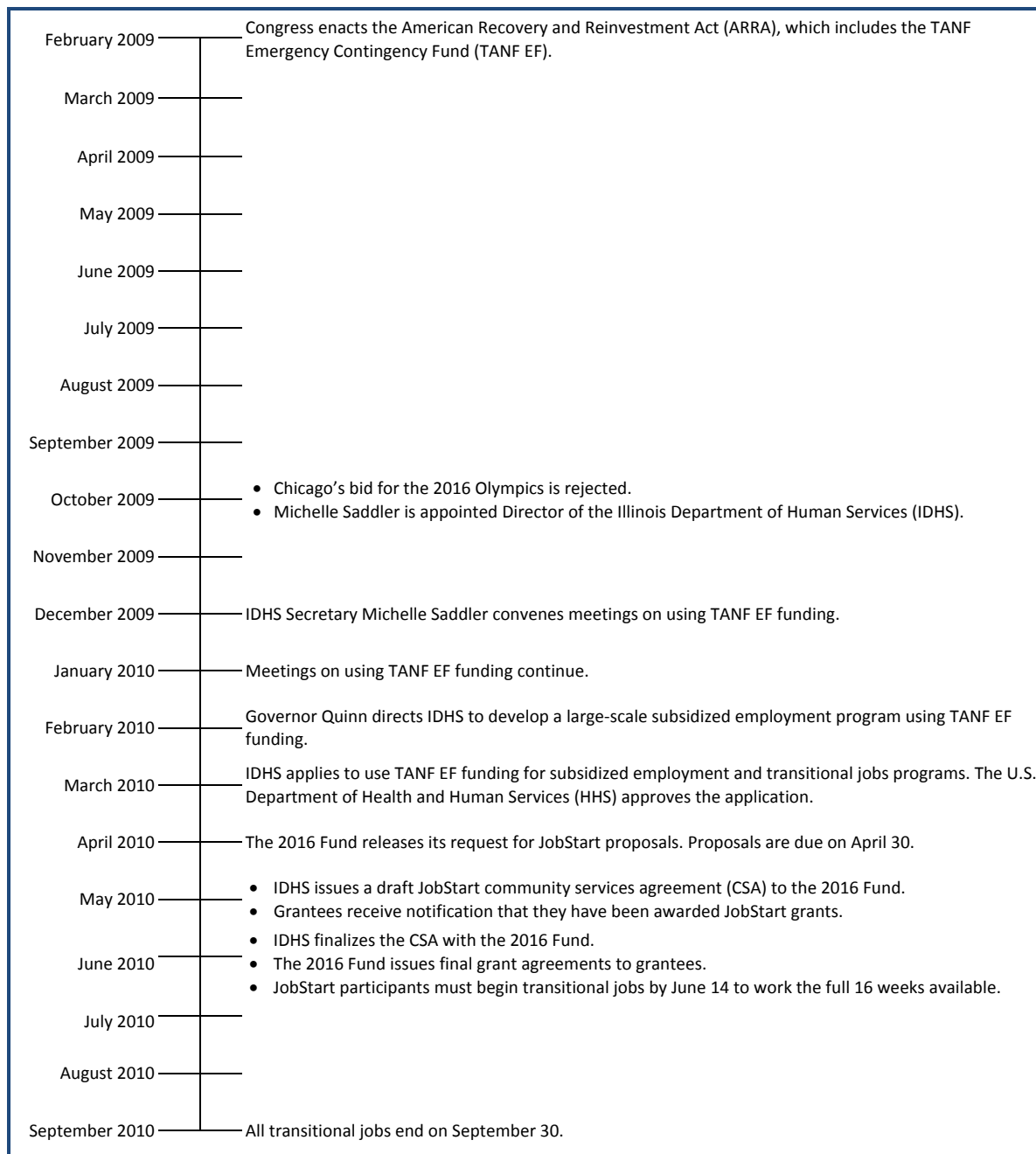
<sup>15</sup> Chicago Community Trust (final JobStart budget, June 3, 2010). As noted previously, HHS allowed states to claim employer supervision valued at 25 percent of participant wage costs as a state contribution for the purpose of drawing down TANF EF funding. The planned \$2.6 million employer contribution to JobStart was an in-kind contribution valued at 25 percent of the planned \$10.3 million wage budget for the program, but was not a separate source of funding that could have been used to fund program expenses.

<sup>16</sup> The application also included non-recurrent, short-term TANF benefits, one of the three types of increased TANF expenditure for which states could receive reimbursement from the TANF EF.



Staff of the 2016 Fund attributed delays in executing the CSA to the demands that implementing PITW placed on IDHS. They reported that IDHS staff were as attentive to JobStart design and planning as possible, but that the demands of the much larger program drew their attention away from JobStart and delayed their responses to inquiries about JobStart design issues.

**Figure 1: Timeline of Key Events**



## Subsidized and Transitional Jobs

With the objectives of using temporary jobs to provide immediate work and income to low-income Chicagoans and, simultaneously, of improving their long-term employability, JobStart fits within the umbrella of workforce interventions called subsidized employment programs, and within the category

called transitional jobs (TJ) programs. Subsidized employment programs fund the creation of temporary jobs for individuals who might otherwise be unemployed. Historically, they have been used to provide out-of-work individuals with income during economic downturns, to improve infrastructure or provide needed public services, to improve the employability and earnings of disadvantaged individuals by providing work experience in a supportive environment, or to achieve a combination of these goals.<sup>17</sup>

A subset of subsidized employment programs, TJ programs combine temporary, wage-paying jobs with supportive services intended to help participants maintain subsidized employment and gain employment in the regular labor market. TJ programs target individuals with barriers to employment, such as long-term welfare receipt, long-term unemployment, a criminal record, or homelessness.<sup>18</sup>

TJ programs may improve the employability of individuals with barriers to employment through multiple avenues:

1. Individuals with little or no work experience may best “learn to work” by holding a paying job in a supportive environment where they can make mistakes, receive guidance, and improve their performance. A transitional job allows participants to learn, practice, and perfect critical “soft skills,” such as workplace communication, conflict resolution, customer service, and etiquette, before attempting to gain and hold permanent employment in the regular labor market. It also enables program staff to observe participants in a “real” work environment, thereby helping staff identify and address soft skills deficits and other issues.
2. TJ program participants may also acquire “hard skills,” such as clerical and administrative skills, proficiency with computers, or vocational skills that increase their employability in the regular labor market.
3. The earned income provided by a transitional job may help participants meet basic needs during the in-program period, providing stability and improving skill acquisition.
4. A transitional job may enable individuals with limited work experience to establish an employment record and employer references, which are critical to a successful job search.

TJ programs may also benefit employers by providing a source of potential permanent employees with initial training and support provided by the program, and by allowing employers to “try out” these potential employees at no cost to them.

A variety of TJ programs operate across the United States. However, most programs include some combination of the components outlined in Figure 2.<sup>19</sup>

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<sup>17</sup> Bloom, D. (2010, February). *Transitional jobs: Background, program models, and evaluation evidence*. New York: MDRC. (p. 4).

<sup>18</sup> According to the National Transitional Jobs Network, which advocates for and provides technical assistance to TJ programs, populations most likely to benefit from transitional jobs include long-term welfare recipients, disconnected youth, people with criminal records, people who are homeless, and refugees and asylum seekers. National Transitional Jobs Network. (2010, January). *Transitional jobs: Program design elements*. Chicago: Author.

<sup>19</sup> Kirby, G., Hill, H., Pavetti, L., Jacobsen, J., Derr, M., & Winston, P. (2002, April). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc. (Table II.2). Bloom, D. (2010, February). *Transitional jobs: Background, program models, and evaluation evidence*. New York: MDRC. (p. 21-22).

**Figure 2: Transitional Jobs Program Elements**

<b>Orientation and Initial Assessment</b>	TJ programs provide an overview of program rules and assess each participant's skills, interests, and barriers to employment. Assessment may help program staff match participants with transitional jobs that fit their interests and identify supportive services that will help them maintain their transitional jobs.
<b>Job Readiness Training</b>	Group training about the soft skills necessary to maintain employment often precedes placement in transitional jobs. Subjects commonly covered include appropriate workplace behavior and dress, job-search techniques, resume writing, interviewing, and complementary life skills.
<b>Subsidized Employment</b>	A defining component of a TJ program, subsidized employment consists of a time-limited, wage-paying job funded by the program. Most programs require participants to work between 20 and 35 hours per week, pay at or slightly above the state or federal minimum wage, and offer 3 to 9 months of subsidized employment.
<b>Academic or "Hard Skills" Training</b>	TJ programs vary on the extent to which they offer or require participants to undergo basic academic skills training, training toward an academic degree or credential, or training in a job or occupation-specific skill. Only a handful of programs offer paid vocational trainings.
<b>Case Management</b>	TJ programs include regular meetings between participants and program staff to monitor participants' progress, address questions or problems, and help participants access supportive services. Programs may supplement these meetings with group case management sessions that offer peer support.
<b>Supportive Services</b>	Most TJ programs offer some combination of supportive services to help participants maintain employment in their transitional jobs. These may include assistance with transportation, childcare, work-related clothing or equipment, medical care, housing, counseling, and treatment of alcohol or drug abuse.
<b>Job Placement and Retention</b>	Most TJ programs begin offering services to help participants find unsubsidized jobs well before the transitional job ends. For those who find unsubsidized jobs, TJ programs may extend supportive services for a limited time to help them maintain unsubsidized employment.

## Summary

National and local circumstances motivated a group of philanthropic funders, nonprofit organizations, and public agencies to plan and implement JobStart, an employment program with short-run stimulus and long-run employability goals. The September 30, 2010, deadline for using TANF EF funding and Illinois' relatively late application for this funding imposed a demanding timeframe within which to recruit, train, and place participants into transitional jobs and prepare them for unsubsidized employment.

# Neighborhoods and Participants

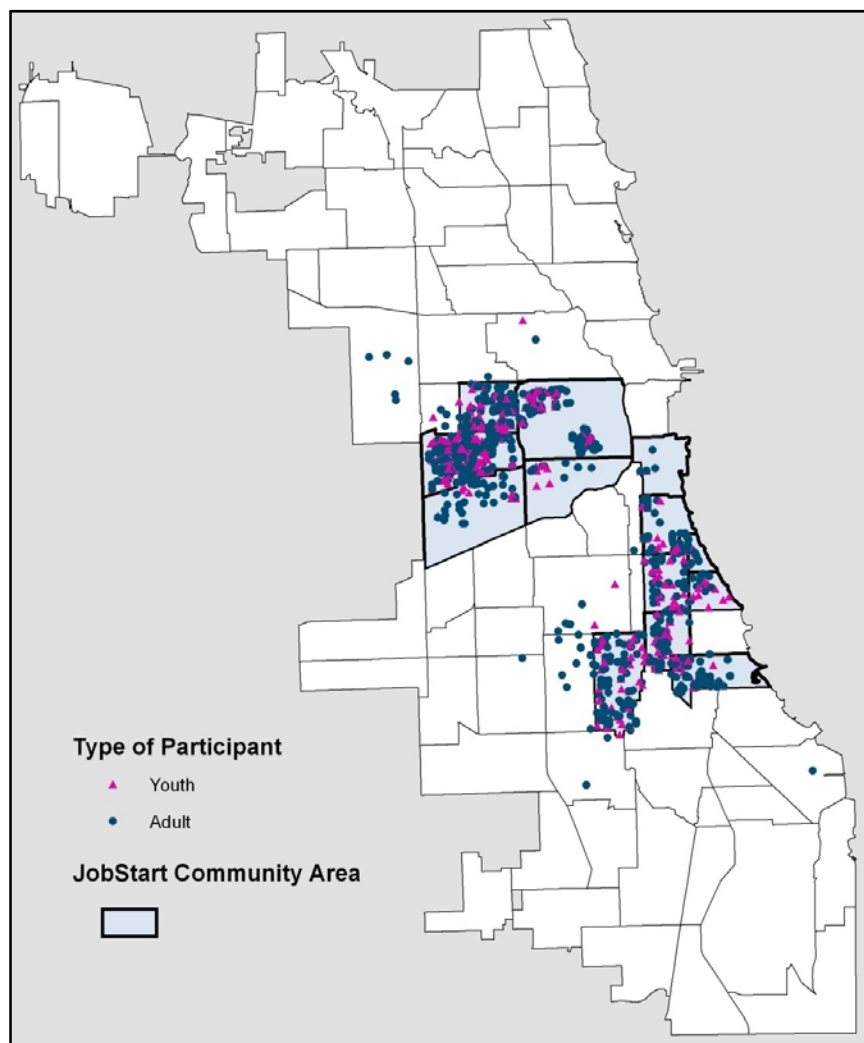
JobStart was intended to serve participants from 13 Chicago Community Areas with historically high levels of unemployment and high proportions of poor and low-income residents. As a program funded by the TANF EF, it was required to enroll members of needy families, defined by Illinois as those with household incomes below 200 percent of the federal poverty level. Additionally, the program design instructed grantees to “prioritize serving participants with multiple barriers to employment that can be addressed through the intensive services provided under [JobStart].” This chapter examines the extent to which JobStart fulfilled the goal of enrolling low-income individuals with barriers to employment from economically disadvantaged neighborhoods.

Figure 3: Residential Addresses of JobStart Participants<sup>20</sup>

## Chicago Community Areas

The City of Chicago is divided into 77 Chicago Community Areas (CCAs). The JobStart program design required grantees to enroll participants from 13 CCAs on the City’s south and west sides. Eleven of these CCAs were the communities targeted by the 2016 Fund. Two CCAs (Douglas and Oakland) were added shortly before the program began in order to create a geographically contiguous program area.

Figure 3 shows the designated CCAs and the residential addresses of individuals who worked in transitional jobs.



<sup>20</sup> Analysis of program records. Map reflects 1,112 addresses that could be plotted.

The American Community Survey (ACS), conducted annually by the U.S. Census Bureau, provides estimates of unemployment, proportions of residents living in poverty, and proportions of residents living in low income households in Census tracts corresponding to CCAs.

The number of residents sampled annually by the ACS within each CCA is too small to estimate these indicators with a meaningful level of confidence; however, pooling samples conducted over a five year period allows the ACS to provide meaningful local level estimates.

The statistics discussed in this section were calculated with ACS survey data collected from 2005 to 2009, the most recent data available for this geography on these indicators. These rates are not the average rates of unemployment, poverty, and low income status in CCAs between 2005 and 2009; rather, they are single rates calculated using data collected from 2005 to 2009.

Figure 4 compares unemployment rates in the 13 JobStart CCAs with the unemployment rate across all other CCAs. Across all JobStart CCAs, unemployment was 14.3 percent, compared with 9.9 percent across the rest of Chicago. In three JobStart CCAs (Washington Park, Oakland, and Englewood), the unemployment rate exceeded 20 percent.

**Figure 4: Unemployment Rates in JobStart Chicago Community Areas<sup>21</sup>**

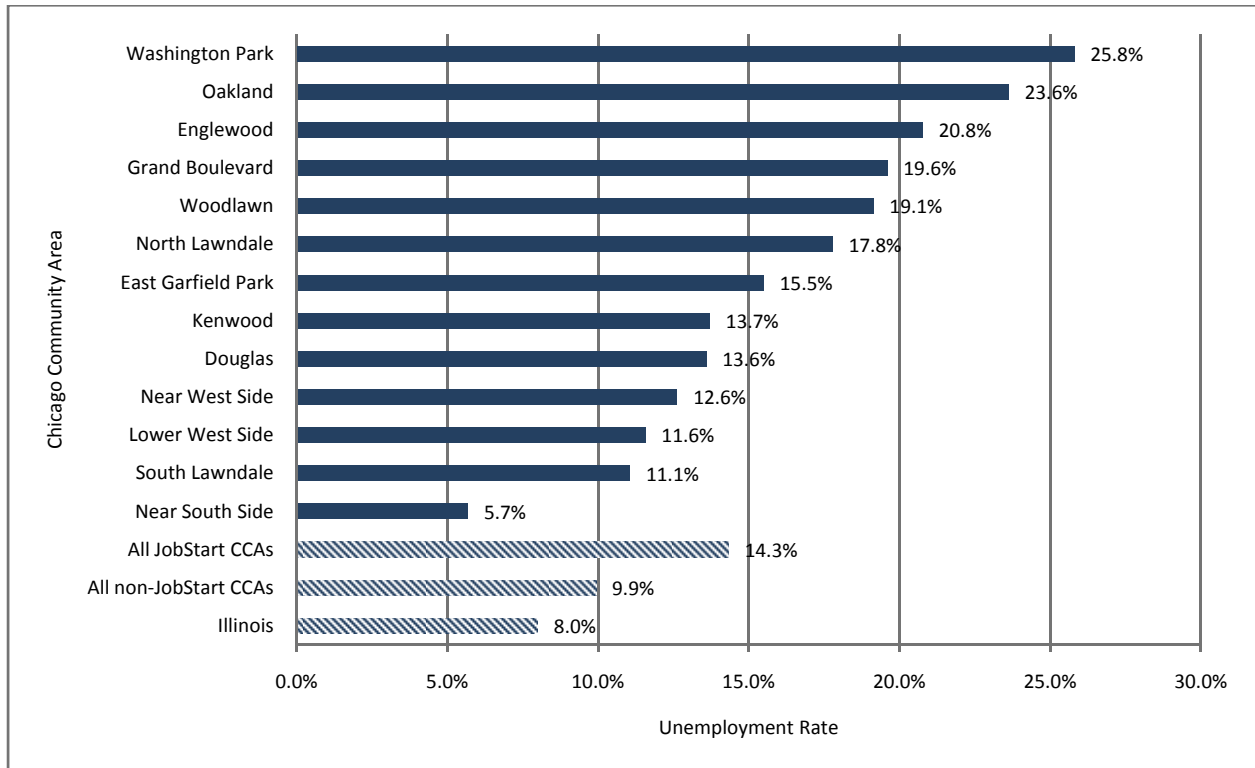


Figure 5 compares the proportion of residents living in poverty and the proportion of residents living in low-income households (that is, households below 200 percent of the poverty line) in the JobStart CCAs to all other CCAs.<sup>22</sup> Across all JobStart CCAs, nearly one third (32.7 percent) of residents lived in poverty, compared with roughly one fifth (20.3 percent) of residents across all non-JobStart CCAs. In all but one

<sup>21</sup> Social IMPACT Research Center analysis of U.S. Census Bureau 2005-2009 American Community Survey.

<sup>22</sup> Throughout this section, individuals living in poverty are defined as those with household incomes below 100 percent of the poverty threshold, and individuals living in low-income households are defined as those with household incomes below 200 percent of the poverty threshold. The Census Bureau's poverty threshold differs very slightly from the U.S. Department of Health and Human Services poverty guidelines.

of the JobStart CCAs (Near South Side), over one quarter of residents lived in poverty. Across all JobStart CCAs, over half (55.2 percent) of residents lived in low-income households. By contrast, 39.1 percent of individuals across all non-JobStart CCAs lived in low-income households.

**Figure 5: Poverty and Low-Income Rates in JobStart Chicago Community Areas<sup>23</sup>**

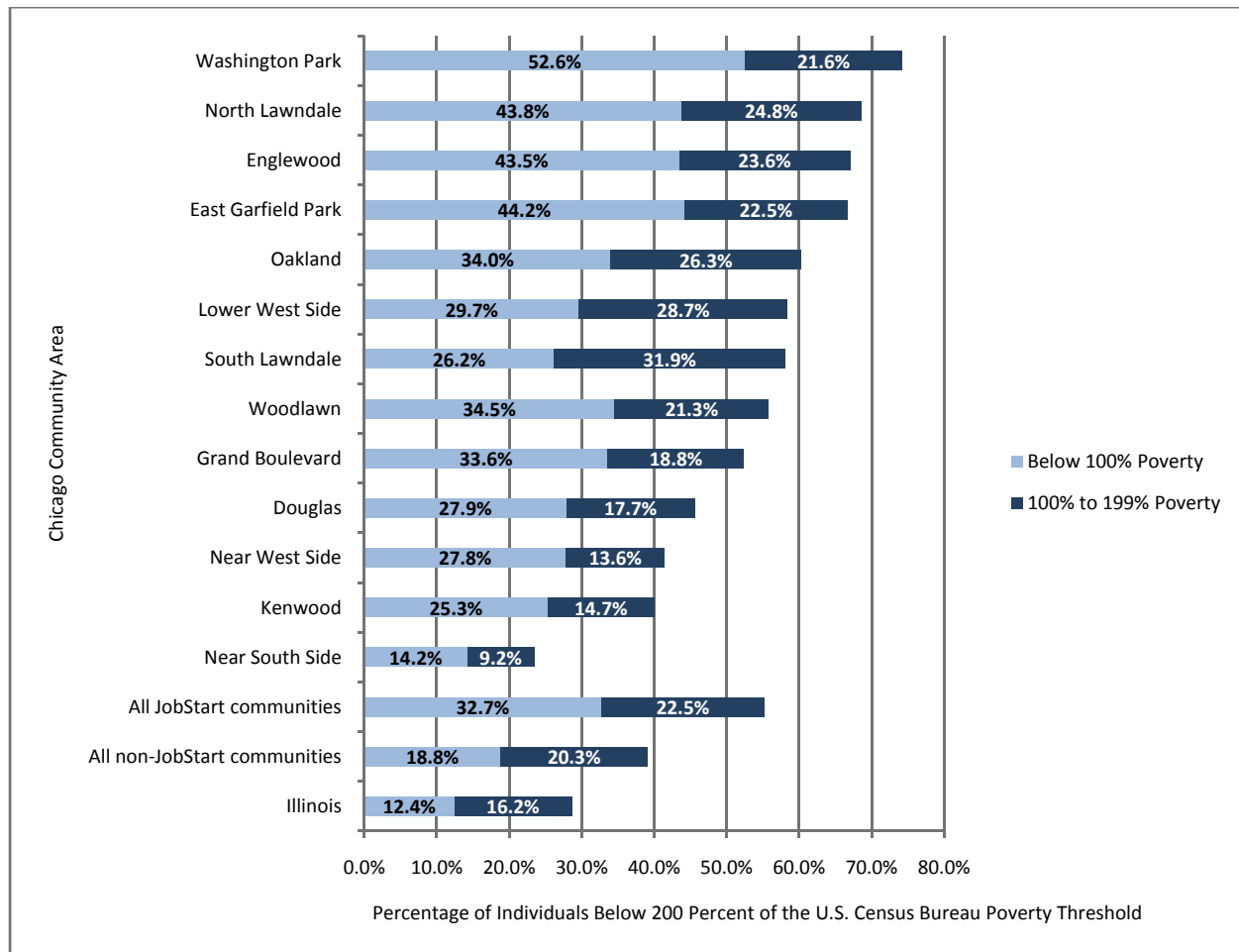
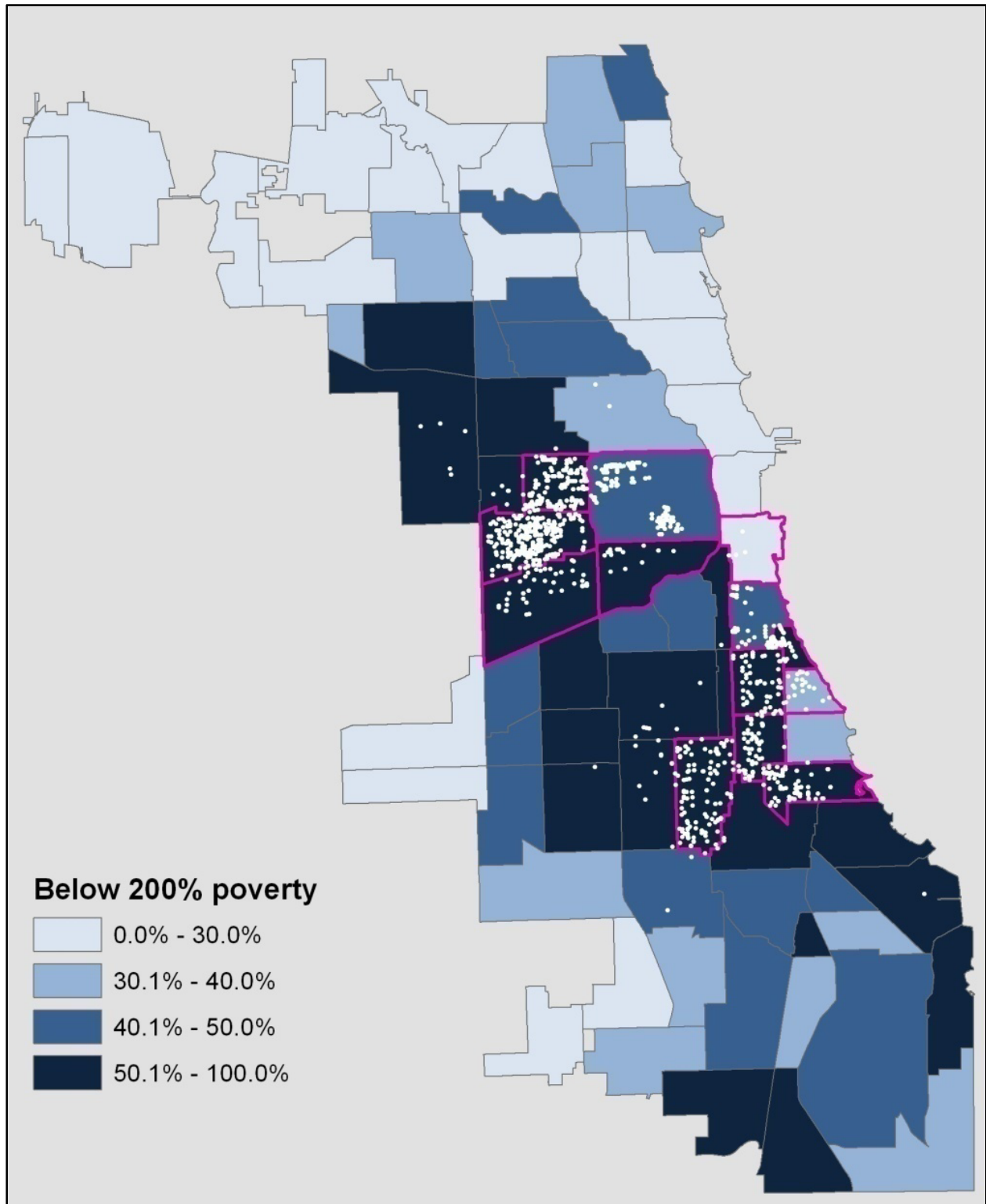


Figure 6 shows CCAs by percentage of residents living in households below 200 percent of the poverty threshold. Defining “low-income” CCAs as those with 50 percent or more of their residents living in households below 200 percent of the poverty threshold, the JobStart program area largely coincided with low-income CCAs. In four of the six designated CCAs on the west side and in five of the seven designated CCAs on the south side, over 50 percent of residents lived in low-income households.

<sup>23</sup> Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2005-2009 American Community Survey 5-year estimates program.

Figure 6: CCAs by Percentage of Individuals Below 200 Percent of the Poverty Threshold<sup>24</sup>



The JobStart program area also included some CCAs with relatively low proportions of residents living in low-income households and simultaneously excluded some nearby CCAs with relatively high proportions

<sup>24</sup> Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2005-2009 American Community Survey 5-year estimates. Map reflects 1,112 addresses that could be plotted.



of residents living in low-income households.<sup>25</sup> Given a program that provides earned income opportunities in certain low-income areas and excludes other low-income areas bordering the program area, one might predict that many individuals from low-income border areas would attempt to enroll in the program. Indeed, grantee project directors reported that many individuals “just outside” the JobStart program area expressed interest in JobStart, and that they could have enrolled many more participants into the program in the absence of the specific CCA residency requirement.

## JobStart Participants

As a TANF-funded program, JobStart served three categories of participants: custodial parents and other resident caretakers ages 18 and over, noncustodial parents, and youth ages 16 to 21 living with adult caretakers. The 2016 Fund required grantees to operate separate programs for adult caretakers and noncustodial parents, on the one hand, and youth living with adult caretakers on the other. Grantees could set transitional job wages for adult program participants between \$8.25 (the Illinois minimum wage as of July 1, 2010) and \$10.00 and were required to pay all youth program participants \$8.25 per hour; otherwise, grantees were required to provide the same essential services to adult and youth program participants. Grantees could also enroll youth participants in adult programs so long as they met the TANF eligibility requirements. Of the 12 JobStart grantees, eight operated only adult programs, two operated only youth programs, and two operated both types of programs (Table 6). Because youth programs attempted to engage a different population than adult programs (that is, high-school or college-aged youth), data for adult and youth participants are presented separately.

## Personal and Household Characteristics

Table 1 shows the personal characteristics of JobStart participants. The majority of participants were young, female, and African American.

- The average ages of adult and youth program participants were 28 and 17, respectively.
- The majority of participants (65.4 percent) were female, with a greater share of females among adults (69.0 percent) than among youth (57.9 percent).
- The overwhelming majority of participants (95.8 percent) were African American, reflecting the composition of the JobStart CCAs.<sup>26</sup>
- More than half (55.3 percent) of adult program participants had earned only a high-school degree or GED, and slightly more than one quarter (27.7 percent) had not earned a high-school degree or GED. Only 2.4 percent had earned an associate’s or bachelor’s degree. Consistent with the program objective of engaging high school aged youth, 78.9 percent of youth program participants reported that they had not earned a high school degree or GED.
- Among adult program participants, 62.2 percent reported that they were eligible for JobStart as parents or adult caretakers caring for children in the home, while 18.1 percent reported that they were eligible as noncustodial parents of minor children.<sup>27</sup>

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<sup>25</sup> For example, the program area included Near South Side (23.4 percent low income) but excluded Armour Square (52.8 percent low income), which borders Near South Side and two other designated CCAs. On the west side, the program area included North Lawndale (68.6 percent low income) and East Garfield Park (66.7 percent low income) but excluded West Garfield Park (65.5 percent low income) and Humboldt Park (62.7 percent low income), which border one or both of the aforementioned JobStart CCAs. On the south side, the program area included Englewood (67.0 percent low income) but excluded Fuller Park (64.5 percent low income), New City (64.1 percent low income), West Englewood (70.3 percent low income), and Greater Grand Crossing (55.4 percent low income), all of which border Englewood. Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2005-2009 American Community Survey 5-year estimates program.

<sup>26</sup> Nine of the 13 JobStart neighborhoods are majority African American, with seven of these neighborhoods more than 90 percent African American. Two of the 13 JobStart neighborhoods are majority Hispanic. Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2005-2009 American Community Survey 5-year estimates program.

**Table 1: Personal Characteristics and Household Composition of JobStart Participants<sup>28</sup>**

	Adults	Youth	All
Participants <sup>a</sup>	1,030	488	1,518
Male <sup>b</sup>	31.0%	42.1%	34.6%
Female <sup>b</sup>	69.0%	57.9%	65.4%
Average age <sup>c</sup>	28	17	24
African American <sup>d</sup>	94.8%	97.9%	95.8%
White <sup>d</sup>	0.5%	1.6%	0.9%
Other <sup>d</sup>	4.7%	0.4%	3.3%
Hispanic or Latino <sup>e</sup>	7.4%	2.1%	5.1%
Less than a high school degree or GED <sup>f</sup>	27.7%	78.9%	44.8%
High school degree or GED <sup>f</sup>	55.3%	13.9%	41.5%
Some college <sup>f</sup>	14.7%	7.0%	12.1%
Associate's or bachelor's degree <sup>f</sup>	2.4%	0.2%	1.7%
Average family size <sup>g</sup>	3.5	4.2	3.7
Caring for a minor child in the home <sup>h</sup>	62.2%	5.3%	43.6%
Noncustodial parent of a minor child <sup>i</sup>	18.1%	1.1%	12.5%
Youth <sup>j</sup>	29.2%	97.3%	51.4%
Average monthly household income <sup>k</sup>	\$609	\$1,127	\$760
Household has an additional earner <sup>l</sup>	10.9%	37.8%	17.5%

<sup>a</sup> All participants worked at least one hour in a transitional job according to program records. <sup>b</sup> N = 1,022 adults, 484 youth. <sup>c</sup> N = 1,023 adults, 478 youth. <sup>d</sup> N = 1,023 adults, 486 youth. <sup>e</sup> N = 666 adults, 486 youth. <sup>f</sup> N = 962 adults, 483 youth. <sup>g</sup> N = 992 adults, 458 youth. <sup>h</sup> N = 978 adults, 475 youth. <sup>i</sup> N = 978 adults, 474 youth. <sup>j</sup> N = 979 adults, 475 youth. <sup>k</sup> N = 865 adults, 355 youth. <sup>l</sup> N = 774 adults, 254 youth.

Nearly one-fifth of adult participants and nearly half (48.2 percent) of male adult program participants were noncustodial parents.<sup>29</sup> Low-income noncustodial fathers are often outside of social and workforce development systems in the United States, and prior programs emphasizing services to help noncustodial parents gain employment have found it difficult to recruit participants from this population.<sup>30</sup> This suggests that JobStart was relatively successful in engaging low-income and noncustodial males in employment.

Average household income reported by adult program participants upon entry into JobStart, including earned and unearned income (e.g., public benefits), was \$609 per month, equivalent to \$7,308 per year. Given that average family size of a JobStart participant was four and that the federal poverty guideline for a family of four was \$22,050 in 2010, the typical adult participant household lived well below poverty at the time he or she entered JobStart.<sup>31</sup> Only 10.9 percent of adult participants and 37.8 percent of

<sup>27</sup> As shown in Table 1, 29.2 percent of adult program participants reported that they were eligible for JobStart as youth ages 16 to 21. The percentages of adult participants who claimed eligibility as caring for a minor child in the home, as the noncustodial parent of a minor child, and as youth ages 16 to 21 sum to more than 100 because a participant could belong to more than one category simultaneously. For example, a 21-year-old individual caring for a minor child in a low-income household would belong to the first and third categories. The percentage of adult participants who reported that they were eligible as youth ages 16 to 21 may be relatively high because grantees could enroll youth in their adult programs, so long as these youth were TANF eligible.

<sup>28</sup> Analysis of JobStart program records.

<sup>29</sup> N = 301 males in adult programs who reported custodial or noncustodial parent status.

<sup>30</sup> Martinson, K., Trutko, J., & Strong, D. (2000 December). *Serving noncustodial parents: A descriptive study of welfare-to-work programs*. Washington, DC: Urban Institute. (p. 3-5). Trutko, John et al. (1999 July). *Early implementation of the Welfare-to-Work grants program*. Washington, DC: The Urban Institute. (p. 20).

<sup>31</sup> U.S. Department of Health and Human Services. (2011 January). *The HHS poverty guidelines for the remainder of 2010 (August 2010)*. Retrieved June 29, 2011, from <http://aspe.hhs.gov/poverty/10poverty.shtml>

youth participants reported that there was an additional earner in their households, suggesting that a substantial share were the sole earners in their households at the time of JobStart entry.

### Public Benefits Receipt

Table 2 shows public benefits receipt as reported by Participant Survey respondents. The incidence of public benefits receipt was markedly lower among youth respondents than among adult respondents. While less than one quarter (21.7 percent) of adults received no public benefits, nearly half (49.1 percent) of youth received no public benefits. The majority of adult respondents (78.3 percent) received some public benefits at the time they enrolled in JobStart; 21.1 percent received two public benefits, and 14.9 percent received three or more. The majority of adult respondents (63.4 percent) received Supplemental Nutrition Assistance Program (SNAP) benefits, and slightly less than one third (31.7 percent) received medical assistance; only 21.1 percent received TANF.

**Table 2: Public Benefits Receipt of Participant Survey Respondents<sup>32</sup>**

	Adults	Youth	All
SNAP	63.4%	31.6%	55.0%
Medicaid or medical card	31.7%	36.8%	33.0%
TANF	21.1%	12.3%	18.8%
Unemployment Insurance	11.8%	0.0%	8.7%
SSI	3.1%	5.3%	3.7%
Two benefits	21.1%	24.6%	22.0%
Three or more benefits	14.9%	5.3%	12.4%
None	21.7%	49.1%	28.9%

### Employment History

Table 3 shows employment history characteristics as reported by Participant Survey respondents. Most adult respondents (89.9 percent) had held a job before JobStart. Among them, nearly one in four (23.4 percent) had never held a job longer than a year, and 76.5 percent had held a job for more than one year. Adults who had held a prior job had been unemployed for an average of 1.3 years at the time they enrolled in JobStart. In their most recent prior jobs, nearly half (47.0 percent) earned less than \$9.00 per hour, and 62.0 percent earned less than \$10.00 per hour. Only 18.0 percent of adults who had held a prior job earned \$12.00 per hour or more in their most recent prior job.

The majority of youth survey respondents (76.5 percent) had also held a job before JobStart; however, a higher proportion had held a job for one year or less (77.7 percent compared to 23.4 percent of adult survey respondents), and a lower proportion had held a job for more than a year (22.2 percent compared to 76.5 percent of adult survey respondents). Youth respondents who had held a job reported earning lower wages than adults in their most recent prior jobs: the overwhelming majority (84.6 percent) reported earning less than \$9.00 per hour.

Notably, most survey respondents reported leaving their most recent jobs for involuntary reasons, often related to economic circumstances outside their immediate personal and family situations. Among adult respondents, 57.8 percent reported leaving their jobs because they were laid off, because their jobs were temporary or seasonal, or because of a business closure. By contrast, only 14.4 percent reported

<sup>32</sup> Analysis of JobStart Participant Survey responses. N = 161 adults and 57 youth. All respondents worked at least 1 hour in a transitional job according to program records.

that they left because they were fired or that they left voluntarily. The relatively high share of respondents who reported leaving their most recent job for involuntary economic reasons may reflect the lingering effects of the recession that began in 2007.

**Table 3: Employment History Characteristics of Participant Survey Respondents<sup>33</sup>**

	Adults	Youth	All
Was participant ever employed before JobStart <sup>a</sup>			
Ever employed	89.9%	76.5%	86.7%
Longest period that participant has held a job <sup>b</sup>			
Less than 6 months	11.2%	44.4%	18.4%
6 months to 1 year	12.2%	33.3%	16.8%
More than 1 year but less than 3 years	35.7%	22.2%	32.8%
3 or more years	40.8%	0.0%	32.0%
Average unemployment spell prior to JobStart <sup>c</sup>			
Years unemployed	1.3	1.2	1.3
Wage in job that participant held prior to JobStart <sup>d</sup>			
Less than \$9.00	47.0%	84.6%	54.8%
\$9.00 to \$9.99	15.0%	7.7%	13.5%
\$10.00 to \$10.99	16.0%	7.7%	14.3%
\$11.00 to \$11.99	4.0%	0.0%	3.2%
\$12.00 or more	18.0%	0.0%	14.3%
Reason why participant left his or her job prior to JobStart <sup>e</sup>			
Laid off	36.7%	16.7%	32.5%
Temporary or seasonal employment	14.4%	33.3%	18.4%
Fired	12.2%	0.0%	9.6%
Business closed	6.7%	12.5%	7.9%
Returned to school	4.4%	8.3%	5.3%
Medical issue	6.7%	0.0%	5.3%
Moved	3.3%	4.2%	3.5%
Left voluntarily	2.2%	4.2%	2.6%
Caring for dependent	0.0%	0.0%	0.0%
Incarcerated	1.1%	0.0%	0.9%
Transportation problem	0.0%	4.2%	0.9%
Other/Unknown	12.2%	16.7%	13.2%

<sup>a</sup> N = 109 adults, 34 youth. <sup>b</sup> N = 96 adults, 26 youth. <sup>c</sup> N = 96 adults, 24 youth. <sup>d</sup> N = 98 adults, 25 youth. <sup>e</sup> N = 90 adults, 24 youth.

## Barriers to Employment

Table 4 shows challenges to finding steady employment as reported by Participant Survey respondents. Table 5 shows the approximate share of participants with certain barriers to employment as reported by Grantee Staff Survey respondents. Together, these data provide a general picture of barriers to employment that JobStart participants faced.

<sup>33</sup> Analysis of JobStart Participant Survey responses. All respondents worked at least 1 hour in a transitional job according to program records.

The incidence and type of challenges reported by Participant Survey respondents (Table 4) differed between participants in adult and youth programs. Only 15.5 percent of adult program respondents reported no challenges finding steady employment. By contrast, 47.6 percent of youth program respondents reported no challenges. The most common challenges reported by adults were lack of job openings for which they were qualified (33.1 percent), having a criminal record (31.1 percent), balancing work or family obligations other than caring for a sick or disabled relative (18.9 percent), lack of transit fare or gas money (17.6 percent), and that employers would not hire them because they did not have a high-school diploma or GED (16.2 percent). Over one third (38.5 percent) of adults reported two or more challenges to finding steady employment. As with the adults, the most common challenge reported by youth participants was lack of job openings for which they were qualified (38.1 percent). Beyond this challenge, the number of youth program participants reporting other challenges was too small to make meaningful generalizations about all youth participants.

“The most significant challenge was teaching work ethics to a group of young adults that had never had jobs before.”  
*JobStart Employer*

**Table 4: Challenges Finding Steady Employment as Reported by Participant Survey Respondents** <sup>34</sup>

	Adult	Youth	All
There were no job openings I was qualified for	33.1%	38.1%	34.2%
I have a criminal record	31.1%	0.0%	24.2%
Balancing work or family obligations other than caring for a sick/disabled relative	18.9%	9.5%	16.8%
I didn't have transit fare or gas money	17.6%	11.9%	16.3%
Employers won't hire me because I don't have a high-school diploma or GED	16.2%	4.8%	13.7%
I don't have any employment references	8.1%	14.3%	9.5%
I couldn't find or afford childcare	10.1%	0.0%	7.9%
I am caring for a sick or disabled child	4.7%	2.4%	4.2%
I don't have an address or stable place to stay	2.7%	7.1%	3.7%
I have a disability	2.7%	2.4%	2.6%
I was in an abusive relationship that disrupted work	3.4%	0.0%	2.6%
Employer required a drug test that I couldn't pass	2.0%	2.4%	2.1%
I didn't have an ID	1.4%	2.4%	1.6%
I have trouble with reading	0.7%	2.4%	1.1%
Two challenges	22.3%	16.7%	21.1%
Three challenges	10.1%	9.5%	10.0%
Four or more challenges	6.1%	2.4%	5.3%
I have not faced any challenges	15.5%	47.6%	22.6%

Barriers to participants’ employment commonly reported by grantee staff (Table 5) included unmet need for transportation, no prior work experience, poor overall job skills, poor interpersonal skills, no high-school diploma or GED, a criminal record, and unmet need for childcare. Over one quarter of grantee staff reported that about half, most, or all participants had these barriers. A relatively low proportion of grantee staff reported that participants had other barriers to employment; however, some staff reported that their agencies did not assess for these barriers. For example, 26.2 percent reported

<sup>34</sup> Analysis of JobStart Participant Survey responses. N = 148 adult participants and 42 youth participants. All respondents worked at least 1 hour in a transitional job according to program records.

that they did not assess for a mental health disorder, 19.0 percent reported that they did not assess for a physical health problem, and 17.5 percent reported that they did not assess for domestic violence.

**Table 5: Proportion of JobStart Participants with Barriers to Employment as Reported by Grantee Staff Survey Respondents<sup>35</sup>**

	None	A few	About half	Most	All	Did not assess
Unmet need for transportation <sup>a</sup>	20.9%	18.6%	18.6%	18.6%	16.3%	0.0%
No prior work experience <sup>a</sup>	0.0%	44.2%	27.9%	27.9%	0.0%	0.0%
Poor overall job skills <sup>a</sup>	7.0%	37.2%	20.9%	20.9%	2.3%	2.3%
Poor interpersonal skills <sup>a</sup>	11.6%	27.9%	18.6%	18.6%	2.3%	0.0%
No high-school diploma or GED <sup>a</sup>	4.8%	45.2%	11.9%	11.9%	7.1%	0.0%
Criminal record <sup>b</sup>	26.2%	35.7%	14.3%	14.3%	2.4%	7.1%
Unmet need for childcare <sup>a</sup>	27.9%	37.2%	11.6%	11.6%	4.7%	2.3%
Unmet need for housing <sup>b</sup>	50.0%	28.6%	9.5%	9.5%	0.0%	4.8%
Unmet need for other dependent care <sup>b</sup>	35.7%	33.3%	7.1%	7.1%	0.0%	14.3%
Alcohol or drug dependence <sup>c</sup>	36.6%	31.7%	4.9%	4.9%	0.0%	14.6%
Mental health disorder <sup>b</sup>	47.6%	23.8%	0.0%	0.0%	0.0%	26.2%
Physical health problem <sup>b</sup>	57.1%	19.0%	0.0%	0.0%	0.0%	19.0%
Experienced domestic violence <sup>d</sup>	42.5%	37.5%	0.0%	0.0%	0.0%	17.5%

<sup>a</sup> N = 43. <sup>b</sup> N = 42. <sup>c</sup> N = 41. <sup>d</sup> N = 40.

The relatively high frequency of criminal backgrounds among JobStart participants is consistent with an earlier study suggesting that a large proportion of ex-prisoners returned to neighborhoods on Chicago’s south and west sides. Of 246 ex-prisoners in the study, 54 percent returned to just 7 of the 77 CCAs. These included North Lawndale and East Garfield Park, two CCAs in the JobStart program area, and four CCAs bordering the JobStart program area.<sup>36</sup> Having a criminal record may represent a serious challenge to unsubsidized placement for TJ program participants. Many employers use criminal background checks to inform hiring decisions, potentially excluding individuals with a criminal background from employment in a wide variety of jobs and industries.<sup>37</sup>

## Summary

JobStart succeeded in enrolling participants with pronounced economic hardship from economically disadvantaged Chicago neighborhoods. The Participant and Grantee Staff Survey responses indicate that substantial proportions had barriers to employment, including lack of educational attainment, poor job and interpersonal skills, criminal records, and unmet needs for transportation and childcare. The following chapter examines how grantees recruited and trained these participants, placed and supported them in transitional jobs, and prepared them for unsubsidized employment.

<sup>35</sup> Analysis of JobStart Grantee Staff Survey responses. All respondents self-identified as having worked on providing case management.

<sup>36</sup> Visher, C., & Farrell, J. (2005, September). *Chicago communities and prisoner reentry*. Washington, DC: Urban Institute.

<sup>37</sup> Rodriguez, M., & Emsellem, M. (2011, March). *65 million “need not apply”: The case for reforming criminal background checks for employment*. New York: National Employment Law Project.

# Implementation

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**The 2016 Fund contracted with 12 grantees to administer JobStart. This chapter investigates how grantees implemented the JobStart program design, including the services they provided to participants, the employers they used to provide transitional jobs, and the challenges they faced operating their programs.**

## Grantees

The 2016 Fund selected grantees through a competitive process that weighed the experience and capacity of prospective grantees. From a list of workforce development agencies provided by CJC, 32 agencies were invited to apply for a grant to operate an adult program.<sup>38</sup> Reviewers convened by the 2016 Fund considered the experience of agencies with subsidized and transitional employment programs and with the type of hard-to-employ individuals JobStart targeted; agency relationships with employers; the feasibility and comprehensiveness of their plans for recruitment, assessment, job readiness training, and case management; and the administrative capacities of agencies and the qualifications of their staffs. From the 18 agencies that applied to operate an adult program, 10 grantees were chosen. Youth program grantees were selected from agencies with the capacity to serve a high number of youth participants, as demonstrated by their performance implementing ARRA youth programs in the preceding summer. Out of five agencies that applied to operate youth programs, four were chosen.

Table 6 lists the JobStart grantees, other subsidized and transitional jobs programs they have operated, and public funding sources they use to support workforce development programming. All grantees had experience operating subsidized or transitional employment programs, and many had experience using several of the major state and federal funding sources available for workforce development. Grantee project directors reported that this experience facilitated start-up of JobStart programs.

Seven grantees operated Put Illinois to Work (PITW) programs contemporaneously with JobStart. As programs supported by TANF EF funding, JobStart and PITW enrolled custodial parents or guardians, noncustodial parents, or youth ages 16 to 21 from households with incomes below 200 percent of the federal poverty level. PITW began enrolling participants over a month before JobStart and was extended after September 30, 2010.

The Chicago Housing Authority (CHA) subcontracted with 10 agencies that run its case management system to operate JobStart. Two of these agencies—Centers for New Horizons and Heartland Human Care Services—were also direct JobStart grantees, meaning that they had contracts with the 2016 Fund and subcontracts with CHA to serve JobStart participants. CHA also subcontracted with Centers for New Horizons and Heartland Human Care Services to operate its PITW program.

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<sup>38</sup> Chicago Community Trust (JobStart program description, n.d.).



**Table 6: JobStart Grantees<sup>39</sup>**

Name	Subsidized and transitional job program experience <sup>a</sup>	Public funding used for workforce development <sup>b</sup>	Adult slots		Youth slots		PITW subcontractor <sup>c</sup>
			Initial	Final	Initial	Final	
Alternative Schools Network	Illinois YES, Youth Ready Chicago	DCEO, TANF, WIA	-	-	206	80	Yes
Association House of Chicago	Own TJ program	CDBG, CSBG, WIA	32	42	-	-	No
Centers for New Horizons	TJ for CHA, TJ for IDHS	CDBG, CHA, , DCEO, TANF	50	70	-	-	Yes
Central States SER	TJ for CHA, SCSEP	CDBG, CHA, TANF, WIA	125	174	-	-	Yes
Chicago Housing Authority	Own TJ program operated by subcontractors, Youth Ready Chicago	HUD	500	600	900	500	Yes
Heartland Human Care Services	TJ for CHA, TJ for IDHS	CHA	75	98	-	-	Yes
Inspiration Corporation	Inspiration Kitchens (own TJ program for food service)	CDBG, CSBG, HUD WIA	25	30	-	-	No
National Able Network	SCSEP	CDBG, TAA, TANF, WIA	90	138	-	-	No
OAI, Inc.	Greencorps (TJ for City of Chicago), Youthbuild (TJ for U.S. Department of Labor), Communitree (own TJ program)	CDBG, TANF, WIA	42	42	-	-	No
Phalanx Family Services	Youth Ready Chicago	CDBG, TANF, WIA	100	140	30	45	Yes
Safer Foundation	Own TJ program	CDBG, WIA	20	20	-	-	No
Westside Health Authority	Illinois YES, Youth Ready Chicago	CDBG, TANF	-	-	75	175	Yes

<sup>a</sup> Illinois YES: Illinois Youth Employment for Summer; SCSEP: Senior Community Service Employment Program funded by the U.S. Department of Labor. <sup>b</sup> CDBG: Community Development Block Grant, CSBG: Community Service Block Grant, DCEO: Illinois Department of Commerce and Economic Opportunity, TAA: Trade Adjustment Assistance, WIA: Workforce Investment Act. <sup>c</sup> Social IMPACT Research Center. (2010, October). *Put Illinois to Work evaluation: An early look*. Chicago: Author.

<sup>39</sup> Analysis of project director surveys, project director interviews, and final grant agreements with the Chicago Community Trust.

## Program Start-Up

As noted previously, grantees had less than 1 month between the time they were notified that they had received a JobStart grant and June 14, the date on which participants would have to begin their transitional jobs, in order to work the full 16 weeks of subsidized employment available. Grantees met this demanding timeline in different ways.

One agency began enrolling participants and conducting job readiness training before receiving notification that it had been awarded a grant. The grantee's project director realized that the agency would have to absorb the cost of operating a JobStart program if it did not receive a grant; however, the agency assumed the risk in order to enroll and place participants in subsidized employment as soon as possible and to receive the placement fees for as many participants as possible. The grantee started its JobStart program with existing staff, delaying new hiring for JobStart until after notification that it had been awarded a grant. This grantee was also an experienced workforce program provider with some experience implementing programs without confirmed funding. These factors may have made the risk of starting JobStart without confirmed funding more acceptable.

Another grantee began devoting substantial staff time to planning for JobStart before notification that it had been awarded a grant. It also established an agreement with a transitional job employer and modified one of its Community Development Block Agreement grants to allow participants in another program, who were paid through that grant, to work as JobStart staff at the worksite. In contrast, a third grantee could not begin implementing its JobStart program even after notification that it had been awarded a grant. This agency had to seek approval from its board of directors to accept the JobStart grant it received and had to modify its contracts with other agencies to include JobStart expectations before it could begin to implement JobStart.

Most grantees hired new staff and restructured their existing staffs to implement JobStart. Seven grantees reported hiring new full-time staff, and four also reported hiring new part-time staff. Common restructuring actions included reassigning case managers, program managers, and administrative staff from other programs and distributing JobStart tasks to staff who usually worked on other programs.

Experience operating a TJ program or a job readiness and placement program for TANF recipients facilitated start-up of JobStart programs. A grantee project director whose agency operated a TJ program for TANF recipients stated that this program was very similar to JobStart and that experience with the prior TJ program had familiarized the director's agency with requirements for serving TANF recipients. Another project director stated that the director's agency had acquired insight into the needs of TANF recipients by operating a job readiness and placement program for TANF recipients. A third project director explained that experience operating summer youth programs, as well as job readiness and placement programs for TANF and SNAP recipients, enabled the agency to rapidly distribute information about JobStart, recruit participants and employers, and determine participant eligibility.

One project director related the importance of TJ program experience to payroll administration, a critical function for a program that pays participant wages and employment taxes. Prior knowledge of the TJ program model enabled the director to communicate effectively with the agency's payroll department, and the experience and sophistication of the payroll department facilitated JobStart implementation. A grantee with a relatively small TJ program used this program's structure, staff, and employers to serve JobStart participants, modifying the existing program when necessary to meet JobStart program requirements. The agency's project director stated that operating a JobStart program would have proven much more difficult without the extant TJ program structure.

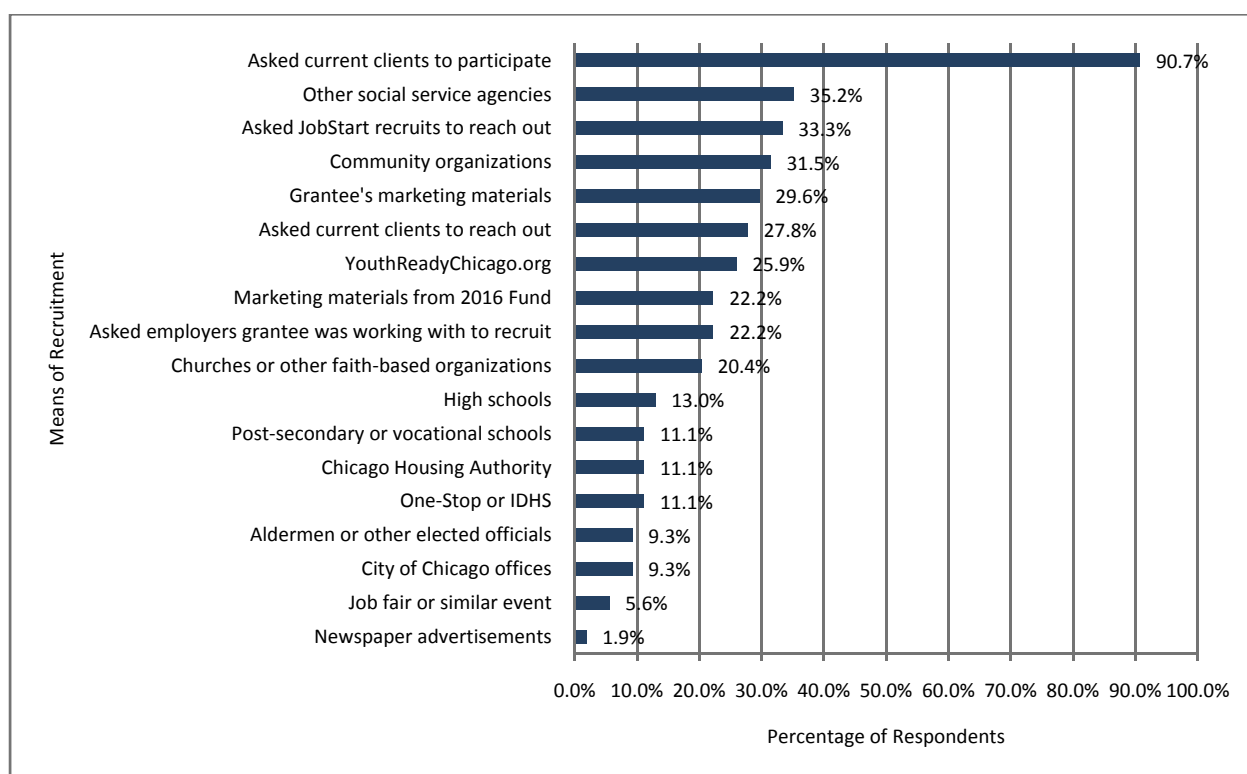
## Recruitment and Eligibility

To demonstrate the eligibility of all participants they recruited, grantees were required to collect copies of documents showing age, address, household composition, household income, and authorization to work in the United States for each participant.<sup>40</sup> Before placing a participant in subsidized employment, grantees were required to submit these documents and receive approval for the participant from 2016 Fund staff. This condition effectively required 2016 Fund staff to review documents for all JobStart participants who would enter subsidized employment.

With little time between award notification and June 14, most grantees recruited JobStart participants from among clients they were already serving in other programs and by encouraging JobStart recruits to talk to others about JobStart. The most commonly reported difficulty regarding recruitment and eligibility was recruiting from the 13 designated CCAs. Several grantees reported they could have recruited more participants if they were allowed to enroll residents from outside the designated CCAs.

Figure 7 shows means of recruitment reported by Grantee Staff Survey respondents who worked on recruiting participants. Among these staff people, 90.7 percent reported that their agencies asked clients they were already serving to participate. By contrast, less than 40 percent reported that their agencies used other means of recruitment.

**Figure 7: Means of Recruiting JobStart Participants as Reported by Grantee Staff Survey Respondents<sup>41</sup>**



<sup>40</sup> Acceptable documents included: a Social Security card or printout from the Social Security Administration; a state ID or drivers license to show age and address; a birth certificate, court documents, public-benefits record, child-support records, or school records to show household composition; SNAP or Medicaid documents or a recent pay record to show household income; and an I-9 form and supporting documentation to show authorization to work in the United States. Participants might also have met the residency and household composition criteria by self-attestation. If an additional earner resided with the participant, the participant was required to submit documents showing the additional earner's income. Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 7)

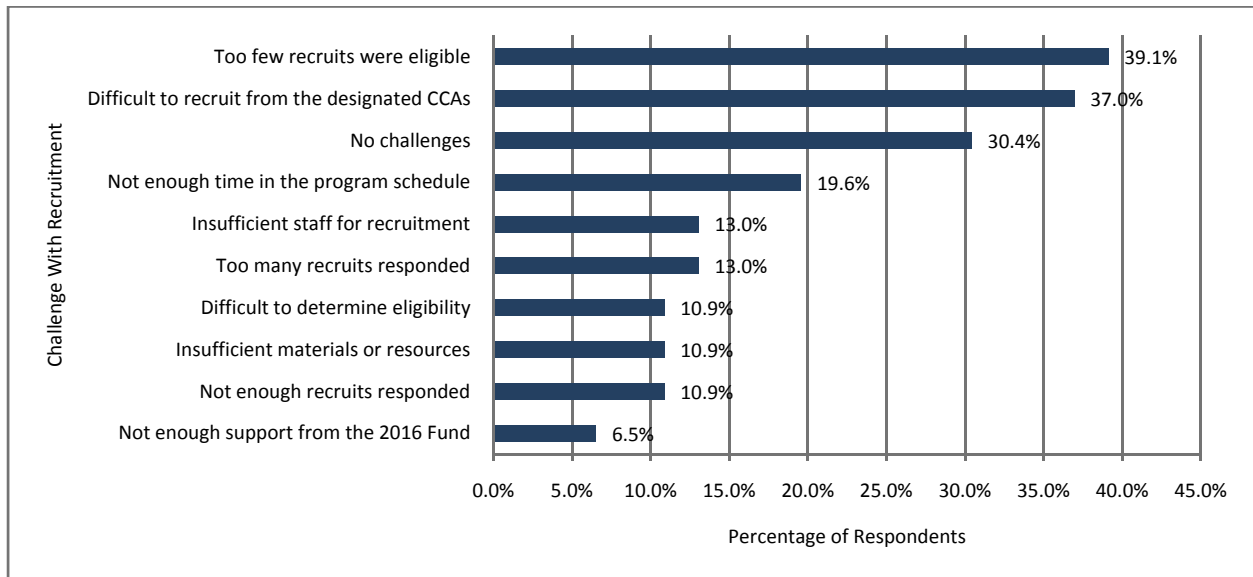
<sup>41</sup> Analysis of JobStart Grantee Staff Survey responses. N = 54. Respondents self-identified as having worked on recruiting participants.

Several agencies recruited JobStart participants from among individuals who had been recruited for their non-TJ programs. For example, a grantee that operated job training and placement programs for TANF and SNAP recipients under contract with IDHS identified potential JobStart recruits in orientations for the IDHS programs and referred them to JobStart. The agency’s director estimated that three quarters of its JobStart participants were recruited from IDHS orientations. Another grantee recruited the majority of its JobStart participants from clients who had signed up for its job training and placement program for homeless individuals. By contrast, a third grantee consciously avoided recruiting from individuals who had come to the agency for other programs. While JobStart program rules did not prohibit recruiting such individuals, this grantee interpreted the intent of the program as targeting individuals who would not otherwise receive workforce development services; consequently, almost none of its JobStart participants were drawn from clients it was already serving.<sup>42</sup>

Most grantees appear to have recruited extensively from individuals who had been recruited for other programs because they offered a ready pool of potential JobStart recruits to draw on in order to meet the demanding timeline for recruitment. Many of these clients would likely have received some workforce development services in the absence of JobStart, but would not necessarily have participated in a TJ program.

Figure 8 shows challenges with recruitment reported by Grantee Staff Survey respondents who worked on recruiting participants. Among these staff people, 39.1 percent reported that too few recruits were eligible, and 37.0 percent reported difficulty recruiting from the JobStart CCAs.

**Figure 8: Challenges Recruiting JobStart Participants as Reported by Grantee Staff Survey Respondents<sup>43</sup>**



Several project directors reported a substantial response to their recruitment efforts from outside the JobStart CCAs, and indicated they could have enrolled many more participants in the absence of the residency requirement. One reported receiving 400 applications over the course of the program, more than four times the number of slots initially allocated to that agency; however, most applicants resided

<sup>42</sup> Program rules prohibited participants from enrolling simultaneously in JobStart and a job training and placement program associated with TANF or SNAP. Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 8)

<sup>43</sup> Analysis of JobStart Grantee Staff Survey responses. N = 46. Respondents self-identified as having worked on recruiting participants.

“just outside” the JobStart CCAs. Another, whose agency had a “long history” in a neighborhood outside the JobStart CCAs, reported that many youth from the neighborhood inquired about JobStart and that the agency could have served many more if it had been allowed to enroll neighborhood residents. These examples suggest overlap between the two most commonly-reported challenges with recruiting: most likely, agencies found many recruits ineligible because they lived outside the JobStart CCAs.

In addition to impeding enrollment, the residency requirement created confusion among neighborhood residents and other stakeholders. Two project directors described incidents in which city aldermen referred groups of constituents from their wards to JobStart and became frustrated when some constituents were found eligible while others were not. These incidents occurred because CCA boundaries do not coincide with ward boundaries, and consequently, some residents of a ward were eligible for JobStart while others were not.

Additionally, the residency requirement contributed to the already substantial burden on applicants and grantees of proving eligibility. Several grantees reported that applicants struggled to prove they met the residency requirement. One project director stated that verifying residency in the designated CCAs was the greatest challenge with regard to recruitment, explaining that youth program applicants found it difficult to demonstrate residency because they lacked identification cards and because utility bills showing their addresses were not in their names. Another stated that some recruits claimed to live in the designated CCAs but had old documentation showing addresses outside the designated CCAs; consequently, the agency could not enroll them.

The 2016 Fund was created to serve communities that would have been impacted by the 2016 Olympic Games and use of its resources was limited to the JobStart CCAs without prior approval from contributors. The 2016 Fund staff reported that most grantees did not express difficulty with this requirement until it was too late to seek approval for expanding boundaries. They reported that the 2016 Fund made accommodations in two cases, including reducing the number of participants and expanding the CCA boundaries to adjacent areas.

Another common challenge with recruitment was insufficient time in the program schedule. Several project directors said their agencies would have expanded recruiting efforts if more time had been available. One said they would have recruited from more community organizations. Another said that the agency would have organized a job fair to match applicants with transitional job employers so that subsidized employment would be available immediately following job readiness training.

Under the program time frame, grantees found it challenging to meet the “up-front” requirements for documentation to demonstrate participant eligibility. Grantees were required to collect copies of documents showing the age, address, household composition, household income, and work authorization of each participant, and to submit these to 2016 Fund staff for approval. The 2016 Fund required this review because they might be required to return money to the federal government if an audit found that JobStart had served TANF-ineligible participants. Some project directors reported that the collection of complete documentation was difficult, especially for specific types of participants. One said that it was difficult for participants to provide documents showing their eligibility as noncustodial

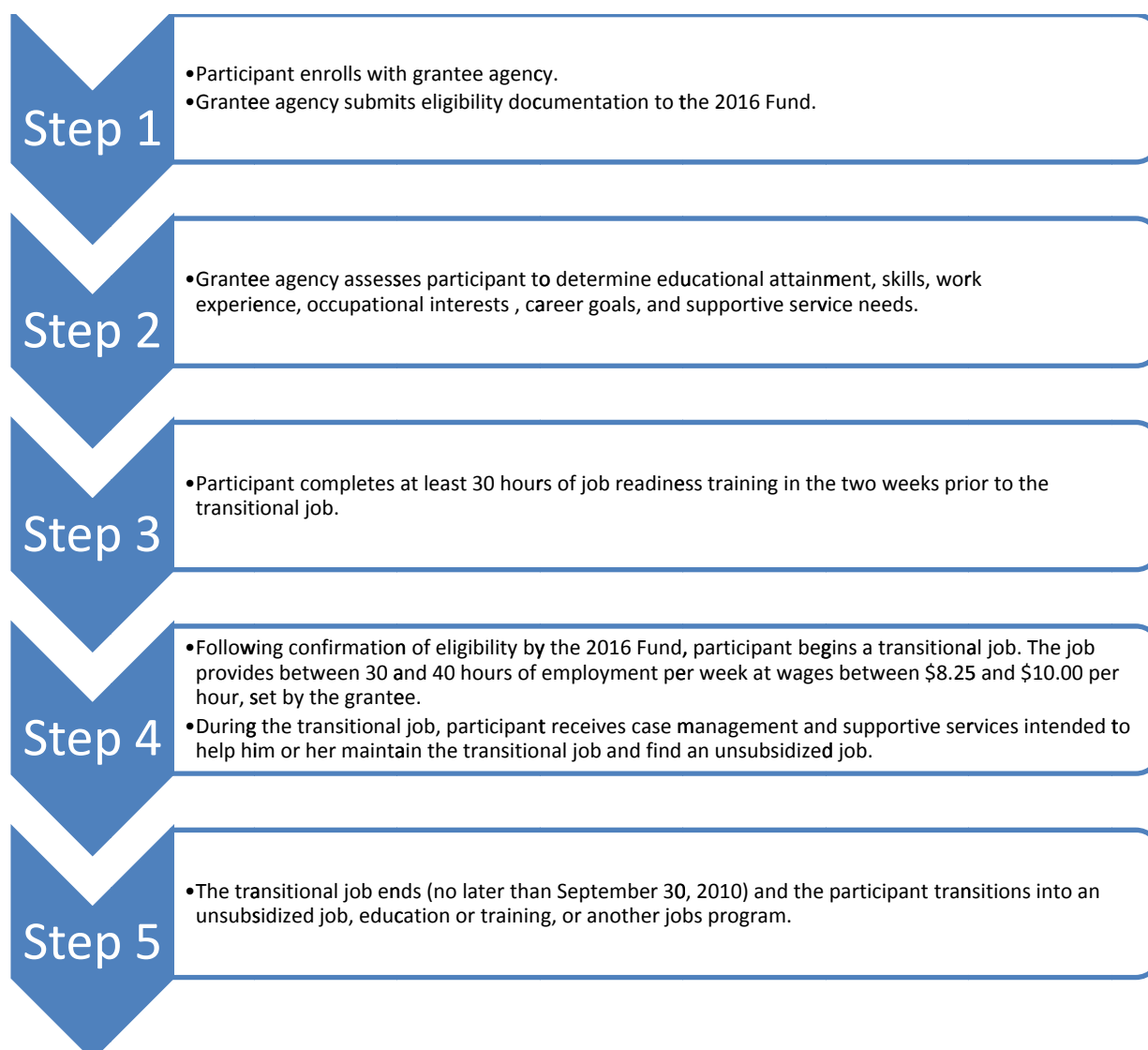
### Challenges with Eligibility Documentation for Youth Participants

Youth often depended on their parents or guardians to obtain some kinds of documentation, such as birth certificate and public benefits records. Consequently, youth who had troubled relationships with their parents or guardians or whose parents or guardians simply failed to follow through with required documents, had difficulty demonstrating eligibility.

parents. Three youth program project directors described problems collecting documentation that was specific to youth. Youth often depended on their parents or guardians to obtain documentation, such as birth certificate and public-benefits records. Consequently, youth who had troubled relationships with their parents or guardians or whose parents or guardians simply failed to follow through, had difficulty demonstrating eligibility. Several project directors noted that the process of transmitting physical copies of eligibility documentation to the 2016 Fund was cumbersome, though one project director said that the 2016 Fund provided “excellent turnaround” in reviewing and approving the submitted files.

While grantees found the process of document collection and review challenging, several project directors perceived the thorough review by the 2016 Fund at the beginning of the program as positive. One said that the file review process helped the agency identify and eliminate mistakes early on. Another said that the process was helpful because it ensured that the 2016 Fund would not later deem an enrolled participant ineligible and remove the participant from the program.

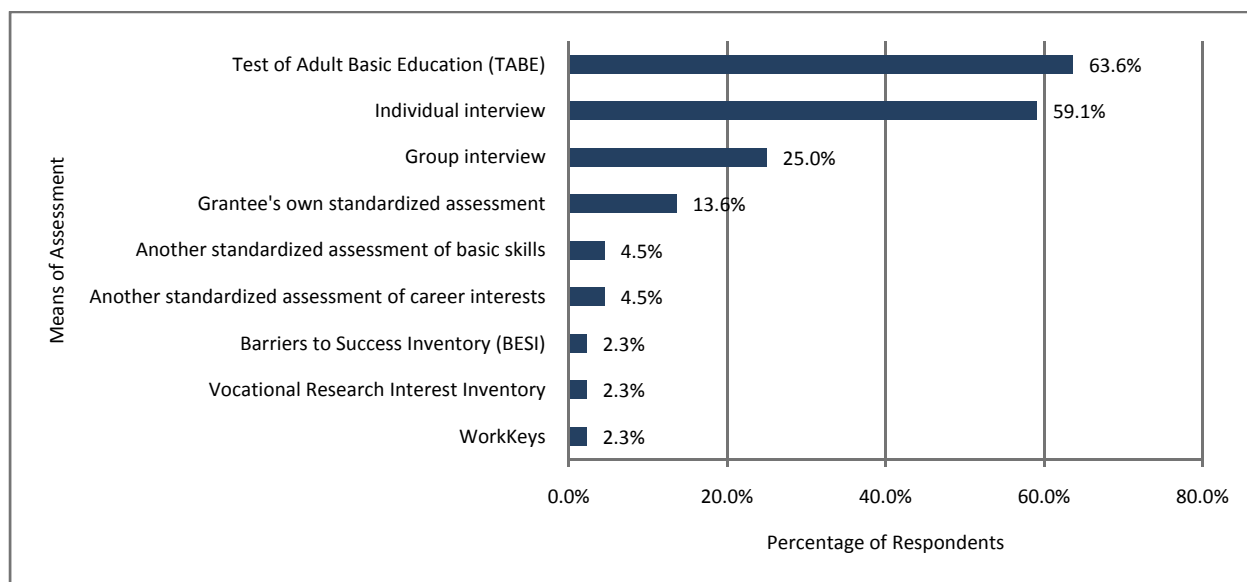
### JobStart Program Design Snapshot



## Assessment

Before beginning job readiness training and subsidized employment, grantees were required to assess participants to determine their educational attainment, skills, work experience, occupational interests, career goals, and supportive service needs. Grantees were instructed to use “formal tests or instruments” and interviews in their assessments, but were otherwise afforded broad discretion over how to assess participants.<sup>44</sup> Figure 9 shows the types of assessment used as reported by Grantee Staff Survey respondents who worked on assessing participants. The most commonly used types of assessment were the Test of Adult Basic Education (TABE), individual interviews, and group interviews.

**Figure 9: Means of Assessing JobStart Participants as Reported by Grantee Staff Survey Respondents<sup>45</sup>**



Most project directors said that additional time for assessment would have improved their assessment procedures, enabling their agencies to acquire more information about participants and provide supportive services more effectively later in the program. Two project directors explained that some participants had “hidden barriers to employment” which staff did not learn about until later in the program, such as unstable childcare arrangements or housing. One argued that additional time “to build trust and a relationship” with participants would have enabled staff to learn about these barriers before participants entered subsidized employment.

One project director said that the demanding timeline for enrollment into JobStart precluded the agency from carrying out its regular recruitment and assessment process, which involves extensive written testing and hands-on activities to select participants the grantee believes most able to benefit from a TJ program. The grantee receives most recruits from other social services agencies familiar with its TJ program. In the first stage of its typical process, recruits complete the TABE and a brief written exercise to screen out recruits with literacy below the sixth-grade level. The second stage, conducted over 2 days, includes additional written testing, an essay, and activities in which recruits complete hands-on tasks in small groups. The responses of recruits to these activities enable staff to identify recruits motivated to succeed in a TJ program and able to cooperate with others and to select out those recruits who might “ruin the experience for others.” Because the JobStart timeline precluded the regular

<sup>44</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 12)

<sup>45</sup> Analysis of JobStart Grantee Staff Survey responses. N = 44. Respondents self-identified as having worked on assessing participants.



recruitment and assessment process, the project director said that the grantee enrolled some JobStart participants who were unmotivated to work and that it was unable to help some JobStart participants to become work ready by the end of the program.

Regarding the participant characteristics that grantees assessed, two grantee project directors said that they would have liked to assess enrollee aptitudes and career interests more effectively. One said that additional aptitude and interest assessment would have helped staff provide job coaching and helped participants develop a plan for after the transitional job ended. The other said that additional assessment in these areas would have facilitated job placement and career planning by helping participants inventory their aptitudes, interests, and skills.

## Job Readiness Training

In many TJ programs, training about the soft skills necessary to maintain employment precedes placement in transitional jobs. The JobStart program design required participants to complete at least 30 hours of job readiness training within the 2 weeks prior to beginning subsidized employment, and grantees could elect to provide more than 30 hours of job readiness training. Grantees were instructed to cover workplace behavior, including work ethic, communication skills, timeliness, and appropriate dress; financial literacy and banking; customer service; job search and application skills, including resume preparation and interviewing; and job-specific skills training or training in skills common to many jobs, such as computer use. Grantees were also instructed to register participants with an online job search service and help participants open bank accounts to allow for electronic delivery of wages.<sup>46</sup>

Grantee staff reported that their agencies covered most required topics before or during the transitional job. Over 90 percent of Grantee Staff Survey respondents who provided or helped participants access job readiness training reported that their agencies covered all soft skills and job search topics required by the program design. Regarding the other required topics, 88.6 percent reported that their agencies covered computer literacy or software applications; 80.0 percent covered registration with an online job search firm; 70.5 percent covered basic reading, writing, or math skills; and less than half reported that their agencies provided GED and ESL training.<sup>47</sup>

“I learn how to get ready for a job and how to interact on an interview.”  
*JobStart Participant*

Several project directors said that a longer initial job readiness training, or alternately, follow-up training during the transitional job, would have helped participants maintain their transitional jobs and increased their job readiness. One said that additional job readiness training would have reduced employer complaints about lack of professionalism, timeliness, and absences among participants. Another said the agency was limited to “preparing participants for the first day of work and not much more” within the 2-week, 30-hour job readiness training required by JobStart. Both said that ongoing job readiness training, in which participants visited the program office once per week during their transitional employment,

<sup>46</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 13-14)

<sup>47</sup> Analysis of Grantee Staff Surveys. N = 51 for training on communications skills; N = 46 for training on developing a good work ethic, getting along with coworkers, handling difficult situations or anger management, handling stress, problem solving, teamwork, timeliness and time management, understanding employers' expectations, and workplace diversity; N = 45 for training on appropriate workplace clothing, interview skills, job search skills, job, industry, or occupation-specific skills, registration with an online job-search firm, and resume preparation; N = 44 for basic reading writing, or math skills, computer literacy or software applications, customer service, and financial literacy; N = 41 for GED training; and N = 39 for ESL training. Respondents self-identified as having worked on providing or helping participants to access job readiness training. The JobStart program design required grantees to provide basic academic skills training, GED training, and ESL training “for those Participants with low reading or math scores on the basic skills tests, with limited English proficiency or with other related barriers.” Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 14)

would have helped participants. A third said that the agency structured job readiness training to include 1 full week of training followed by 1 day per week of training at the program office. Following the initial week, participants spent one half of each training day in group case management sessions and the other half on job search and career exploration topics. The participants worked in crews, and crews attended group sessions together, enabling participants to discuss problems at work with their coworkers while the problems were still “live.”

In addition to longer initial job readiness training or follow-up training during subsidized employment, several project directors recommended paying participants for job readiness training. They argued that payment for training would have incentivized attendance and reduced retention problems during the initial weeks of the program. One explained that paying youth for time spent in training would have been helpful because some youth participants had substantial responsibilities at home. Some were the sole earners in their families and some were parents. Consequently, it was difficult for them to attend training without compensation.

Wages for job readiness training did not qualify for reimbursement from the TANF EF. Consequently, grantees were not allowed to pay wages for job readiness training using JobStart funds. To incentivize training completion in the absence of wages, four grantees offered cash or gift card rewards to participants who completed job readiness training. One adult program grantee offered \$200 rewards, and two other grantees, one an adult program grantee and the other a youth program grantee, offered \$100 rewards.<sup>48</sup> The project director of the youth grantee said that some participants would have exited the program without the reward.

One youth program project director recommended involving employer representatives in job readiness training. The project director observed that participants “needed a lot more pre-program help than we initially thought. Some were nowhere near ready to go to work in a professional office setting.” These participants had unrealistic expectations regarding wages and working conditions associated with entry-level jobs and no conception of an employee’s role “within the bigger machinery” of an employer. The project director recommended having supervisors and managers from local employers explain their expectations for work ethic to participants as part of job readiness training.

## Transitional Jobs

The JobStart program design afforded grantees considerable flexibility regarding the type of employers they could enroll and the kinds of transitional jobs they could provide. Participants could work for for-profit, nonprofit, or government agencies. However, program rules also contained several provisions to ensure that the transitional job provided meaningful work experiences.

First, the 2016 Fund committed to reviewing descriptions of transitional jobs and information about proposed worksites “to ensure that the Participants [would] have a productive learning and work experience.” The 2016 Fund staff could request modification of job responsibilities and could deem a worksite ineligible.<sup>49</sup> Grantee staff were required to visit each worksite at least once during the first 2 weeks of the transitional job to ensure that participants were engaged in meaningful work and to revisit each worksite at least once during the remainder of the program.

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<sup>48</sup> The project director of the other grantee indicated on the project director survey that the agency offered a reward, but did not indicate the amount of the reward.

<sup>49</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 22)

Second, employers were required to sign a memorandum of agreement (MOA) detailing their responsibilities. Responsibilities included providing “meaningful work activities” and sufficient work to occupy each participant’s agreed upon work hours. Additionally, the MOA required employers “to mentor and supervise [participants] to ensure skill and experience acquisition adequate to pursue the employment.” This provision allowed IDHS to count employer supervision and training as the in-kind contribution required to draw down reimbursement from the TANF Emergency Fund. The MOA also included provisions to help grantees monitor each participant’s progress. It required employers to notify the grantee of unsatisfactory performance or behavior by participants and to permit monitoring and evaluation of participants at the worksite on a regular basis. Finally, the number of participants at each worksite was limited to 10 in order to allow for adequate supervision of each participant.<sup>50</sup>

The transitional job was to last up to 16 weeks and provide between 30 and 40 hours of work each week. Given the program end date of September 30, participants must have entered the transitional job no later than June 14 in order to work for the full 16 weeks. Grantees were required to set wages for adult participants between \$8.25 per hour (the Illinois minimum wage as of July 1, 2010) and \$10.00 per hour at each worksite. All youth participants were to be paid \$8.25 per hour.<sup>51</sup>

## Employer Recruitment

Project directors identified three overall characteristics of a desirable TJ program employer:

1. An employer should understand the TJ program model and the balance that a TJ program must strike between allowing participants to make and learn from their mistakes, on the one hand, and establishing an authentic work environment that prepares participants for a real job on the other.
2. An employer should have important tasks for participants to carry out and openings that it needs to fill and view the TJ program as a source of potential permanent employees. As one project director stated, a desirable employer should view the TJ program not as a source of “free labor,” but as a means to “train future employees at no cost to itself.”
3. An employer should offer some training and experience valued by other employers, helping participants develop their resumes. Even if the transitional job employer does not permanently hire a participant, the training and experience that the participant acquires will help him or her gain employment with another employer after subsidized employment.

Figure 10 shows means of recruiting employers reported by Grantee Staff Survey respondents who worked on recruiting transitional job employers. Among these staff people, 84.4 percent reported that their agencies asked employers they were already working with to participate and 81.3 percent

### Snapshot of Employer Memorandum of Agreement

Employers were required to sign a memorandum of agreement (MOA) detailing their responsibilities such as the following:

- Provide meaningful work activities
- Provide sufficient work to occupy each participant’s agreed upon work hours
- Provide mentoring and supervision of participants to ensure skill and experience acquisition adequate to pursue employment

<sup>50</sup> Chicago Community Trust (Chicago Neighborhood JobStart worksite memorandum of agreement received November 3, 2010)

<sup>51</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 15-16, 27)

reported that their agencies asked employers they had not worked with to participate.

**Figure 10: Means of Recruiting JobStart Employers as Reported by Grantee Staff Survey Respondents<sup>52</sup>**

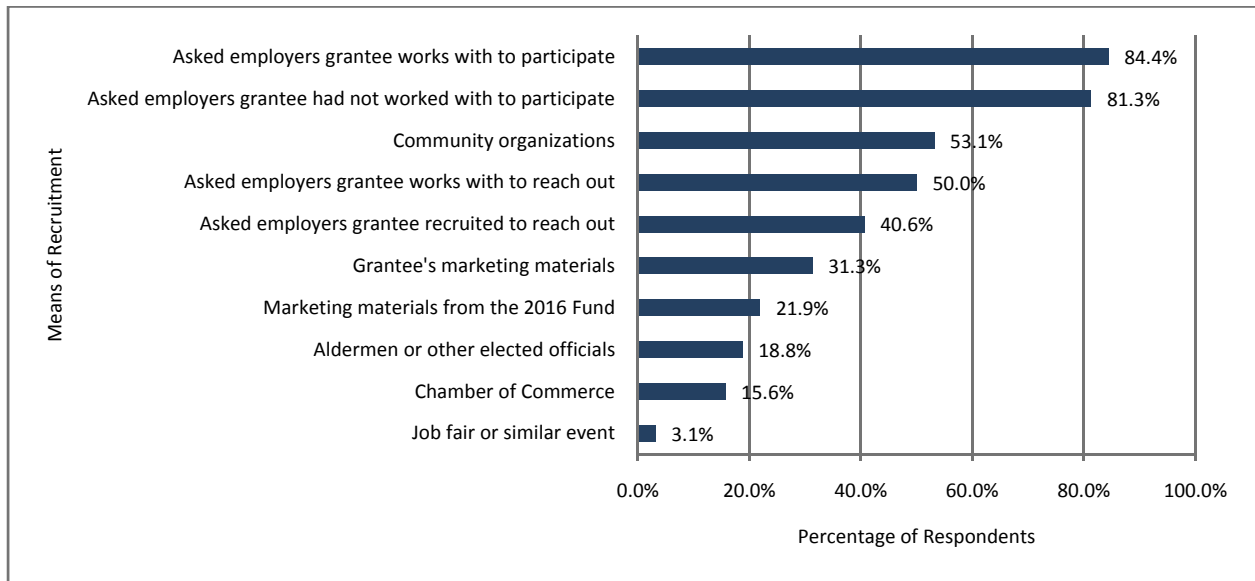
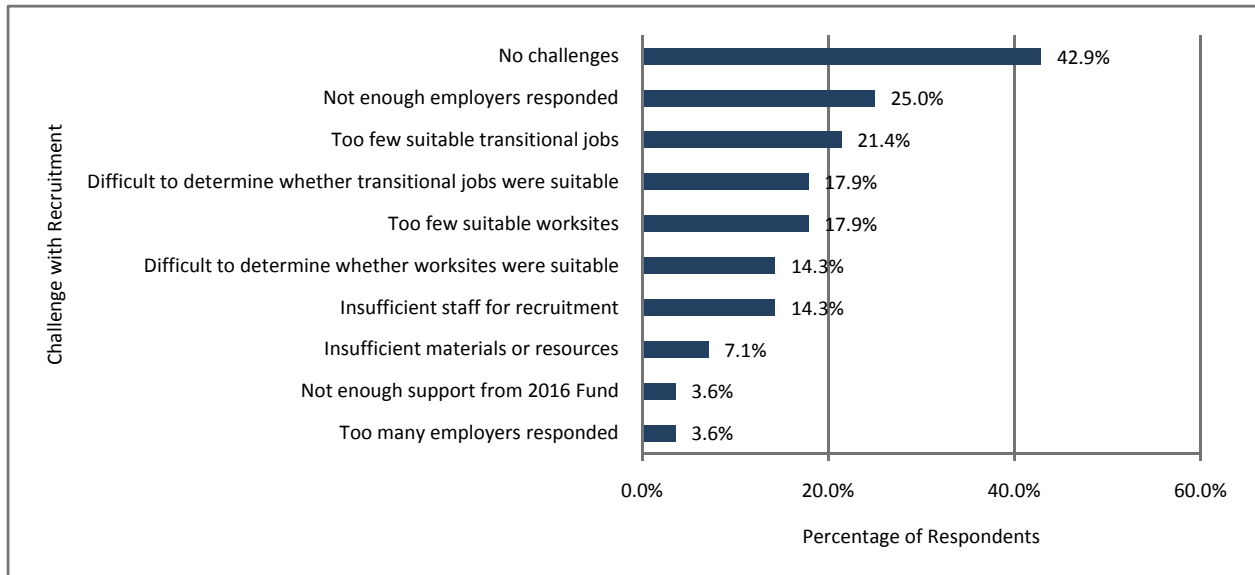


Figure 11 shows challenges with recruitment reported by Grantee Staff Survey respondents who worked on recruiting transitional job employers. Overall, it suggests that grantees experienced relatively few challenges recruiting employers.

**Figure 11: Challenges Recruiting JobStart Employers as Reported by Grantee Staff Survey Respondents<sup>53</sup>**

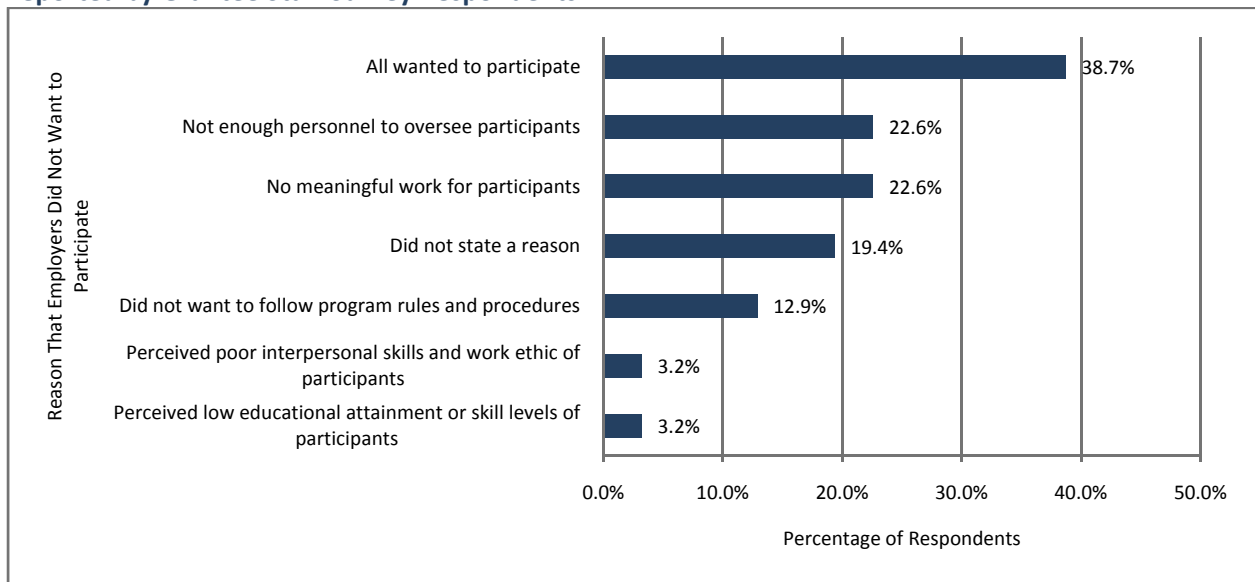


<sup>52</sup> Analysis of JobStart Grantee Staff Survey responses. N = 32. Respondents self-identified as having worked on recruiting employers.

<sup>53</sup> Analysis of JobStart Grantee Staff Survey responses. N = 28. Respondents self-identified as having worked on recruiting employers.

Figure 12 shows reasons why some employers that grantees attempted to recruit did not want to participate in JobStart. Among Grantee Staff Survey respondents who worked on recruiting transitional job employers, 22.6 percent reported that some employers did not want to participate because they lacked enough personnel to oversee JobStart participants. The same percentage reported that some employers did not want to participate because the employers had no meaningful work for JobStart participants. By contrast, only 3.2 percent reported that some employers did not want to participate because they believed that JobStart participants would not benefit their businesses due to poor interpersonal skills and work ethic or low educational attainment or skill levels.

**Figure 12: Reasons Why Some Employers Recruited for JobStart Did Not Want to Participate as Reported by Grantee Staff Survey Respondents<sup>54</sup>**



## Employer Characteristics

The JobStart program did not systematically collect data on the type, size, and industry classification of participating employers. The data presented below are drawn from the Employer Survey, which was sent to all employers identified in program records. Because the 77 respondents to the Employer Survey constitute a relatively small proportion of the 268 employers to whom the survey was sent, and because not all respondents answered all survey questions, caution must be used in generalizing about the characteristics of all JobStart employers from Employer Survey results.

Figure 13 shows the location of JobStart worksite addresses and participant residences across the 77 CCAs.<sup>55</sup>

<sup>54</sup> Analysis of JobStart Grantee Staff Survey responses. N = 31. Respondents self-identified as having worked on recruiting employers.

<sup>55</sup> A small number of JobStart worksites were located outside the City of Chicago. To provide a clearer picture of the distribution of worksites within Chicago, Figure 12 omits worksites outside of the city.

Figure 13: Location of JobStart Worksites and Participant Residences Across the 77 CCAs<sup>56</sup>

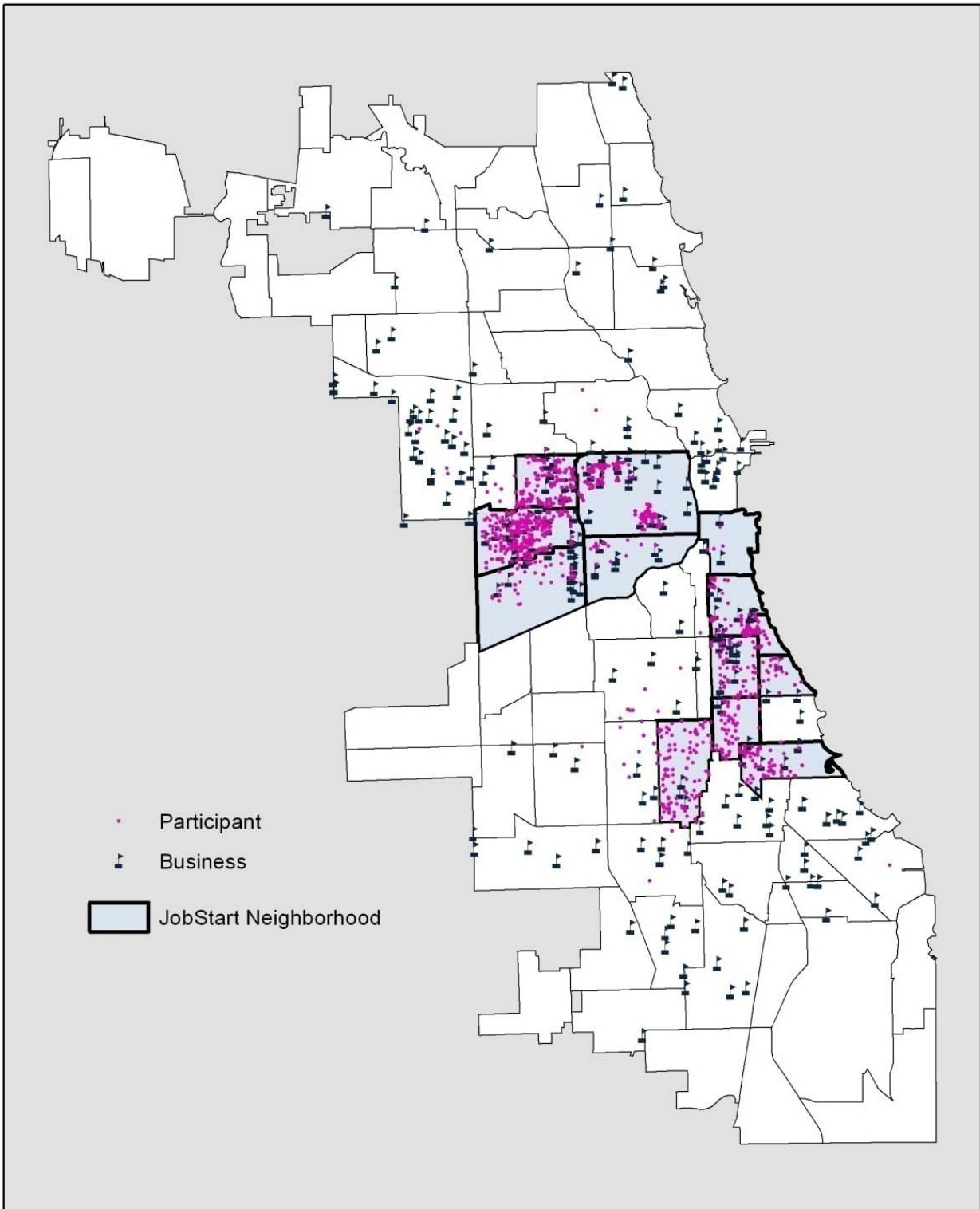


Figure 14 shows the proportion of Employer Survey respondents whose businesses were for-profit, nonprofit, and public. Nonprofit and for-profit employers constituted 56.8 percent and 40.5 percent of respondents, respectively.

<sup>56</sup> Analysis of JobStart program records. Map reflects 1,112 participant addresses and 275 business addresses that could be plotted.

**Figure 14: Proportion of For-Profit, Nonprofit, and Public Employers Among Employer Survey Respondents<sup>57</sup>**

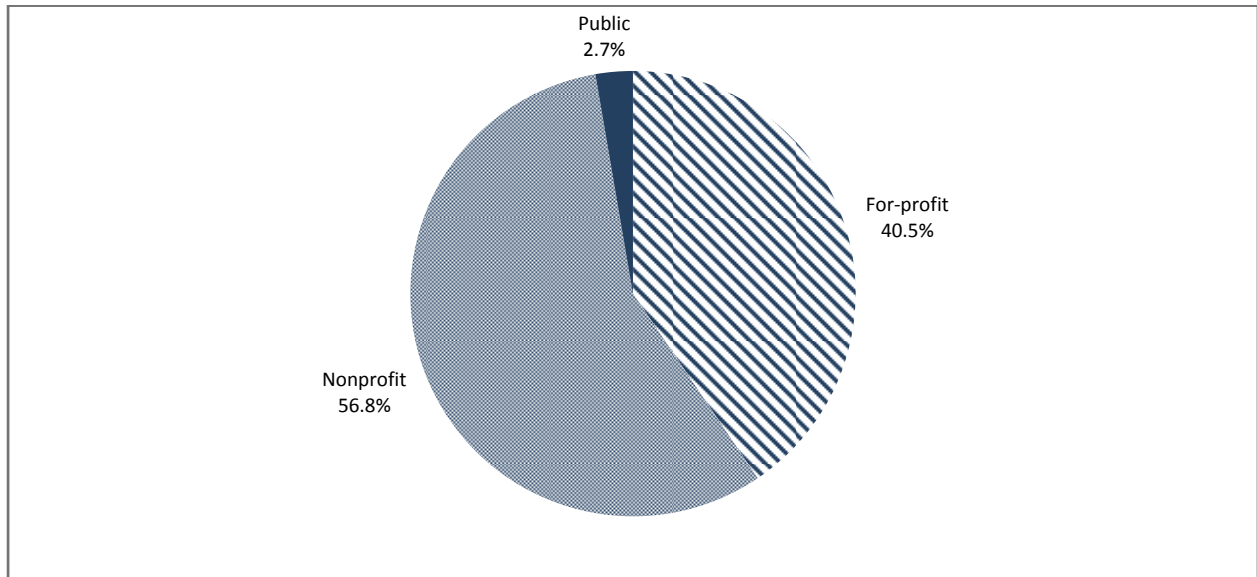
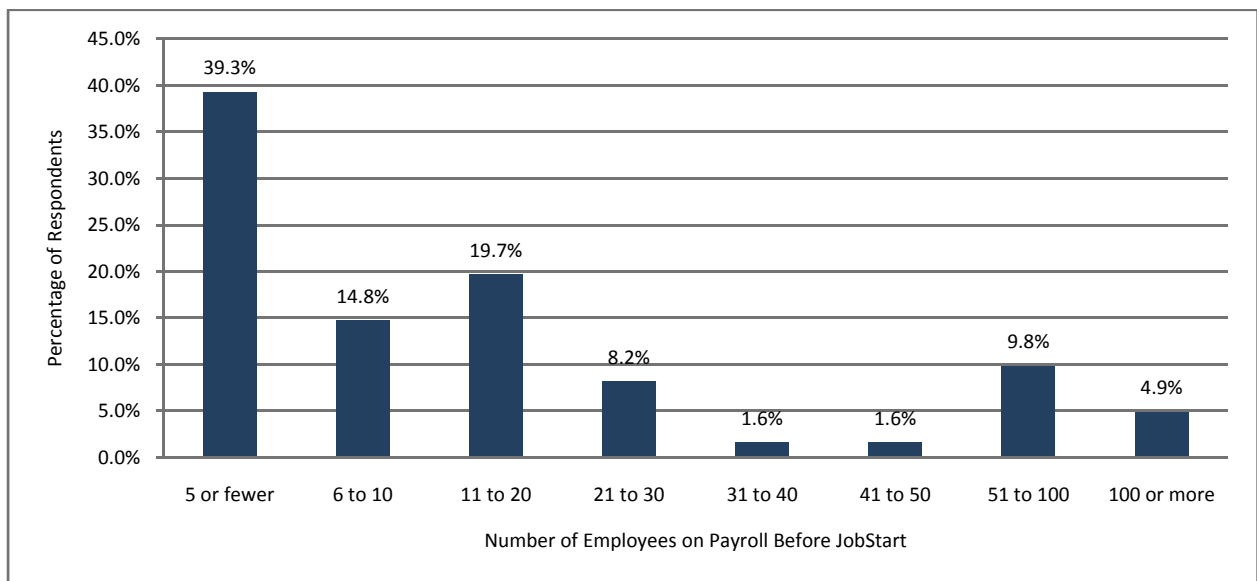


Figure 15 shows the size of businesses who responded to the Employer Survey, expressed as number of employees on payroll before JobStart participants entered transitional employment. On average, respondents employed 29 people prior to JobStart. Over half (54.1 percent) employed 10 or fewer people, and the overwhelming majority (85.2 percent) employed 50 or fewer people.

**Figure 15: Size of Employers that Responded to the Survey<sup>58</sup>**



<sup>57</sup> Analysis of JobStart Employer Survey responses. N = 74. All respondents employed at least one participant for at least 1 hour in a transitional job according to program records.

<sup>58</sup> Analysis of JobStart Employer Survey responses. N = 61. All respondents employed at least one participant for at least 1 hour in a transitional job according to program records.



Table 7 provides an overview of the type of employers used by JobStart grantees and shows the wages paid by grantees. Overall, employers were heavily concentrated in services, including childcare centers, churches, schools, property management and landscaping companies, for-profit and nonprofit retail stores, fast food and full-service restaurants, and beauty salons. Less conventional employers included a funeral home, a kennel, a metals-finishing company, and a nonprofit organization that specializes in converting unused urban land into sustainable farms.

**Table 7: Type of Employers Participating in JobStart<sup>59</sup>**

Grantee	Number of employers <sup>a</sup>	Sampling of employers types	Transitional job wage	
			Adult	Youth
Alternative Schools Network	10	Charter schools, insurance company, park district, nonprofit retail store, church, alderman's office	-	\$8.25
Association House of Chicago	6	Grantee, public schools, city agency, property maintenance company, nonprofit retail store	\$8.50/ \$9.50 <sup>b</sup>	-
Centers for New Horizons	13	Real estate agency, grantee, public schools, moving company, for-profit retail store, information technology company, other nonprofits	\$9.00	-
Central States SER	52	Various nonprofits, childcare centers, restaurants, insurance agencies, real estate agency, for-profit retail store, kennel, funeral home, laundry, law firm, salons	\$10.00	-
Chicago Housing Authority	76	Restaurants, churches, for-profit retail store, various nonprofits, grantee/subcontractors, property management, daycare, real estate agency, information technology	\$10.00	\$8.25
Heartland Human Care Services	17	Cleaning, property management, landscaping, auto repair, grantee, insurance	\$10.00	-
Inspiration Corporation	7	Manufacturing, nonprofit retail store, church, health center, grantee, restaurant	\$9.00	-
National Able Network	24	Landscaping, for-profit retail store, security, property management, food processing, childcare	\$9.25	-
OAI, Inc.	1	Urban agriculture	\$9.00	-
Phalanx Family Services	32	Real estate, churches, school, childcare, mortgage broker, broadcasting, salon, grantee, marketing	\$10.00	\$8.25
Safer Foundation	7	Waste disposal, restaurants, landscaping, grantee, cemetery	\$9.00	-
Westside Health Authority	30	Preschool, various nonprofits, restaurant, insurance	-	\$8.25

<sup>a</sup> Count of employers associated with one or more participants who worked in a transitional job. Employers with the same name that may have been operated by different owners or operators (e.g., chain restaurants) were counted as a single employer. The number of employers used by each grantee sums to more than 268, the number of employers used across all grantees, because some grantees used some of the same employers. An individual employer may have employed participants at one or more locations or worksites. <sup>b</sup> Three lead workers were paid \$9.50 per hour.

<sup>59</sup> Analysis of JobStart program records.

### Transitional Job at a Metals Finishing Company

The experience of a local metals finishing company with JobStart appears to exemplify the use of a TJ program as a source of potential employees by a for-profit employer. A grantee placed four participants with this employer. Participants started their transitional jobs cleaning up around the worksite and painting and gradually progressed to performing some manufacturing tasks. The project director described the employer as assessing and screening the participants throughout their transitional jobs. At the end of subsidized employment, the employer permanently hired one of the four participants, an ex-offender referred to the grantee from a housing program. The participant was earning a wage of \$12.00 per hour by early 2011. This experience represents a successful instance of a for-profit employer using JobStart to meet its business needs while helping a participant with barriers to employment (i.e., housing instability and a criminal record) acquire soft skills, industry-specific skills and experience, and a foothold in the labor market.

Grantees were required to set wages for adult program participants between \$8.25 and \$10.00 per hour. Two project directors reported that their agencies set the adult program wage to match the wages paid by their existing TJ programs, and two others reported that their agencies set the wage to prevent PITW or TJ programs operated by other agencies from drawing away their participants.<sup>60</sup> Two said that their agencies wanted to set the wage high enough above the Illinois minimum wage to help participants meet their families' material needs. Most said that their agencies experienced no problems retaining adult program participants as a result of the wages they set.

On the basis of their experience with JobStart and other subsidized and transitional employment programs, grantee project directors observed that different types of employers offer unique advantages and disadvantages as transitional job employers. Small for-profit and nonprofit employers tend to accommodate barriers to employment more readily than large for-profit employers and tend to offer participants more individual attention. One project director observed that small, locally-owned businesses within the designated CCAs were more likely to bring on JobStart participants and less likely to discriminate against participants on the basis of race, culture, and lack of work experience than other employers. The same project director also observed that the nonprofit employers that the agency used for JobStart were more forgiving of mistakes than other employers. However, small employers were less likely to hire participants permanently after subsidized employment as a result of their relatively small budgets and few job openings.

By contrast, large for-profit employers are able to bring on relatively large numbers of participants and offer different types of transitional jobs within one worksite. For example, a project director whose agency places clients at a large retail store as part of its non-JobStart employment program explained that the store offers a variety of customer service and food service jobs to fit the different career interests of participants. Another project director suggested that participants working at a large employer might face less stigmatization than participants at a small employer. The director's agency used a department store as a JobStart employer, and the director observed that the size of the store reduced the visibility of JobStart participants, eliminating the problem of conflict between TJ program participants and regular employees that sometimes occurs at smaller worksites. Project directors also observed that large for-profit employers are more likely to hire participants after subsidized employment. However, they reported that large for-profit employers were more difficult to enroll into

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<sup>60</sup> PITW paid \$10.00 per hour to all participants.

JobStart than small employers because enrolling these employers required approval from their relatively large bureaucracies. Several project directors recalled that their agencies approached large employers about participating in JobStart but were unable obtain approval through their bureaucratic processes in time. Additionally, large for-profit employers proved less likely than small for-profit and nonprofit employers to take on JobStart participants with barriers to employment because the large employers tended to be less flexible regarding challenges presented by employee behavior.

Using a diverse set of employers appears to have helped several grantees provide suitable placements for participants with different skill and work-readiness levels. One grantee used Chicago Public Schools (CPS), the Chicago Department of Streets and Sanitation, a nonprofit retail store, and its food pantry as JobStart employers. CPS, where participants worked on student registration, required the highest skill level. The Department of Streets and Sanitation and the retail store required intermediate skill levels, and the food pantry required less skill than other employers that the grantee used. Another grantee used a department store and an aldermanic ward office. The most skilled and work-ready participants were placed at the department store and the least work-ready were placed at the aldermanic ward office, which accepted participants regardless of their barriers to employment.

### **Placement into Transitional Jobs**

Grantees matched participants with employers by considering the career interests and skills of participants and the proximity of participant residences to worksites. Two grantees required participants to interview with prospective employers at the program office. One grantee project director said that the agency attempted to make the interview process simulate “real life” interviews as much as possible and that the presence of employers at the program office helped motivate participants. Only a few participants were not hired through the interview process, and some participants received offers from two or three employers.

One project director said that the agency developed a system of consultation among the JobStart case manager, job developer, and job readiness trainer that worked well for matching participants and employers. During the second week of job readiness training for each cohort of participants, these three staff people met to review each participant’s barriers to employment, interests and abilities, and job readiness. Each staff person contributed important information for placement: the case manager contributed information about each participant’s interests and barriers to employment, the job developer contributed information about the job content and skill requirements of employers, and the lead trainer contributed information about each participant’s job readiness. Based on this information, the three staff people reached an agreement about where to place each participant. Additionally, the agency’s job developer or program manager interviewed each participant at the end of job readiness training to ensure that the participant was job ready and that his or her placement was suitable.

Grantees placed 93.8 percent of participants who completed job readiness training into transitional jobs.<sup>61</sup> The most commonly reported reason that participants who completed job readiness training did not enter transitional jobs was that they exited the program before they could be placed. According to Grantee Staff Survey respondents who placed participants into transitional jobs, these enrollees exited because they returned to school, found regular jobs, or simply did not want to work. One staff person captured frequent observations of grantee project directors and staff when she said that some participants “did not take the employment serious [sic]. They looked at it as more of a summer job and not employment that could have turned into permanent employment.”

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<sup>61</sup> A participant is counted placed in a transitional job if he or she worked for at least 1 hour in a transitional job according to program records.

Table 8 shows the most common tasks performed by JobStart participants as reported by Employer Survey respondents. Nearly half (46.2 percent) reported that participants they employed performed administrative and clerical tasks, and 41.8 percent reported that participants performed janitorial and maintenance tasks such as landscaping and indoor cleaning. The overwhelming majority (74.7 percent) reported that participants performed more than one of the tasks listed.

**Table 8: Type of Tasks Performed by JobStart Participants<sup>62</sup>**

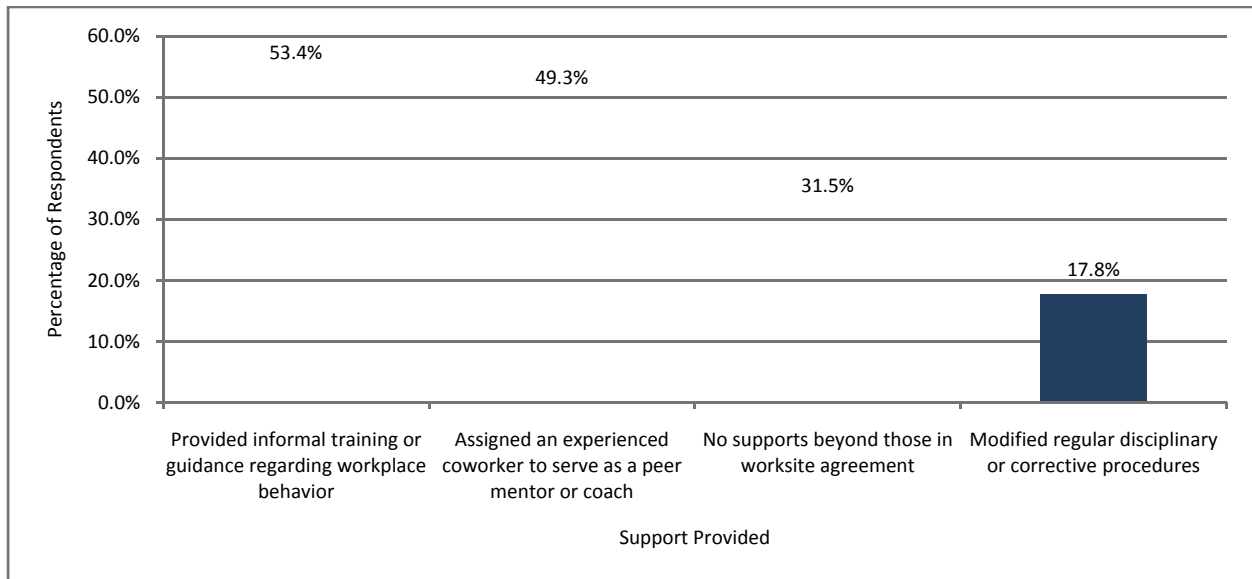
Type of task	Proportion of employers whose JobStart participants performed each task <sup>a</sup>
Administrative and clerical (e.g., answering phones, filing, data entry)	46.2%
Janitorial and maintenance (e.g., landscaping, cleaning a classroom, sorting recyclables)	41.8%
Customer service	19.8%
Teacher's aid	11.0%
Labor or specialized maintenance (e.g., demolition, operating a forklift, helping to repair machine tools)	11.0%
Childcare	7.7%
Manufacturing, packaging, or processing (e.g., making soap and spa products, boxing and labeling meat)	6.6%
Sales or marketing (e.g., telemarketing)	5.5%
Security	5.5%
Shipping, receiving, or delivery (e.g., sorting and organizing food shipments)	4.4%
Stocking or organizing merchandise	4.4%
Tutoring	4.4%
Event or training assistance (e.g., safety training, event planning)	3.3%
Food service	3.3%
Research (e.g., grant research)	2.2%
Camp aid or leader	2.2%

<sup>a</sup> Percentages sum to more than 100 because each employer could indicate up to three tasks commonly performed by participants.

Employers that participate in TJ programs may provide participants with some supports, including extra training or guidance regarding appropriate workplace behavior, assigning a peer mentor or coach, and modifying regular disciplinary procedures to accommodate mistakes and facilitate learning by participants. Figure 16 shows the percentage of Employer Survey respondents who reported providing these supports. Slightly over half (53.4 percent) reported providing informal training or guidance regarding workplace behavior, and almost half (49.3 percent) reported assigning an experienced coworker to serve as a peer mentor or coach to JobStart participants. By contrast, only 17.8 percent reported that they modified regular disciplinary procedures.

<sup>62</sup> Analysis of JobStart Employer Survey responses. N = 91. All respondents employed at least one participant for at least 1 hour in a transitional job according to program records.

**Figure 16: Supports Provided to Participants by Employer Survey Respondents<sup>63</sup>**



Several project directors observed that possession of additional hard skills that cut across many industries would have helped participants in their transitional jobs. One recalled that most of the agency’s JobStart participants had never used a computer and needed to learn basic computer skills such as creating a document, saving a file, and attaching a file to an email. Another recalled that employers used by the agency wanted more participants with Microsoft Office skills, administrative and clerical experience, and childcare licensure and experience. A third recalled that basic quantitative skills would have helped some participants in their transitional jobs. A food store used by the agency’s JobStart program required participants to take a test of basic quantitative skills, such as counting change and weighing goods, at its orientation. None of the participants were prepared, and all failed the test on the first attempt. (Some participants returned and passed the test, and the employer hired two of these participants after the transitional job ended.) The project director said that this incident highlighted the need for basic industry-specific training, such as training in handling cash, customer service, or childcare, before and during subsidized employment.

Table 9 shows hours worked and wages earned by JobStart participants placed in subsidized employment. Appendix B provides the same data broken out by CCA. On average, adult participants worked substantially more hours and weeks than youth participants, most likely because many youth returned to school at the end of the summer, well before the September 30, 2010, program end date. The average adult worked 319 hours over 9.1 weeks (35 hours per week on average), while the average youth worked 184 hours over 6.9 weeks (27 hours per week on average).<sup>64</sup>

“I was working every day proudly. I felt like I was important to my workplace.”  
*JobStart Participant*

<sup>63</sup> Analysis of JobStart Employer Survey responses. N = 73. All respondents employed at least one participant for at least 1 hour in a transitional job according to program records.

<sup>64</sup> Youth program participants were allowed to work less than 30 hours per week in a transitional job when they returned to school.

**Table 9: Hours Worked and Wages Earned in JobStart Transitional Jobs<sup>65</sup>**

	Adults	Youth	Total
Number of participants who worked in a transitional job <sup>a</sup>	1,030	488	1,518
Percentage of participants who worked in a transitional job <sup>b</sup>	94.0%	93.5%	93.8%
Total hours worked	328,747	89,754	418,500
Average hours per participant	319	184	276
Average number of weeks worked <sup>c</sup>	9.1	6.9	8.4
Average number of hours worked per week	35	27	33
Maximum number of weeks possible in program <sup>d</sup>	16	16	16
Average weeks worked as a percentage of maximum	57.0%	43.1%	52.5%
Average weeks possible given participant start date <sup>e</sup>	10	11	10
Average weeks worked as percentage of average weeks possible	87.6%	65.1%	80.3%
Total wages earned	\$3,193,201	\$743,223	\$3,936,423
Average wages per participant	\$3,100	\$1,523	\$2,593
Average wages per hour	\$9.71	\$8.28	\$9.41
Total FICA payments	\$240,219	\$56,898	\$297,117
Total Workers' Compensation payments <sup>f</sup>	\$75,527	\$6,499	\$82,026

<sup>a</sup> All participants worked for at least 1 hour in a transitional job according to program records. <sup>b</sup> Number who worked in a transitional job as a percent of participants who completed job readiness training, worked 1 or more hours in a transitional job, or both according to program records. <sup>c</sup> Weeks between start and end of subsidized employment were calculated using program records. <sup>d</sup> Weeks between June 14 and September 30, 2010. <sup>e</sup> Weeks between start of subsidized employment and September 30, 2010. <sup>f</sup> One grantee that served youth participants paid wages of \$8.50 per hour instead of \$8.25 per hour to maintain wage parity with another program.

On average, adult participants worked for only 9 of the 16 weeks possible (57.0 percent of the maximum number of weeks possible) if they had entered a transitional job on June 14, 2010. However, most adults entered transitional jobs after this date. Given their start dates, adults had only 10 weeks possible, on average, in a transitional job. Framed this way, adults worked for 9 of the 10 weeks possible given their start dates (87.6 percent of weeks possible), on average.

Approximately two thirds (61.6 percent) of all participants remained in their transitional jobs through September 30. Table 10 shows reasons why some participants left their transitional jobs before JobStart ended as reported by Grantee Staff Survey respondents who worked on providing case management. Over half reported that some participants left because they were terminated by their employers, because they were “no-shows” and did not reengage with their agencies, or because they did not like their subsidized jobs or worksites. Slightly less than half reported that some left because they were terminated by the grantee for breaking the Code of Conduct or because they returned to high school. Slightly more than one quarter reported that some left because they could not access childcare and because some were hired by their JobStart employer or another employer.

<sup>65</sup> Analysis of JobStart program records.

**Table 10: Reasons Participants Left Their Transitional Jobs Before JobStart Ended as Reported by Grantee Staff Survey Respondents<sup>66</sup>**

Reason why some participants left their transitional jobs before JobStart ended	Number of respondents reporting reason (N = 23)
Terminated by employer	15
Did not like subsidized job or worksite	14
“No-show” and did not re-engaged with grantee	14
Terminated by grantee for breaking the Code of Conduct	11
Returned to high school	10
Could not access childcare	6
Hired by an employer outside JobStart	6
Hired by JobStart employer	6
Terminated by grantee for another reason	4
Did not like another aspect of JobStart	3
Could not access another supportive service	2
Could not access transportation	1

Termination by employer was the most commonly reported reason why some participants left their transitional jobs before September 30. Table 11 shows reasons why some participants were terminated as reported by Employer Survey respondents. Over half of Employer Survey respondents reported that some participants were terminated for unexcused absences. Other commonly reported reasons were failure to perform job duties satisfactorily, failure to follow directions from supervisors, coming to work late or leaving early unexcused, and ceasing to show up for work. Less than one quarter of Employer Survey respondents reported that some participants were terminated for other reasons.

**Table 11: Reasons Participants Were Terminated from Their Transitional Jobs as Reported by Employer Survey Respondents<sup>67</sup>**

Reason why some participants were terminated from their transitional jobs	Number of grantee staff reporting reason (N = 32)
Unexcused absences	19
Did not perform job duties satisfactorily	16
Did not follow direction from supervisors	15
Came to work late or left early unexcused	14
Stopped coming to work	12
Argued/fought with customers/coworkers/supervisors	6
Dressed inappropriately	3
Other/unknown	3
Under the influence of alcohol/drugs at work	1

<sup>66</sup> Analysis of JobStart Grantee Staff Survey responses. N = 23. Respondents self-identified as having worked on providing case management.

<sup>67</sup> Analysis of JobStart Employer Survey Responses. N = 32. All respondents employed at least one participant for at least 1 hour in subsidized employment.

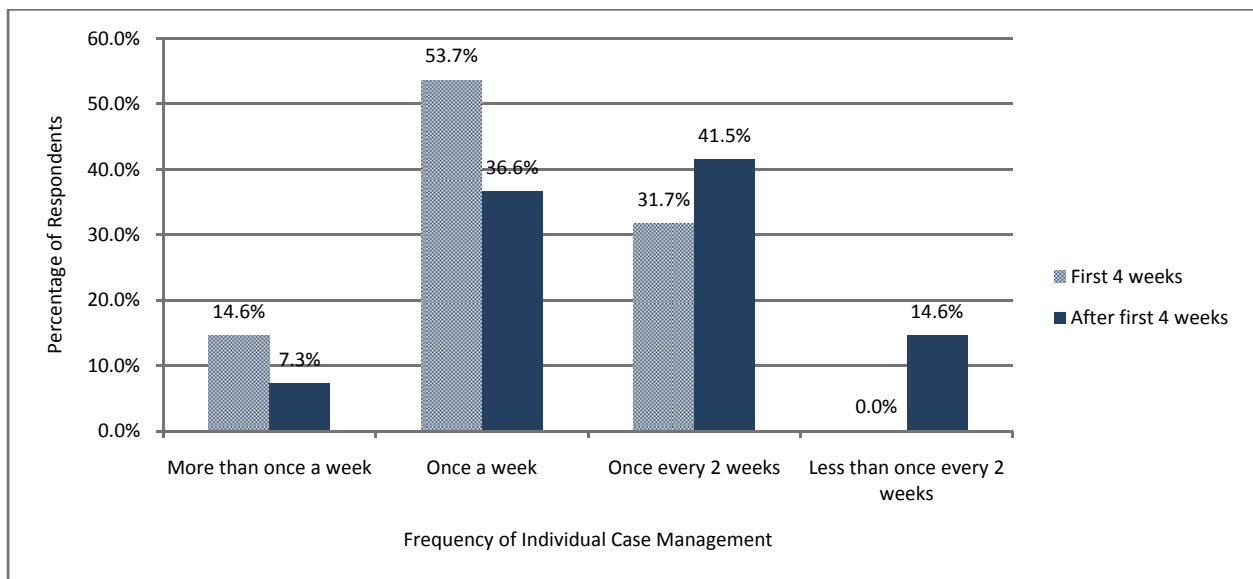


## Case Management

The JobStart program design required grantees to provide participants with job coaching and mentoring through one-on-one meetings with program staff and groups sessions with other participants and with case management to help participants access supportive services. Once each week for the first 4 weeks of the transitional job and once every 2 weeks thereafter, staff were required to meet individually with participants “to identify areas for improvement or to reinforce success,” and to focus on the participant’s work, training, or educational goals after the transitional job ended. Staff were also required to address these issues in group sessions held every 2 weeks.<sup>68</sup> In addition to coaching and mentoring, grantee staff were directed to assess participant needs for supportive services during one-on-one meetings and group sessions.

Figure 17 shows the frequency of individual case management reported by Grantee Staff Survey respondents who worked on providing case management. Of these, 68.3 percent reported that individual case management occurred at least once every week during the first 4 weeks of JobStart. Nearly a third (31.7 percent) reported that it occurred once every 2 weeks. Following the first 4 weeks, the proportion reporting case management at least once per week decreased to 43.9 percent, while the proportion reporting case management once every 2 weeks increased to 41.5 percent. Some staff also reported that their agencies began providing case management less than once every 2 weeks. These survey results suggest that not all participants received individual case management as frequently as required by the JobStart program design.

**Figure 17: Frequency of Individual Case Management as Reported by Grantee Staff Survey Respondents<sup>69</sup>**

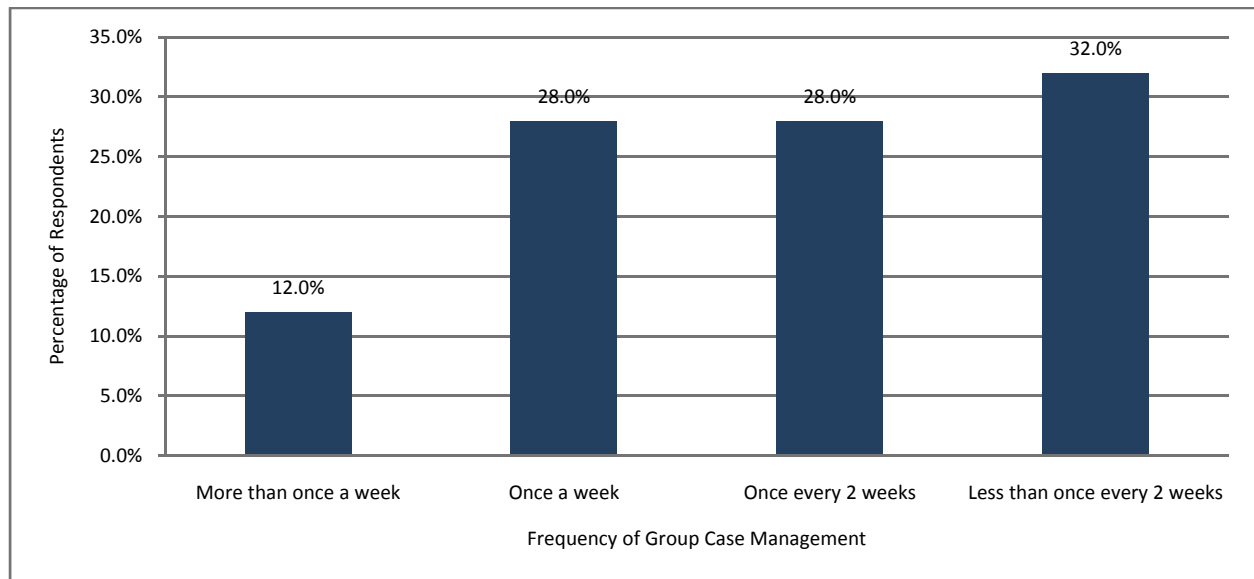


Seven grantees reported that they provided group case management. Figure 18 shows the frequency of group case management reported by Grantee Staff Survey respondents who worked on providing case management. Consistent with the program design, the majority (68.0 percent) reported that their agencies provided group case management sessions at least once every 2 weeks. However, nearly one third (32.0 percent) reported that their agencies provided group case management less than once every 2 weeks.

<sup>68</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 16)

<sup>69</sup> Analysis of JobStart Grantee Staff Survey responses. N = 41. Respondents self-identified as having worked on providing case management.

**Figure 18: Frequency of Group Case Management as Reported by Grantee Staff Survey Respondents<sup>70</sup>**



Project directors whose agencies provided group case management insisted that group sessions increased the effectiveness of case management. Several explained that group sessions offered participants an important source of support and encouragement. They showed participants that they were “not alone” in confronting the challenges of work and enabled participants to solve the problems of maintaining a job together. One adult program director explained that a group of participants had to wait a long time for background checks and other approvals before they could begin work as health aides for Chicago Public Schools. In group sessions and at their worksite, the participants motivated each other and held each other accountable for the goal of becoming health aides through the wait. Additionally, group sessions enabled participants to hold each other accountable for their behavior and goals, sometimes more effectively than one-on-one sessions with a case manager. For example, one youth program project director recalled a group session in which a youth critiqued another youth’s inappropriate interaction with a supervisor. The director observed that participants often responded more receptively to critiques from peers than to critiques from case managers. Two project directors also observed that group sessions helped case managers obtain information about participants because participants reveal more about their challenges to their peers than to case managers in one-on-one sessions.

## Supportive Services

JobStart required grantees to provide or help participants access supportive services that they needed to maintain their transitional jobs. While program rules directed grantees to provide or help participants access any supportive service identified as necessary to obtain and retain employment, the program emphasized five services: childcare, transportation, assistance with the cost of licensing required for a job, assistance with the cost of tools or clothes required for a job, and emergency payments for the cost of resolving one-time situations that might prevent a participant from working. Grantees were instructed to help participants access childcare through the Illinois Action for Children Childcare Resource and Referral System and to help participants plan for emergency childcare. Grantees were also required to provide transportation assistance until participants received their first paycheck and to

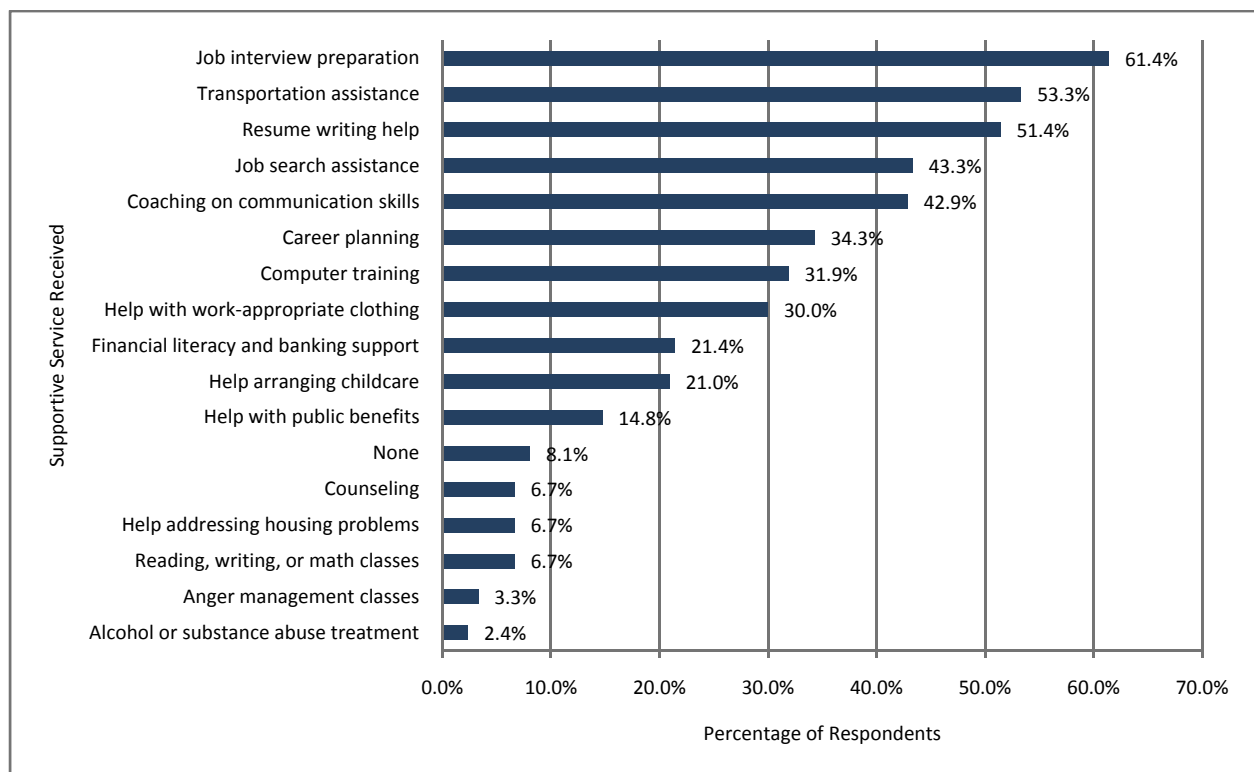
<sup>70</sup> Analysis of JobStart Grantee Staff Survey responses. N = 25. Respondents self-identified as having worked on providing case management.

provide participants with additional assistance—such as bus passes, vans, or help using their own vehicles—on an as-needed basis thereafter.<sup>71</sup>

While the JobStart program required grantees to submit receipts for the cost of support services provided using program funding, it did not systematically record the number of participants who received services or amounts spent. Consequently, data from the Participant Survey and from interviews with grantee project directors are the only sources of this information.

Figure 19 shows the percentage of Participant Survey respondents who reported receiving types of supportive services and training commonly offered by TJ programs. Over half (53.3 percent) received transportation assistance, 30.0 percent received help with work-appropriate clothing, and 20.1 percent received help arranging childcare. Relatively high proportions also reported receiving services aimed at helping them find unsubsidized employment, including interview preparation (61.4 percent), resume writing help (51.4 percent), and job search assistance (43.3 percent).

**Figure 19: Supportive Services Received as Reported by Participant Survey Respondents<sup>72</sup>**

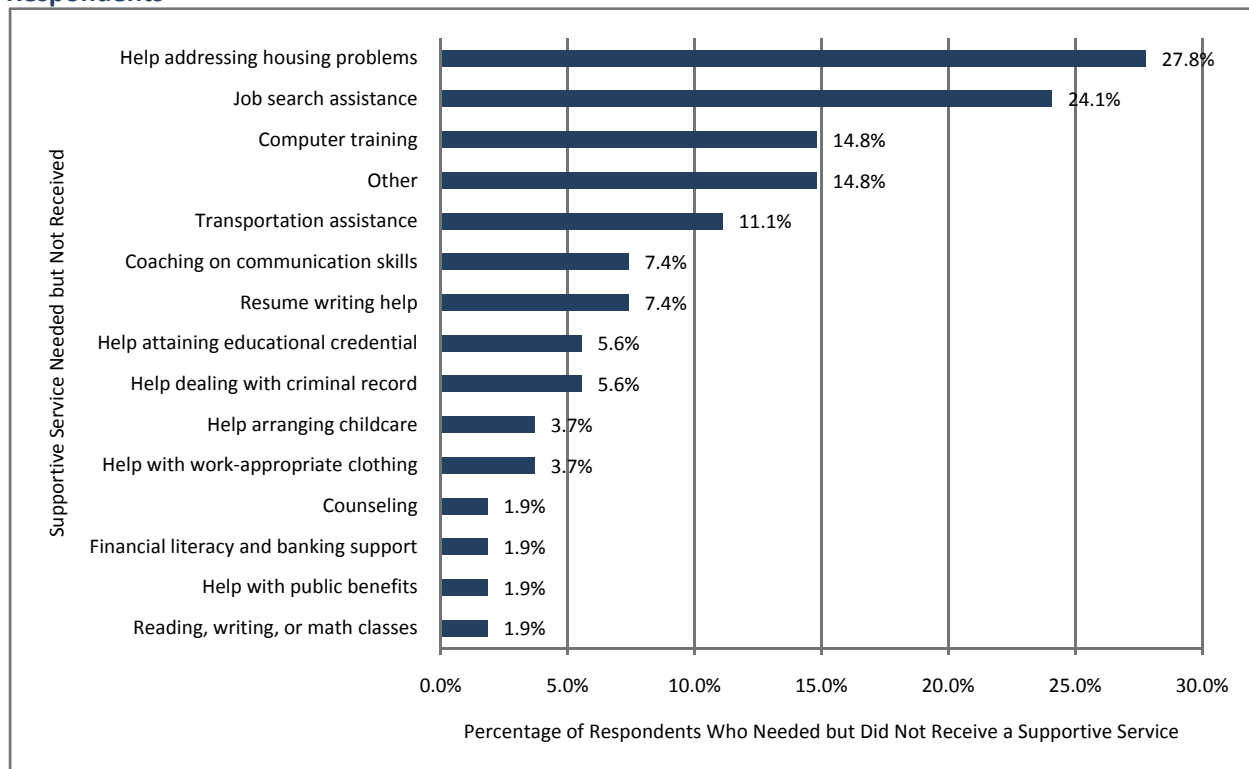


One quarter (25.2 percent) of Participant Survey respondents who reported the supportive services they received also reported that they did not receive some services they needed. Figure 20 shows the supportive services they needed but did not receive. The most commonly reported services needed but not received were help addressing housing problems (27.8 percent), job search assistance (24.1 percent), and computer training (14.8 percent).

<sup>71</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 18-20)

<sup>72</sup> Analysis of JobStart Participant Survey responses. N = 210. All respondents worked at least 1 hour in a transitional job according to program records.

**Figure 20: Supportive Services Needed but Not Received as Reported by Participant Survey Respondents<sup>73</sup>**



The most commonly received supportive service, transportation assistance, was administratively straightforward to provide and appears to have helped participants overcome the barrier of unmet need for transportation during the program period. Grantees typically provided participants with a Chicago Transit Authority pass until they received their first paychecks and provided passes on an as-needed basis thereafter.

Unmet need for childcare, and the extent to which grantee assistance arranging for childcare helped participants to overcome this barrier, varied across grantees. Several grantees reported that unmet need for childcare was a common barrier to employment among their participants, but that childcare referrals made through Illinois Action for Children enabled them to overcome this barrier. However, one project director reported that most participants wanted childcare only through family and friends and did not want to send their children to providers located through Illinois Action for Children. Believing that these participants had secured childcare, grantee staff enrolled them in JobStart; however, when participants' families or friends were unexpectedly unable or unwilling to provide childcare, the participants were unable to attend job readiness training or their transitional jobs. The project director explained that the agency could have required participants to arrange for childcare through Illinois Action for Children as a condition of enrolling in JobStart, but that this would have reduced enrollment.

Grantees provided other services relatively infrequently. One grantee provided help with work-appropriate clothing by giving all participants a \$100 Target gift card; another provided participants with vouchers for clothing or tools from vendors with which it had established relationships. Two grantees reported referring participants to other providers for medical care, including treatment for asthma, prenatal care, and eyeglasses. One grantee observed that participants changed phone numbers very

<sup>73</sup> Analysis of JobStart Participant Survey responses. N = 53. All respondents worked at least 1 hour in a transitional job according to program records.

frequently, making case management more difficult. The grantee encouraged participants to enroll in Safelink Wireless, a federal program that provides mobile phone service to income-eligible individuals.

## Job Placement and Retention

JobStart included provisions intended to promote unsubsidized job placement and retention in its job readiness training and case management components and in the required memoranda of agreement (MOA) between grantees and employers. The program encouraged grantees to extend the job search and application skills and job-specific skills training covered in job readiness training into subsidized employment, with emphasis in the final month, “in order to prepare Participants for a transition to unsubsidized employment.”<sup>74</sup> As previously noted, grantee staff were instructed to discuss work, training, or educational goals in one-on-one meetings and group sessions with participants. Additionally, the program directed grantees to begin providing job leads, helping participants make contact with employers, and facilitating interviews before subsidized employment ended. The grantees were also directed to begin connecting participants with supportive services offered by their own agencies or other social service agencies before the transitional job ended. The MOA stated that JobStart worksites “will be expected to consider JobStart participants for unsubsidized positions at the end of the subsidized work program,” although providing unsubsidized employment was not required.<sup>75</sup>

Some TJ programs extend job placement and supportive services for some time after the transitional job ends. The September 30, 2010, deadline for spending TANF EF funding in order to receive reimbursement meant that JobStart would fund no services after that date and that any placement and retention services for former participants had to be supported with other resources.

Consistent with the JobStart program design, grantees provided job placement services and encouraged participants to seek unsubsidized employment throughout the program. Interview preparation, resume writing help, and job search assistance were among the services that the Participant Survey respondents most commonly reported receiving. Most project directors reported that their case managers asked about participants’ job search and encouraged participants to think about their career interests and goals during case management sessions. One said that the agency emphasized from the beginning of the program that the transitional job was temporary and that it was the responsibility of participants to “make a good impression” on employers and “give them a reason to hire you.” One grantee devoted a staff person entirely to helping JobStart participants find unsubsidized jobs, and several other grantees reported that they would have hired additional staff solely for job placement if they were to operate a JobStart program again.

Grantees that operated other employment programs for which JobStart participants were eligible introduced participants to these programs. One grantee with a WIA-funded employment program for youth and several vocational training programs encouraged participants without unsubsidized employment at the end of JobStart to enter these programs. Another grantee that operated a WIA One Stop center held a day of job search workshops at the center to introduce participants to services offered. A few grantees extended relatively low-cost placement services to JobStart participants for a short time after the program ended. One grantee continued to offer placement assistance immediately after JobStart ended. Another continued to send job leads to former participants.

According to program records, 12.0 percent of adult program participants who worked in a transitional job were known to have entered unsubsidized employment, and slightly less than 10 percent were

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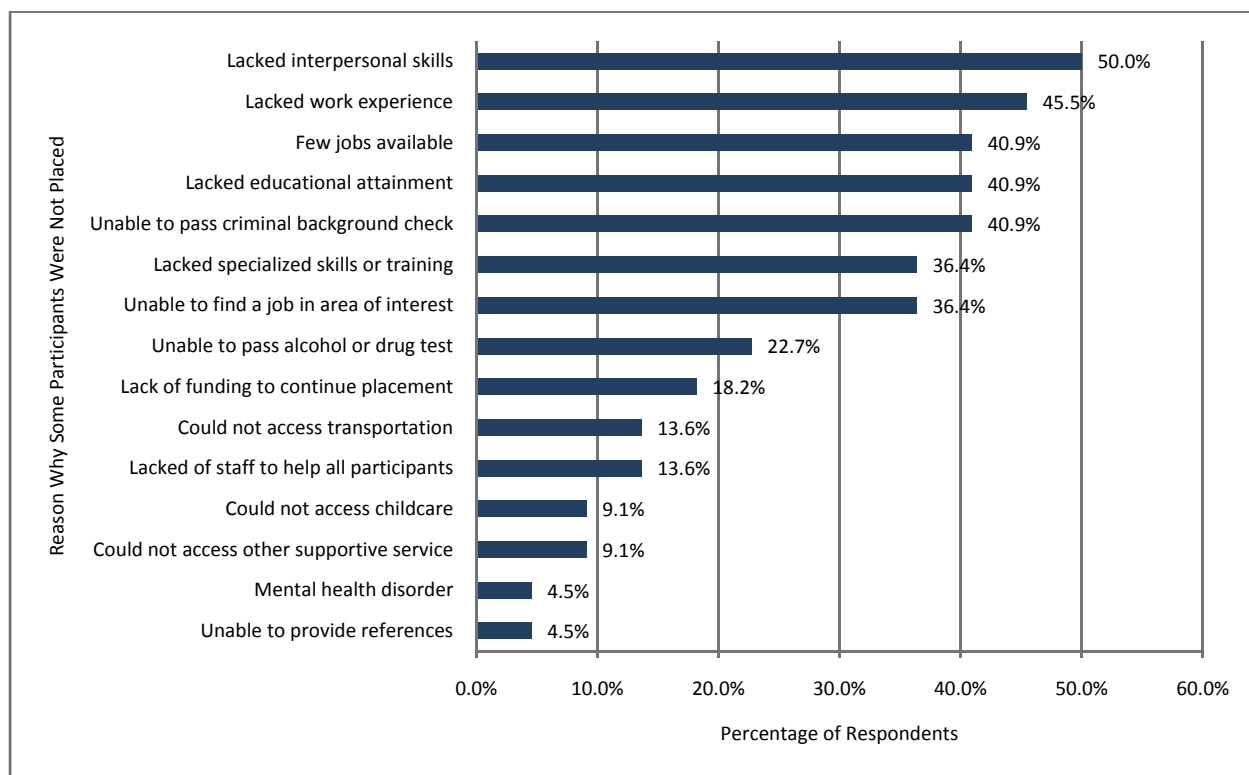
<sup>74</sup> Chicago Community Trust (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 14)

<sup>75</sup> Chicago Community Trust (Chicago Neighborhood JobStart worksite memorandum of agreement received November 3, 2010)

known to have entered education, training, or another jobs program immediately after JobStart ended. Overall, 21.8 percent of adult participants who worked were known to have achieved desired outcomes set forth by the program design. Among youth program participants, the overwhelming majority (80.7 percent) were known to have entered education or training (including return to high school or college), and 8.2 percent were known to have entered other jobs programs. Overall, 91.8 percent of youth participants were known to have achieved desired outcomes. Several data reporting issues may have resulted in deflated placement rates. These issues are discussed in the following section and chapter.<sup>76</sup>

Figure 21 shows reasons that some participants who completed transitional jobs were unable to find unsubsidized employment as reported by Grantee Staff Survey respondents who worked on helping participants find unsubsidized employment. Among these respondents, 50.0 percent reported that some participants had not developed the interpersonal skills to obtain an unsubsidized job, 45.5 percent reported that participants lacked work experience needed to obtain an unsubsidized job, and 40.9 percent reported that the relatively few jobs available, lack of educational attainment, and inability to pass a criminal background check prevented some participants from obtaining an unsubsidized job.

**Figure 21: Reasons Some Participants Who Completed Transitional Jobs were not Placed in Unsubsidized Jobs as Reported by Grantee Staff Survey Respondents<sup>77</sup>**



<sup>76</sup> Some grantees were unable to account for the placement status of all participants. Across all grantees, 18.3 percent of participants were unaccounted for after JobStart ended. Some of these participants may have found unsubsidized employment immediately after the program ended, and others may have found employment weeks or even months later. Several grantees reported that some participants found unsubsidized employment after JobStart ended but that these placements were not reflected in program records.

<sup>77</sup> Analysis of JobStart Grantee Staff Survey responses. N = 22. All respondents self-identified as having worked on helping participants to find, gain, and prepare for unsubsidized employment after the transitional job.

Consistent with the observation that some participants had yet not developed the work readiness skills to obtain an unsubsidized job, several grantees reported that participant attitudes continued to present barriers to employment at the end of the program. One project director reported that some participants did not treat the transitional job as a “real job” or as training for unsubsidized employment. The project director believed that additional reinforcement during job readiness training of the idea that the transitional job might lead to an unsubsidized job would have counteracted this attitude. Another project director attributed lack of personal skills and the difficulty placing participants in unsubsidized jobs to the demanding timeline imposed by the September 30, 2010, deadline. The project director explained that the agency had a group of employers in demolition, environmental remediation, manufacturing, and landscaping—all of which maintained minimum standards for work readiness—that it used to place participants in non-JobStart employment programs. However, few JobStart participants were work ready by the end of the short program, and the agency could not “jeopardize its relationships” with its regular employers by placing unready participants with them. The program timeline impeded the agency’s ability to ready its participants in two respects. First, it precluded the agency from carrying out its regular recruitment and assessment process, resulting in higher than normal proportions of unmotivated participants. Second, it allowed less time for adjustments to the agency’s program to take effect. After the program began, the project director said that his agency found it needed more case managers, and it increased staffing in response. However, by the time additional case managers were added, JobStart was “half over.” Unable to place most participants with its regular employers, the agency attempted to find the best placements possible given participants’ work readiness.

Four project directors reported that lack of funding to continue placement activities after JobStart ended was a reason why some participants were not placed in unsubsidized jobs. One said that the agency had to lay off staff hired temporarily for JobStart and reassign permanent staff who worked on JobStart back to their regular programs. Another asserted that the agency’s job developers would have continued to help participants find unsubsidized employment after JobStart ended if the program had provided funding; however, lack of funding after September 30, 2010, forced the agency to end placement efforts for JobStart participants. A third identified lack of funding after JobStart ended as the most significant challenge for the agency after the transitional job ended and said that it precluded the agency from tracking participants after the program ended.

JobStart operated immediately following a severe recession and involved many small nonprofit employers that may have lacked resources to hire participants. Several project directors indicated that this was the case. One, whose agency used nonprofit employers heavily for JobStart, reported that the limited budgets of these employers for hiring was the most significant challenge for the agency after subsidized employment ended. Most employers did not anticipate hiring participants permanently, and the director was surprised when two of the employers hired participants after subsidized employment. Another project director, whose agency used many churches as employers, reported that the churches it worked with were unable to hire participants. The director believed that using more for-profit employers would have resulted in more unsubsidized placements.

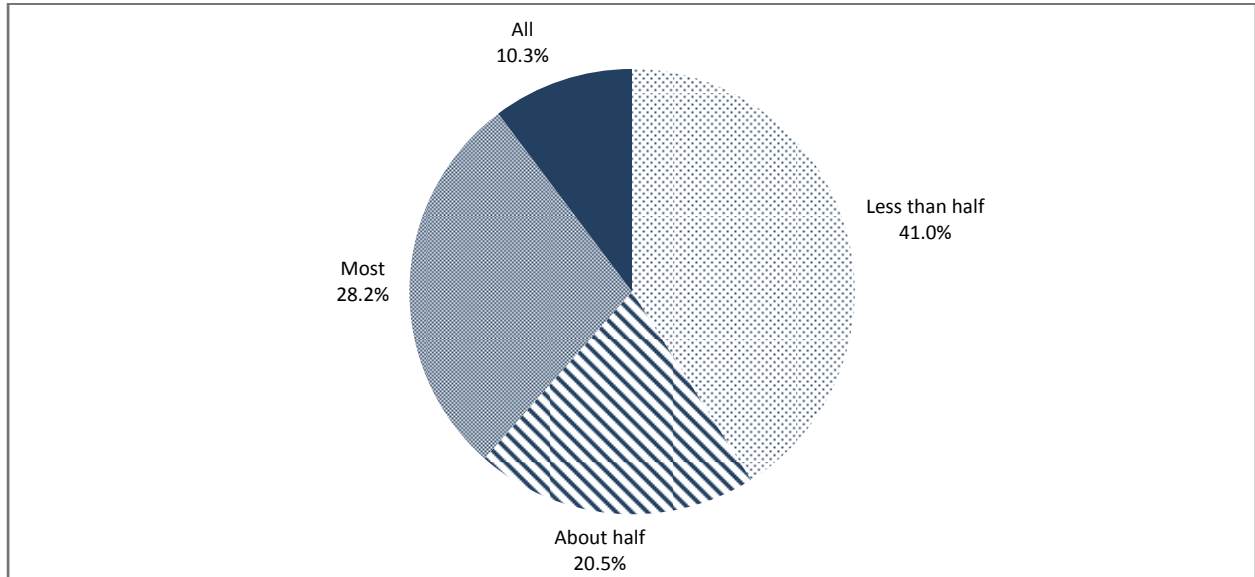
Figure 22 shows the approximate proportion of all participants that respondents to the Employer Survey wanted to hire but were not able to hire. Among these respondents, 38.5 percent wanted to retain most or all participants, 20.5 percent wanted to retain about half, and 41.0 percent wanted to retain less than half. Among Employer Survey respondents, 60.0 percent reported that their businesses were not financially able to retain all the JobStart participants they wanted to hire.<sup>78</sup>

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<sup>78</sup> Analysis of JobStart Employer Survey responses. N = 71. All respondents employed at least one participant for at least 1 hour in a transitional job.

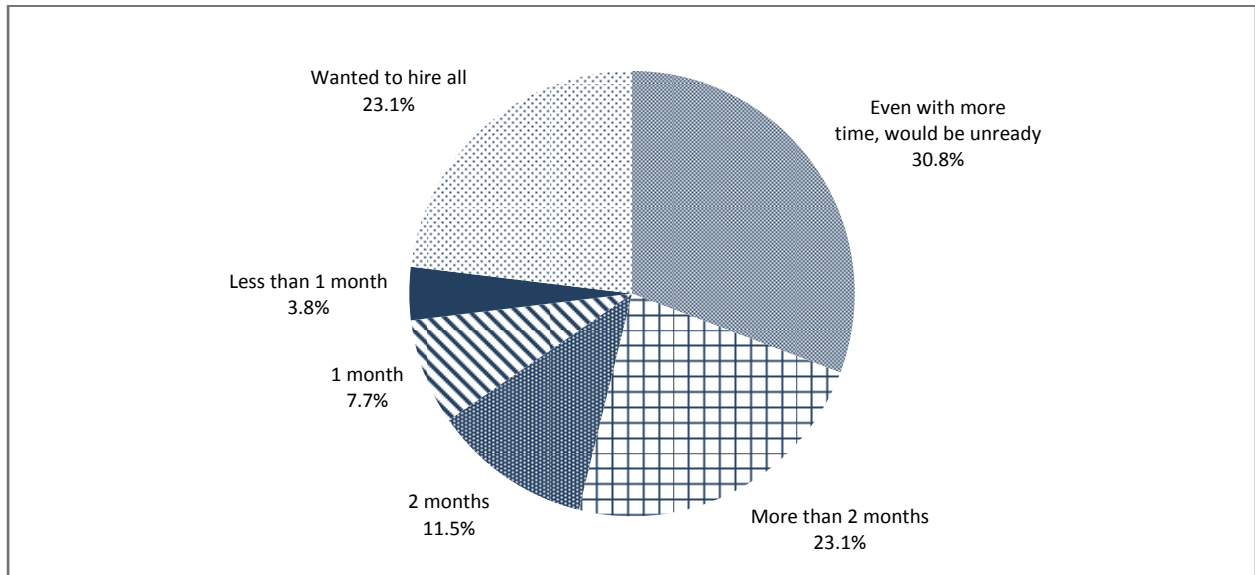


**Figure 22: Proportion of JobStart Participants Employer Survey Respondents Wanted to Hire but Were Unable to Hire<sup>79</sup>**



Considering the JobStart participants that they did *not* want to retain, 34.6 percent of respondents reported that these participants would need 2 or more months in the transitional job before they were ready to hire, and 30.8 percent reported that even with additional time in the transitional job they would not be ready to hire (Figure 23).

**Figure 23: Additional Time in Transitional Job Needed for Participants to Become Job Ready as Reported by Employer Survey Respondents<sup>80</sup>**



<sup>79</sup> Analysis of JobStart Employer Survey responses. N = 39. All respondents employed at least one participant for at least 1 hour in a transitional job.

<sup>80</sup> Analysis of JobStart Employer Survey responses. N = 26. All respondents employed at least one participant for at least 1 hour in a transitional job.

## Administration

Use of federal funding and delays in concluding and clarifying the Community Services Agreement (CSA) that granted federal funding to the 2016 Fund made JobStart administration difficult for the 2016 Fund and its grantees. Because JobStart was partially funded by federal funds, the 2016 Fund might have been required to return money to the federal government if an audit determined that grantees had served individuals ineligible for the program or paid placement fees for benchmarks not achieved by participants. The potential for monetary liability to the federal government inherent in administering federal funds motivated the 2016 Fund to create rigorous procedures for verifying participant eligibility and detailed rules for vouchering for wages and placement fees. The relatively late date on which IDHS and the 2016 Fund concluded the CSA and the need to obtain clarification from IDHS about the CSA after it was concluded made following these procedures and rules difficult during program startup.

Most grantees reported that they received instructions from the 2016 Fund to change their procedures for participant eligibility criteria, vouchering for placement fees, or other aspects of their programs after JobStart began operating. For example, most project directors reported that the 2016 Fund required grantees to change from vouchering for placement fees based on the expected duration of subsidized employment for *all* participants to vouchering based on the expected duration for *individual* participants after JobStart began. Another project director reported that the agency began paying participants for job readiness training, but that the agency was later told it could not pay for job readiness training after the first week of the practice. Several project directors reported that their agencies sometimes received contradictory responses to questions from different 2016 Fund staff people.

Grantees received instructions to change their procedures after the program began because the final CSA was concluded only shortly before (and in some cases, shortly after) the grantees began their programs. In order to provide participants the maximum number of weeks possible in subsidized employment, some grantees had already started up their JobStart programs at the time the CSA was executed. Complicated aspects of the CSA and the JobStart program design, such as the structure of the placement fee paid (described in the following section), necessitated clarification from IDHS as the program continued. The 2016 Fund obtained two formal amendments to the CSA clarifying the placement fee, and 2016 Fund staff reported that they received other informal clarifications throughout the program.<sup>81</sup> The 2016 Fund transmitted new instructions or clarification of the rules from IDHS to its grantees, requiring grantees to change their procedures mid-program in many instances. While these changes made JobStart administration more difficult for grantees, they were intended to prevent improper use of federal funds that would expose the 2016 Fund to monetary liability.

Despite these challenges, most project directors praised the 2016 Fund staff for their work on JobStart. They reported that the 2016 Fund performed admirably in coordinating different aspects of the program, communicating rule changes promptly, working to fix problems resulting from rule changes, and helping grantees fulfill requirements. Most recognized that the demanding timeline imposed by the TANF EF made administration of JobStart difficult for the 2016 Fund and necessitated mid-program corrections. One project director captured the observations of most others by stating, “We believe the 2016 [Fund] staff did an excellent job of pulling it together as well as they did. The external restraints put on them, however, ultimately translated into some difficult processes in the field.”

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<sup>81</sup> The second amendment to the CSA was made at the request of agencies operating youth programs in which most participants returned to school well before the program deadline. It enabled these agencies to earn the placement fee intended to cover the cost of providing services more quickly.

The 2016 Fund staff stated that additional time between conclusion of the CSA and program start-up would have reduced administrative difficulties: additional time would have enabled the 2016 Fund to review and communicate the terms of the CSA to grantees well before JobStart began and offer grantees more instruction and guidance about complicated aspects of JobStart administration such as determining participant eligibility and using federal funding. However, the impending September 30, 2010 deadline for spending program funds to receive reimbursement from the TANF EF necessitated that the 2016 Fund move ahead with JobStart implementation following conclusion of the CSA.

## Funding

The primary costs of JobStart included participant payroll costs (including wages, FICA taxes, and workers' compensation taxes) paid by grantees as the employers of record and the cost of providing the services required under the program design. Grantees were required to pay both costs up front and to submit vouchers to the 2016 Fund requesting payment. To cover the cost of providing services, the 2016 Fund paid grantees a predetermined placement fee. To cover the cost of payroll, the 2016 Fund simply reimbursed grantees for all payroll costs. The 2016 Fund then requested reimbursement from IDHS for the portion of program costs paid by the TANF EF. Consistent with enhanced reimbursement for new TANF spending provided by the TANF EF, IDHS reimbursed the 2016 Fund for 80 percent of the placement fees and payroll taxes and for 100 percent of wage costs. The portion of placement fees and payroll taxes not reimbursed by IDHS served as the state contribution necessary to draw reimbursement for these costs from the TANF EF, while supervision and training provided by JobStart employers served as the state contribution needed to draw reimbursement for participant wages.

Grantees were eligible to receive a portion of the predetermined placement fee each time a participant achieved one of five benchmarks. Table 12 shows the schedule of payments for each benchmark. The payment for achieving each benchmark was reduced for participants who were expected to complete fewer than 14 of the 16 weeks of the transitional job possible under the program. For participants who entered the program so late that they could complete only 11 to 13 weeks before September 30, grantees received lower payments than for participants who entered the program sufficiently early to complete 14 to 16 weeks. Similarly, for participants who could complete only 6 to 10 weeks of the transitional job from their time of entry, grantees received lower payments than for participants who entered sufficiently early to complete 11 or more weeks. These two aspects of the JobStart payment structure (payment of a portion of the placement fee for achievement of benchmarks and reduced payments for participants expected to complete 11 to 13 weeks and 6 to 10 weeks) were intended to incentivize rapid enrollment and placement of participants into transitional jobs and to maximize effort by grantees to help participants maintain those jobs. On the other hand, their relative complexity introduced the possibility of difficulties regarding vouchering for payments.

In addition to benchmark payments, the 2016 Fund paid grantees a \$500 advance for each participant they planned to place in a transitional job as stated in their grant agreements. The advance was paid using private funds and was intended to cover the cost of providing services until participants reached the first benchmark and could voucher for payment. If a grantee placed fewer participants in transitional jobs than agreed to in its grant agreement, the 2016 Fund could recover a portion of the advance originally paid to that grantee.

**Table 12: JobStart Payment Structure**<sup>82</sup>

Benchmark per participant	Expected number of weeks in transitional job		
	14 to 16	11 to 13	6 to 10
Advance based on the number of planned transitional job placements	\$500	\$500	\$500
Completion of job readiness training	\$595	\$441	\$310
Completion of 4 weeks in transitional job	\$1,275	\$928	\$516
Completion of 8 weeks in transitional job for participants expected to complete 13 or more weeks, or completion of 6 weeks in transitional job for participants expected to complete fewer than 13 weeks	\$550	\$371	\$173
Completion of 12 weeks in transitional job for participants expected to complete at least 14 or more weeks, or completion of 11 weeks in transitional job for participants expected to complete fewer than 13 weeks	\$450	\$371	\$0
Submission of final reports to 2016 Fund and approval by staff	\$275	\$209	\$121
Maximum possible fee per participant	\$3,645	\$2,820	\$1,620

Compared to Workforce Investment Act (WIA) funding, TANF EF funding proved easy to use. The largest federal funding source for workforce development, WIA funding can support job placement, training, and basic education for adults, dislocated workers, and youth. Overall, WIA funding supports programs for a broader and less-disadvantaged population than TANF.<sup>83</sup> As indicated in Table 6, most grantees use WIA funding to support some of their employment programs. Several project directors whose agencies use WIA funding described determining eligibility for WIA as stricter and more labor intensive than JobStart. One explained that WIA funding imposes many difficult-to-interpret requirements on recipients, but the process provides little guidance on how to comply and affords recipients little “open communication” with the funder. By contrast, requirements for using TANF EF funding through the 2016 Fund proved relatively easy to follow, and the 2016 Fund provided substantial guidance on how to comply. Two project directors also reported that JobStart allowed much more creative use of funding than WIA, enabling grantees to use placement fees for a variety of supportive services.

While grantees found JobStart funding relatively easy to use, the process of vouchering for placement fees proved challenging. As described previously, grantees were eligible to receive a portion of the placement fee each time a participant achieved a program benchmark, and were required to submit vouchers every 2 weeks in order to receive the fee. The vouchering system required grantees to track the number of weeks worked by each participant, to estimate the total number of weeks that each participant would spend in subsidized employment, to record this data in an electronic spreadsheet, and to submit the spreadsheet, payroll records, and receipts for supportive services to the 2016 Fund. Most grantees found tracking weeks worked and estimating total weeks that would be worked by each participant very labor intensive. One project director likened the labor intensity of vouchering to completing financial reporting for a 9-month employment program in a 3-month period. Another project director said it felt like the agency was “always vouchering.” Most grantees also reported difficulty completing the electronic spreadsheet. In the process of transmitting the spreadsheet back and forth to the 2016 Fund, the spreadsheet often became “locked” and grantees found themselves unable to enter required information. Several project directors also reported that they expended substantial effort correcting old vouchers when the 2016 Fund changed or clarified requirements for vouchering.

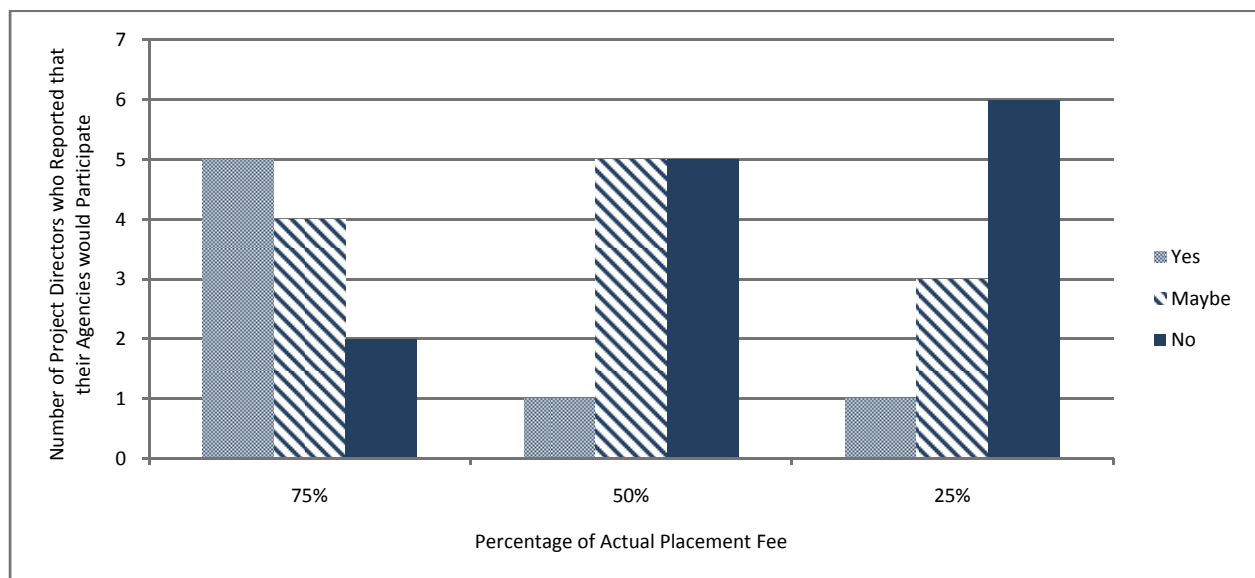
<sup>82</sup> Chicago Community Trust (schedule of issuance of grant monies, October 18, 2010)

<sup>83</sup> Center on Law and Social Policy. (2011 January). *Federal funding for integrated services delivery: A toolkit*. Washington, DC: Author. (p. 19).

As with other administrative aspects of JobStart, use of federal funding resulted in detailed rules and procedures for vouchering. The JobStart program design called for grantees to pay wages and payroll taxes and provide supportive services to thousands of participants using federal funding. If an audit determined that grantees had used federal funding to pay ineligible participants or pay placement fees for benchmarks not achieved, the 2016 Fund might have been required to return money to the federal government. The need to account for all funding used for subsidized employment resulted in the requirement that grantees track participant hours and benchmarks on a person-by-person basis, validate vouchers with timesheets, payroll records, and records of services provided, and correct any errors in the completed vouchers. The 2016 Fund staff stated that additional time between conclusion of the CSA and program start-up would have reduced the difficulty of vouchering for wages and placement fees by enabling them to conduct more training on vouchering procedures for grantee staff and design more user-friendly vouchering spreadsheets and other tools.

Whether project directors believed that the placement fee was adequate to fund the services required by the JobStart program design depended on the duration of subsidized employment that participants at their agencies were able to complete. As shown in Table 12, the portion of the maximum \$3,645 per participant placement fee that grantees might earn depended on two factors: the number of program benchmarks a participant achieved and the expected number of weeks in subsidized employment that a participant would complete. Consequently, grantees that placed participants into subsidized employment relatively early and helped participants maintain employment earned large portions of the placement fee, while those with relatively short programs earned smaller portions. The project director whose agency began enrolling participants before the agency had been awarded a grant described JobStart as “very well funded” and stated that the placement fee easily allowed the agency to fund the required services. By contrast, a project director whose agency operated a youth program in which most participants returned to school well before the program deadline stated that the agency “barely broke even” given the portion of the maximum placement fee it received.

**Figure 24: Number of Agencies that Would Participate in JobStart Given Reduced Placement Fee<sup>84</sup>**



<sup>84</sup> Analysis of Project Director Survey responses. N = 11 for 75 percent and 50 percent and 10 for 25 percent. One grantee submitted separate surveys for its adult and youth programs.

Figure 24 shows the number of project directors who reported that their agencies would participate in JobStart or a similar program in the future if the placement fee was 75 percent, 50 percent, or 25 percent of the actual JobStart placement fee. Given 75 percent of the actual placement fee, five out of 12 project directors said their agencies would still participate, and four said that their agencies might still participate. Most described the JobStart fee structure as fair and adequate. In practice, they explained, the demanding timeline of the program precluded them from receiving the full fee for most participants.

Total JobStart expenditure for all participants who completed job readiness training was \$7.8 million, 38.5 percent of the planned \$20.3 million program budget. It included \$3.9 million for wages, \$379,143 for payroll taxes, and \$3.5 million for benchmark fees. The lower-than-anticipated number of participants and the shorter-than-anticipated average TJ duration account for the difference between program expenditures and the planned program budget.

**Table 13: JobStart Expenditure for Participants who Completed Job Readiness Training<sup>85</sup>**

Cost center	Expenditure	Percentage of total expenditure
Transitional job wages	\$3,936,423	50.4%
FICA and Workers' Compensation taxes	\$379,143	4.9%
Benchmark fees <sup>a</sup>	\$3,489,834	44.7%
Total	\$7,805,400	100.0%

<sup>a</sup> Includes advance, five benchmark placement fees, and administrative fee paid to the 2016 Fund.

## Interaction with PITW

JobStart operated contemporaneously with Put Illinois to Work (PITW), the much larger statewide subsidized employment program also funded by the TANF EF. PITW began placing participants in subsidized employment in April 2010, and like JobStart, was scheduled to end on September 30, 2010, the deadline for spending TANF EF funding in order to receive federal reimbursement. However, the State of Illinois extended the program until January 15, 2011, using its own funds. Both programs enrolled parents or other adult caretakers and youth from low-income families, and seven JobStart grantees also served as PITW subcontractors, operating their own PITW programs.

Whether or not their agencies participated in PITW, most project directors reported that PITW affected their JobStart programs in some way. Three JobStart project directors who operated both JobStart and PITW programs reported that participants and employers confused one program for the other.<sup>86</sup> One believed that employers delayed permanently hiring JobStart participants because they thought JobStart, like PITW, would be extended. Another believed that participants thought that JobStart would be extended, reducing their incentive to find unsubsidized employment by September 30, 2010.

While PITW paid a higher wage than that earned by the average JobStart participant, most grantees reported that the PITW wage did not create competition for participants. However, several project directors reported that PITW created competition for employers. Attempting to recruit employers for

<sup>85</sup> Analysis of JobStart program records. The analysis excludes expenditure on the relatively small number participants who did not complete job readiness training but for whom grantees may have been paid advances.

<sup>86</sup> By contrast, a third project director at a grantee that operated both programs reported that the agency maintained strict separation between JobStart and PITW; as a result, employers did not confuse the programs.

JobStart, their agencies found that a substantial share of potential recruits were participating in PITW and lacked the capacity to participate in another subsidized employment program. One project director, whose agency operated a JobStart youth program, believed that competition for worksites disadvantaged youth program enrollees. Many employers desired older employees, but might have hired youth if PITW had not provided a source of older workers with subsidized wages.

Project directors also indicated that contemporaneous operation of JobStart and PITW had some positive results. As noted previously, four project directors reported that their agencies referred JobStart applicants from outside the designated CCAs to PITW. In this fashion, PITW appears to have served as an alternative placement opportunity for the many JobStart applicants from neighborhoods that bordered the designated CCAs. Additionally, one grantee director stated that publicity around PITW facilitated recruitment for JobStart. The agency could refer some PITW applicants with pronounced supportive service needs to JobStart.

## Summary

The deadline for using TANF EF funding affected nearly every aspect of JobStart implementation. Coupled with the lateness of Illinois' application for TANF EF funding and conclusion of the CSA, the September 30, 2010 deadline for using TANF EF funding limited the time available for grantees to prepare for JobStart; recruit, assess, train, and place participants; work with employers to help participants succeed in their transitional jobs; and help participants find unsubsidized employment. Additionally, the deadline meant that JobStart funding was unavailable to help participants find or retain unsubsidized employment after their transitional jobs ended.

Drawing on their experience operating TJ or other employment programs, grantees adapted to the time constraints imposed by TANF EF funding. Some grantees started their JobStart programs or invested staff time preparing for JobStart before notification that they had received a grant, and most recruited participants from their non-TJ programs. Under the time constraints, grantees found residency requirements, "up-front" documentation requirements, and participant assessment challenging. Despite these challenges, grantees placed the overwhelming majority of participants who completed job readiness training into transitional jobs, and the average participant worked 87.6 percent of weeks available in the transitional job given his or her start date.

According to program records, 21.8 percent of adult participants and 91.8 percent of youth participants had entered unsubsidized employment, education or training, or another jobs program at the time JobStart ended. The following chapter examines placement and other outcomes in greater detail.



# Outcomes

**JobStart was intended to help participants weather the recession that began in December 2007, improve the employability of participants, and place participants into unsubsidized employment or further education or training. This chapter provides a preliminary assessment of these outcomes.**

## Economic Stimulus

In the short run, JobStart was intended to help participants weather the effects of the recession that began in December 2007 by providing them with immediate employment and income. JobStart could also have helped participating employers directly by providing them with additional employees at no wage cost, enabling them to expand output, serve more customers or clients, or undertake other activities that could improve their financial health. Additionally, to the extent that JobStart participants spent income earned through the program locally, JobStart could have benefited other employers and their employees indirectly, stimulating economic activity among the businesses where participants spent money and among other businesses linked to them. The later possibility represents an economic “multiplier effect” in which increased spending in one sector of the economy calls forth additional activity in other sectors, resulting in greater total economic activity than the initial spending.

### Direct Effects on Business

Table 14 shows how Employer Survey respondents rated changes in business performance as a result of employing JobStart participants. Slightly more than half reported that performance in each area increased or somewhat increased as a result of employing JobStart workers, while between 41 percent and 46 percent reported no change.

“As a small business it was great to have the extra help.”  
*JobStart Employer*

**Table 14: Change in Business Performance as a Result of Employing JobStart Participants as Reported by Employer Survey Respondents<sup>87</sup>**

	Decreased	Somewhat decreased	No change	Somewhat increased	Increased
Productivity <sup>a</sup>	1.4%	0.0%	44.3%	25.7%	28.6%
Quality of work <sup>b</sup>	1.4%	0.0%	47.2%	23.6%	27.8%
Number of customers or clients served <sup>b</sup>	1.4%	2.8%	41.7%	22.2%	31.9%
Customer or client satisfaction <sup>b</sup>	1.4%	1.4%	45.8%	23.6%	27.8%
Workforce satisfaction with workload <sup>c</sup>	1.4%	1.4%	42.3%	25.4%	29.6%

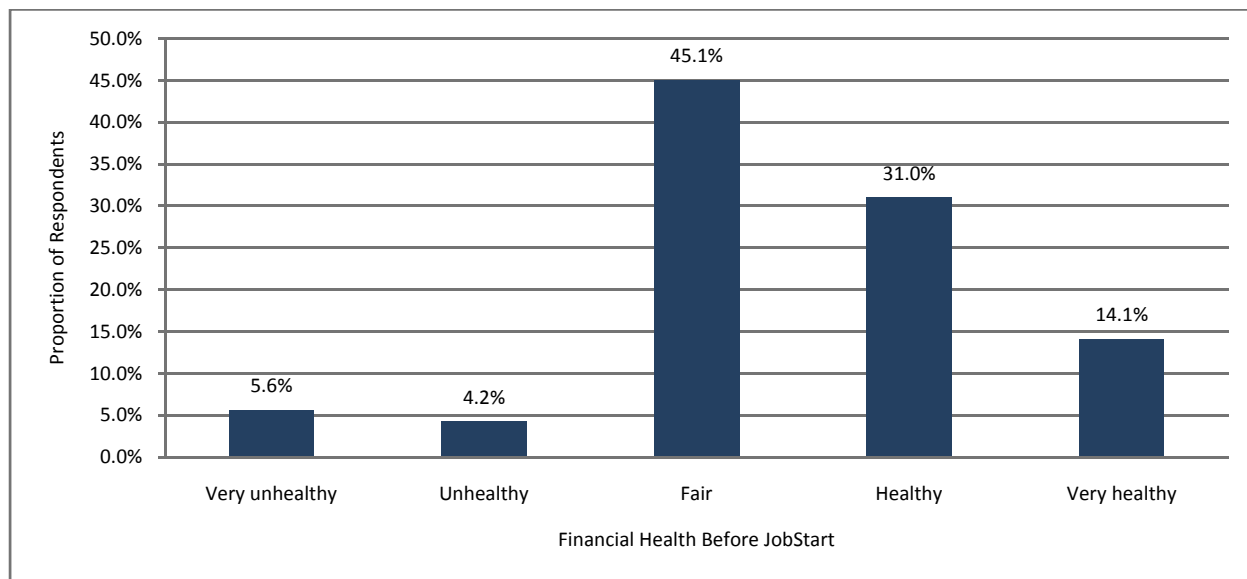
<sup>a</sup> N = 70. <sup>b</sup> N = 72. <sup>c</sup> N = 71.

Employer Survey respondents indicated that their businesses were relatively financially healthy before JobStart began, and few reported that their financial health changed between the time they became involved in JobStart and the end of the program. Figure 25 shows the financial health of Employer

<sup>87</sup> Analysis of JobStart Employer Survey responses. All respondents employed at least one participant for at least 1 hour in a transitional job.

Survey respondents before JobStart. Among respondents, 45.1 percent described the financial health of their business as fair, and another 45.1 percent described their businesses as healthy or very healthy. Slightly less than one third (31.5 percent) reported that the financial health of their businesses became better or slightly better between the time they became involved in JobStart and the end of the program, while 64.3 percent reported that the financial health of their businesses had not changed.<sup>88</sup>

**Figure 25: Financial Health of Employer Survey Respondents before JobStart<sup>89</sup>**



Of Employer Survey respondents who reported that their financial health improved (21, or slightly less than one third of all respondents), all but one attributed at least some of the improvement to their involvement in JobStart: 16 attributed some of the improvement to JobStart, three attributed about half of the improvement to JobStart, and one attributed most of the improvement to JobStart.

The moderate effects of JobStart on business performance and financial health reported by Employer respondents may be the result of two factors. As noted previously, the average JobStart participant worked only 8.4 weeks in a transitional job, a relatively short time to affect business performance and financial health. Additionally, Employer respondents reported relatively good financial health, suggesting that relatively little improvement in financial health was possible with the addition of a few JobStart participants to their personnel.

“I believe this program could have been more successful for my business if the program had more time.”  
*JobStart Employer*

### Indirect Effects on Business

In addition to directly providing participants and employers with economic benefits, JobStart may have stimulated economic activity at businesses where participants spent JobStart earnings and at businesses that sell goods and services to those businesses where the “first round” of spending occurred. This represents an economic multiplier effect. When a consumer makes a purchase at a business, that business must replenish its stock of materials or buy services from other businesses to support the initial purchase. The business may make some supporting purchases within a local area (for example, Cook County, in which Chicago is located), stimulating

<sup>88</sup> Analysis of JobStart Employer Survey responses. N = 70. All respondents employed at least one participant for at least 1 hour in a transitional job.

<sup>89</sup> Analysis of JobStart Employer Survey responses. N = 71. All respondents employed at least one participant for at least 1 hour in a transitional job.

economic activity. It may make other purchases outside the local area, resulting in “leakage” of economic activity from that area and reducing the multiplier effect from the first round of spending. The supporting businesses, in turn, make purchases from other businesses, with leakage occurring at every step. The sum of economic activity at every step, including the initial purchase, reflects the total economic activity associated with the purchase. Analysts in the public and private sectors use the concept of a multiplier effect to estimate the amount of regional economic activity generated by a variety of projects, such as airport construction, base closures, and development of shopping malls.<sup>90</sup>

## Economic Multiplier Effect of the Subsidized Wages

When a consumer makes a purchase at a business, that business must replenish its stock of materials or buy services from other businesses to support the initial purchase

The business may make some supporting purchases within a local area (for example, Cook County), stimulating economic activity in that area.

It may make other purchases outside the local area, resulting in “leakage” of economic activity from that area and reducing the multiplier effect from the first round of spending.

The supporting businesses, in turn, make purchases from other businesses, with leakage occurring at every step.

The sum of economic activity at every step, including the initial purchase, reflects the total economic activity associated with the purchase.

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.<sup>91</sup> Studies of the Earned Income Tax Credit and recent federal stimulus payments find that low-income households spent approximately 70 percent of these payments immediately after receiving them.<sup>92</sup> Accordingly, the multiplier effect of JobStart is estimated by assuming that participants spent 70 percent of income earned through the program. This represents a conservative assumption, as the definition of low-income households used in the studies are substantially higher than the household incomes of JobStart participants, suggesting that JobStart participants might spend a greater proportion of earned income to meet immediate needs.<sup>93</sup>

<sup>90</sup> U.S. Department of Commerce, Bureau of Economic Analysis. (1997 March). *Regional multipliers: A user handbook for the Regional Input Output Modeling System (RIMS II)*. Washington, DC: Author.

<sup>91</sup> P. Orszag & J. Stiglitz. (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. Several studies of the consumer response to tax rebates find that low-income households spend a higher proportion of their tax rebates than the typical middle-income household. D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (p. 16).

<sup>92</sup> EITC recipients spent 70 percent of their EITC checks. Low-income households spent 76 percent of their 2001 income tax rebates and 71.5 percent of their 2008 economic stimulus payments. R. Edwards. (2003 September). *Macroeconomic implications of the Earned Income Tax Credit*. Retrieved October 27, 2011 from <http://www.demog.berkeley.edu/~redwards/Papers/edwards-eitc.pdf> (p. 16). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (Table 6).

<sup>93</sup> In 2004, the average annual income of an EITC-eligible household was \$28,599, equivalent to \$2,383 per month. The studies of spending from the 2001 income tax rebate and 2008 economic stimulus payments defined low-income households as those with annual earnings equal to or

While JobStart participants could have spent income earned through the program in multiple economic sectors, much of their spending is likely to have occurred in the retail sector. The retail sector encompasses a wide variety of businesses at which participants might have spent income earned through JobStart, including grocery stores, clothing stores, gas stations, furniture and home furnishings stores, and electronics and appliance stores.<sup>94</sup> The multiplier effect of JobStart is estimated by assuming that participants spent income earned through the program in the retail sector in Cook County.

Table 15 shows estimates of economic activity in Cook County associated with JobStart participant wages given the assumptions previously noted. These include an initial increase in demand of \$2.8 million resulting from wages spent; a subsequent increase in demand of \$2.3 million resulting from business spending to support initial demand; \$1.2 million of increased earnings across Cook County households from increased demand for goods purchased in the retail sector; and a 44-job increase in employment across Cook County as a result of increased demand in the retail sector. Assuming that participants would not have received and spent \$2.8 million in the absence of JobStart, this represents new economic activity across Cook County that was stimulated by JobStart participant wages.

**Table 15: Estimated Economic Activity Associated With JobStart Participant Wages in Cook County<sup>95</sup>**

Total wages earned by JobStart participants	\$3,936,423
Proportion of wages spent in the retail sector	0.70
Increased demand	
Initial	\$2,755,496
Subsequent	\$2,327,292
Total	\$5,082,788
Increased household earnings	\$1,228,676
Increased employment	44

ARRA, which created the TANF EF, was designed to cushion the fall in demand for goods and services and the attendant declines in consumer and business confidence and household wealth caused by the financial crisis.<sup>96</sup> The estimated increases in demand, household earnings, and employment associated with JobStart indicate that the program helped fulfill these ARRA goals.

## Participant Income and Employability

Prior to JobStart, participants reported very low household incomes, even with public benefits included. Participants earned \$3,936,423 in total wages over the course of the program.

less than \$34,298 and \$32,000, equivalent to \$2,858 and \$2,667, respectively. As noted previously, average household income reported by JobStart adult program participants upon entry was only \$609 per month, equivalent to \$7,308 per year. A. Goodman-Bacon & L. McGranahan. (2008). *How do EITC recipients spend their refunds?* Chicago: Federal Reserve Bank of Chicago. (p. 21). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1604). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (Table 6).

<sup>94</sup> U.S. Department of Labor, Bureau of Labor Statistics. Retail Trade: NAICS 44-45. Retrieved June 28, 2011 from <http://www.bls.gov/iag/tgs/iag44-45.htm>

<sup>95</sup> Bureau of Economic Analysis Regional Input Output Multiplier System Type II multipliers and analysis of program records.

<sup>96</sup> Council of Economic Advisers. (2010 November). *The economic impact of the American Recovery and Reinvestment Act of 2009: Fifth quarterly report*. Washington, DC: Author. (p. 1).

Table 16 compares the average monthly household income of participants upon entering JobStart with average monthly income earned through the program.

Average monthly income earned by adult program participants was more than double their average household income upon entering JobStart, while average monthly income earned by youth program participants was 78.5 percent of their average household income upon entry.

“[JobStart] provided me a job which in turn helped me provide for my family.”  
JobStart Participant

**Table 16: Average Monthly Household Income Upon Entering JobStart Compared with Average Monthly Income Earned Through JobStart<sup>97</sup>**

	Adults	Youth	All
Average monthly household income prior to JobStart	\$609	\$1,127	\$760
Average wages per participant earned in transitional job (total)	\$3,100	\$1,523	\$2,593
Average number of months worked in transitional job	2.3	1.7	2.1
Average wages per participant earned in transitional job (per month)	\$1,361	\$884	\$1,234
Average wages earned per month as a percentage of prior household income	223.5%	78.5%	162.5%

A primary avenue through which TJ programs may improve employability is by helping participants learn and practice “soft skills” needed to maintain employment. The Employer Survey asked respondents to rate the performance of their JobStart employees on six soft skills at the beginning and end of the transitional job: amount of supervision needed, productivity, personal presentation, punctuality, communication about absences, and interpersonal skills. The survey also asked respondents to rate the overall performance of their JobStart employees at the beginning and end of the transitional job.

Table 17 shows how employer respondents rated participant performance at the beginning and end of their transitional jobs. In six performance areas and on overall performance, the percentage of employers who rated participants as “poor,” “very poor,” or “fair” decreased moderately from the beginning to the end of the transitional job, while the percentage who rated participants “good” or “very good” increased moderately.

“The best thing about the program for me was that I got to learn new skills and get [sic] comfortable around people I’ll be working with.”  
JobStart Participant

**Table 17: Change in Soft Skills as Reported by Employer Survey Respondents<sup>98</sup>**

Soft skill	Poor or very poor			Fair			Good or very good		
	Before	After	Change	Before	After	Change	Before	After	Change
Need for supervision <sup>a</sup>	19.7%	12.1%	-7.6%	39.4%	15.2%	-24.2%	40.9%	72.7%	31.8%
Productivity <sup>b</sup>	18.3%	12.7%	-5.6%	36.6%	23.9%	-12.7%	45.1%	63.4%	18.3%
Personal presentation <sup>c</sup>	12.5%	8.3%	-4.2%	30.6%	23.6%	-6.9%	56.9%	68.1%	11.1%
Punctuality <sup>c</sup>	20.8%	18.1%	-2.8%	29.2%	20.8%	-8.3%	50.0%	61.1%	11.1%
Communication about absences <sup>d</sup>	25.7%	15.7%	-10.0%	21.4%	20.0%	-1.4%	52.9%	64.3%	11.4%
Interpersonal skills <sup>b</sup>	18.3%	7.0%	-11.3%	32.4%	22.5%	-9.9%	49.3%	70.4%	21.1%
Overall performance <sup>b</sup>	15.5%	7.0%	-8.5%	26.8%	18.3%	-8.5%	57.7%	74.6%	16.9%

<sup>a</sup> N = 66. <sup>b</sup> N = 71. <sup>c</sup> N = 72. <sup>d</sup> N = 70.

<sup>97</sup> Analysis of JobStart program records. N = 865 adults and 355 youth for records of household income.

<sup>98</sup> Analysis of JobStart Employer Survey Responses. All respondents employed at least one participant for at least 1 hour in a transitional job.

Table 18 shows how participants rated the likelihood that they would exercise certain soft skills after completing JobStart. For all but one soft skill, the majority of respondents reported that they were more likely to exercise the soft skills listed since completing JobStart. The proportion reporting that they were more likely to apply soft skills such as showing up on time for work, cooperating better with coworkers, and getting their work done with less supervision ranged from 48.3 to 73.5 percent.

**Table 18: Change in Likelihood of Exercising Soft Skills After Completing JobStart Reported by Respondents to the Participant Survey<sup>99</sup>**

	Less likely	Somewhat less likely	The same	Somewhat more likely	More likely
I more consistently show up for work on time <sup>a</sup>	1.4%	1.0%	20.0%	7.6%	70.0%
I call my supervisor if I'm going to be late or miss work <sup>b</sup>	2.4%	0.5%	16.3%	12.0%	68.9%
I get along better with my supervisor <sup>c</sup>	4.3%	0.9%	22.7%	14.7%	57.3%
I have a better idea of how to present myself at work <sup>c</sup>	1.0%	0.5%	24.8%	9.0%	64.8%
I cooperate better with my coworkers <sup>d</sup>	1.9%	2.9%	22.4%	13.3%	59.5%
I miss fewer days of work <sup>e,f</sup>	19.5%	3.9%	20.0%	8.3%	48.3%
I get my work done with less supervision <sup>g</sup>	4.8%	1.0%	23.7%	11.6%	58.9%
I'm better at courteously dealing with customers or other members of the public <sup>b</sup>	1.9%	2.4%	20.1%	17.2%	58.4%
I'm more confident in my ability to be successful at work <sup>h</sup>	1.4%	0.9%	18.5%	5.7%	73.5%

<sup>a</sup> N = 210. <sup>b</sup> N = 209. <sup>c</sup> N = 211. <sup>d</sup> N = 225. <sup>e</sup> N = 205. <sup>f</sup> The marked difference between responses to this soft skills question and all other soft skills questions suggests that some respondents misinterpreted the question, intending to indicate that they were less likely to miss *more* days of work, rather than less likely to miss fewer days of work. <sup>g</sup> N = 207. <sup>h</sup> N = 226.

TJ programs may also improve employability by helping participants establish an employment record, acquire employer references, and make contacts that might be able to help them in their job searches. Among Participant respondents, 67.1 percent agreed or somewhat agreed that their transitional jobs had increased their attractiveness to other employers, and 68.4 percent strongly agreed or somewhat agreed that they had met useful contacts through these jobs.<sup>100</sup> Most Employer respondents (91.9 percent) reported they would provide a reference for at least a few of their JobStart employees, and 66.2 percent reported that they would provide a reference for half or more.<sup>101</sup> Additionally, 44.6 percent reported that they were more likely to hire low-income parents or youth than they were before JobStart, and only 8.1 percent reported they were less likely to hire low-income parents or youth.<sup>102</sup>

In addition, TJ programs may help participants learn new skills and explore career options by exposing them to a new type of work. Among Participant respondents, 72.7 percent strongly agreed or somewhat agreed that their transitional job taught them new skills, and 73.9 percent strongly agreed or somewhat agreed that they were exposed to a new type of work through their transitional jobs.<sup>103</sup>

<sup>99</sup> Analysis of JobStart Participant Survey responses. All respondents worked at least 1 hour in a transitional job.

<sup>100</sup> Analysis of JobStart Participant Survey responses. N = 213 for responses to the statement "My JobStart job has increased my attractiveness to other employers" and 212 for responses to the statement "I met contacts through my JobStart job who I may be able to use in the future if I'm looking for a new job or opportunity." All respondents were employed at least 1 hour in a transitional job.

<sup>101</sup> Analysis of JobStart Employer Surveys responses. N = 74. All respondents employed at least one participant for at least 1 hour in a TJ.

<sup>102</sup> Analysis of JobStart Employer Survey responses. N = 74. All respondents employed at least one participant for at least 1 hour in a transitional job.

<sup>103</sup> Analysis of JobStart Participant Survey responses. N = 214 for responses to the statement "My JobStart job taught me new skills" and 215 for responses to the statement "My JobStart job exposed me to a new type of work." All respondents were employed at least 1 hour in a TJ.

## Transitional Jobs and Unsubsidized Job Placement

This section examines placement of JobStart participants into unsubsidized employment, education or training, and other jobs programs using data from records maintained by each grantee. These records likely under-represent the number of participants who found employment for two reasons. First, some participants may have found unsubsidized employment before JobStart ended but may not have informed their JobStart agency. Once a participant finds a job, he or she may have little incentive to maintain contact with an employment program, with the result that placement rates reported by employment programs generally under-represent actual placement rates. The placement status of 18.3 percent of adult participants was unknown at the time JobStart ended and some of these participants may have found unsubsidized jobs. Second, grantee records generally reflect placement at the time JobStart ended. Participants reported as unemployed or placed in education, training, or another jobs program may have found unsubsidized employment after JobStart ended. Several project directors indicated that some participants who were unemployed when JobStart ended found unsubsidized employment. One reported that 12 participants (a substantial proportion of all who worked in a transitional job) found unsubsidized employment nearly 3 months after the program ended.

Initially, the 2016 Fund allocated 2,270 subsidized employment slots across all grantees. As the program progressed and some grantees experienced difficulty enrolling the number of participants to which they had committed in their grant agreements, the 2016 Fund reallocated some program slots and reduced the total number of slots to 2,154.

Table 19 shows the number of JobStart participants who worked in transitional jobs as a percentage of initial program slots allocated by grantee. Across all grantees, 66.9 percent of all initial program slots were filled; excluding the Chicago Housing Authority, 88.8 percent of all initial program slots were filled. Eight grantees filled over 100 percent of their initial slots and were allocated additional slots after the program began.

**Table 19: JobStart Placement Into Transitional Jobs by Grantee<sup>104</sup>**

Grantee	Initial transitional job slots			Transitional job participants			Percentage of initial transitional job slots filled		
	Adult	Youth	Total	Adult	Youth	Total	Adult	Youth	Total
Alternative Schools Network	-	206	206	-	77	77	-	37.4%	37.4%
Association House	32	-	32	44	-	44	137.5%	-	137.5%
Centers for New Horizons	50	-	50	52	-	52	104.0%	-	104.0%
Central States SER	125	-	125	179	-	179	143.2%	-	143.2%
Chicago Housing Authority	500	900	1,400	303	235	538	60.6%	26.1%	38.4%
Heartland Human Care Services	75	-	75	94	-	94	125.3%	-	125.3%
Inspiration Corporation	25	-	25	23	-	23	92.0%	-	92.0%
National Able Network	90	-	90	131	-	131	145.6%	-	145.6%
OAI, Inc.	42	-	42	30	-	30	71.4%	-	71.4%
Phalanx Family Services	100	30	130	149	45	194	149.0%	150.0%	149.2%
Safer Foundation	20	-	20	25	-	25	125.0%	-	125.0%
Westside Health Authority	-	75	75	-	131	131	-	174.7%	174.7%
<b>Total</b>	<b>1,059</b>	<b>1,211</b>	<b>2,270</b>	<b>1,030</b>	<b>488</b>	<b>1,518</b>	<b>97.3%</b>	<b>40.3%</b>	<b>66.9%</b>

<sup>104</sup> Analysis of program records. All participants worked for at least 1 hour in a transitional job according to program records.



It was hoped that at least 60 percent of adults and 75 percent of youth (at least 600 adults and 900 youth), would enter into unsubsidized employment, further education or training, or some combination of these activities after the program ended. Table 20 shows the number of participants who were known to have entered unsubsidized employment, education or training (including high school or college), or another jobs program at the end of JobStart as a percentage of all those who worked in a transitional job.

“[JobStart] provided us with two good workers which we still have on staff today.” *JobStart Employer*

**Table 20: Placement Rates for JobStart Participants, End of Program<sup>105</sup>**

	Adults		Youth		Total	
Worked in a transitional job <sup>a</sup>	1,030	100.0%	488	100.0%	1,518	100.0%
Entered unsubsidized employment <sup>b</sup>	124	12.0%	14	2.9%	138	9.1%
Enrolled in education or training	62	6.0%	394	80.7%	456	30.0%
Enrolled in another jobs program	39	3.8%	40	8.2%	79	5.2%
One or more desired outcomes <sup>c</sup>	225	21.8%	448	91.8%	673	44.3%
Unemployed	617	59.9%	16	3.3%	633	41.7%
Unknown <sup>d</sup>	188	18.3%	24	4.9%	212	14.0%

<sup>a</sup> A participant is counted as having worked in a transitional job if he or she worked for at least 1 hour in a transitional job according to program records.

<sup>b</sup> Includes five adult participants and five youth program participants who entered both unsubsidized employment and education or training.

<sup>c</sup> Sum of unsubsidized employment, education or training, unsubsidized employment and education or training, and another jobs program.

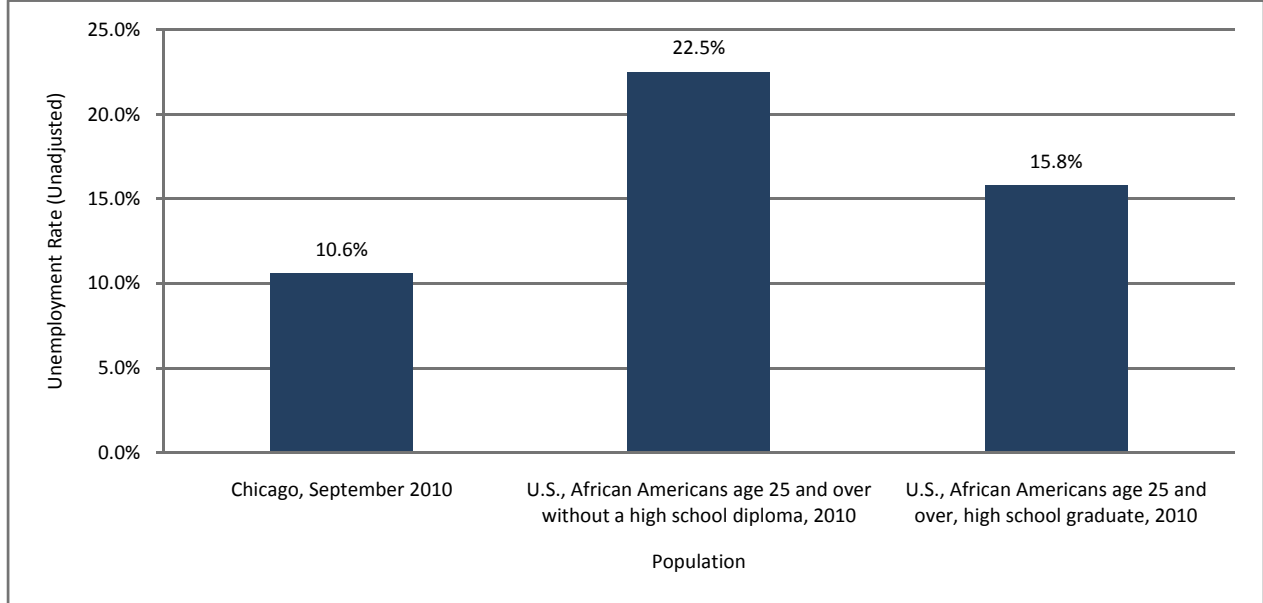
<sup>d</sup> Post-program status is marked “unknown” in program records or is otherwise indeterminate from program records.

Among adult program participants, 21.8 percent achieved one or more desired outcomes at the end of the program: 12.0 percent entered unsubsidized employment, 6.0 percent entered education or training, and 3.8 percent entered another jobs program. Over half (59.9 percent) of adult program participants were unemployed according to program records. Among youth program participants, 91.8 percent achieved one or more desired outcomes: the overwhelming majority (80.7 percent) entered education or training, and another 8.2 percent entered another jobs program.

Overall economic conditions may also have impeded placement of JobStart participants into unsubsidized jobs before the program ended. Figure 26 shows Chicago’s unemployment rate in September 2010 and the unemployment rates of African Americans with a high school education or less across the United States in 2010. Unemployment was 10.6 percent in Chicago in September 2010, the month that JobStart ended. Across the United States, unemployment was even higher for African Americans with low educational attainment, the demographics of the overwhelming majority of JobStart participants. Persistent high unemployment among these populations suggests that economic conditions in 2010 contributed to the difficulty JobStart participants faced finding unsubsidized jobs.

<sup>105</sup> Analysis of program records. All participants worked for at least 1 hour in a transitional job according to program records.

**Figure 26: Unemployment Rates of Chicago and of U.S. African Americans With Low Educational Attainment<sup>106</sup>**



Lack of funding to continue case management and job placement activities may have impeded placement of participants into unsubsidized jobs after JobStart ended. Research suggests that the duration and intensity of retention services is positively related to employment outcomes: an evaluation of employment and retention programs found that participants who received retention services for 6 months or longer and three or more contacts per month were more likely to be consistently employed, work full time, and experience greater increases in hourly wages and annual earnings.<sup>107</sup> Four project directors reported that lack of funding to continue placement activities was a reason why some participants were not placed in unsubsidized jobs.

To determine which JobStart participants found employment in the months following the end of the program and to improve understanding of JobStart employment outcomes, the Social IMPACT Research Center has submitted a request for data on the employment and earnings of participants from Illinois' Unemployment Insurance system. Currently, JobStart program records are the only source of information available on the employment outcomes of participants; however, they represent a relatively incomplete and unreliable source for assessing employment outcomes. Program records show only the number of participants placed at the time the program ended, and as noted previously, participants who found unsubsidized employment around the time that the program ended most likely had little incentive to report their placements to their JobStart agency. Data from the Unemployment Insurance system, which requires employers to report employee earnings and covers the overwhelming majority of public and private-sector employees, will offer a much more complete picture of employment outcomes. Plans for using this data to investigate placement outcomes and estimate program impacts on employment and earnings are described in the final chapter of this report.

<sup>106</sup> Social IMPACT Research Center analysis of data from the U.S. Bureau of Labor Statistics, Current Population Survey and Illinois Department of Employment Security, Local Area Unemployment Statistics.

<sup>107</sup> Clymer, C., Roder, A., & Roberts, B. (2005 September). *Promoting opportunity: Findings from the State Workforce Policy Initiative on employment retention and advancement*. Philadelphia: Public/Private Ventures. (p. 21).

## Effects on Grantees

Project directors identified three primary avenues through which JobStart affected their agencies. First, several explained that the demands of setting up their JobStart programs over a relatively short timeline tested the capacity of their administrative systems and their ability to execute a program. In this way, JobStart helped agencies validate systems and procedures that worked and identify aspects of their operations that could be improved.

Second, JobStart enabled grantees to create or strengthen relationships with employers and prospective participants. While most grantees recruited from among employers with which they had worked before, many grantees also recruited new employers for JobStart, and several reported that they would continue to use these employers for other programs. One project director noted that JobStart provided an opportunity for the agency to repair its relationship with an employer. Another explained that JobStart afforded the agency new publicity, helping neighborhood residents learn that the agency existed to serve their needs.

Third, experience with JobStart prompted some agencies to introduce innovations used for JobStart into other programs. One project director explained that experience with JobStart had motivated the agency to add transitional jobs to its existing job training and placement program:

This was our program's first opportunity to run a transitional jobs program, and we have learned a tremendous amount. We have learned that some of our participants need this opportunity not just for the money but for their self confidence. A lot of our participants have not worked in quite some time, and we feel that if they can have an opportunity to get into a transitional job, they are more motivated and energized to seek an unsubsidized placement.

Contingent on available resources, the director stated that the agency would add a transitional jobs component to an existing employment program.

## Stakeholder Satisfaction

Figure 27 shows the percentages of Participant and Employer Survey respondents who indicated that they would participate in JobStart, or in a similar program, if it were offered again. The overwhelming majority of respondents to (91.7 percent of participants and 85.1 percent of employers) indicated that they would participate again.

"Community residents became familiar with [our agency] and what it is we do here. We were able to expand our relationships with employers. We proved to ourselves that we are in fact able to run a program like Job Start and improve the quality of life of many people."

*JobStart Program Staff Person*

"Job Start was an excellent experience. It made a significant impact on our summer program. I would strongly advocate for this program to continue. It not only impacted our business and program but also the lives of the young adults who we were able to hire."

*JobStart Employer*

**Figure 27: Proportion of Participant and Employer Survey Respondents Who Would Participate in JobStart Again<sup>108</sup>**

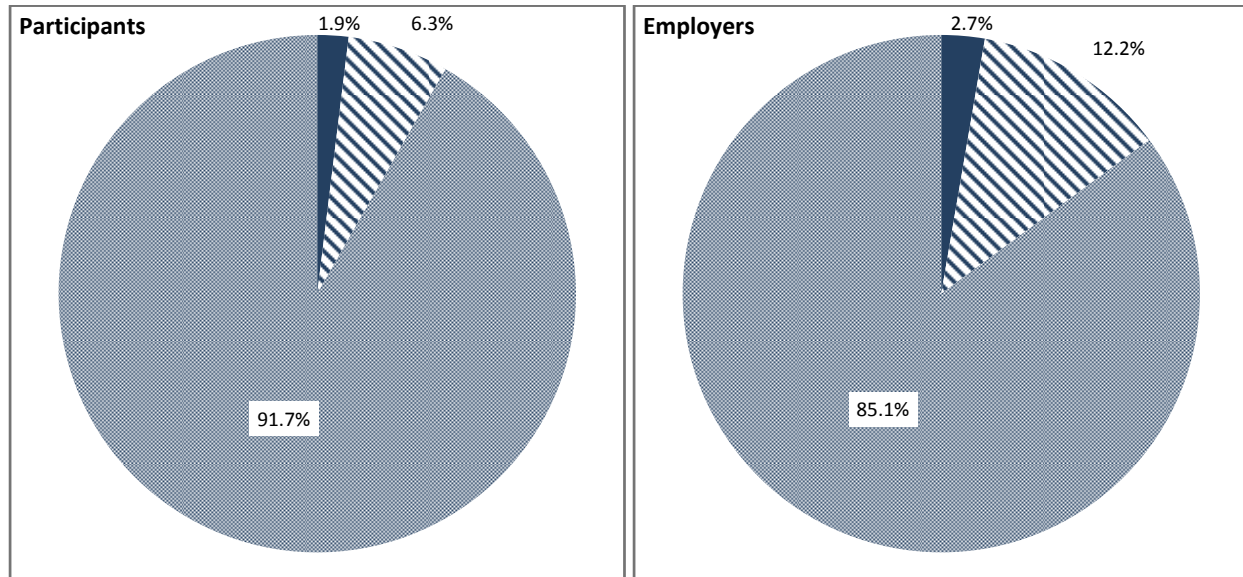


Table 21 shows responses to Participant Survey questions about satisfaction with unsubsidized job placement services. The majority strongly agreed or somewhat agreed that JobStart provided quality placement services. However, over one quarter of respondents did not feel that they had many opportunities to apply for jobs in which they were interested or that program staff gave them leads to employers that were hiring, and slightly less than one quarter did not feel that staff spent enough time helping them find a job. The substantial minority of respondents who expressed dissatisfaction with these aspects of placement services may reflect the inability of programs to continue helping participants find unsubsidized employment after reimbursement ended.

**Table 21: Participant Satisfaction with Job Placement Services as Reported by Participant Survey Respondents<sup>109</sup>**

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
JobStart staff spent enough time helping me find a job <sup>a</sup>	17.9%	7.1%	11.8%	22.6%	40.6%
JobStart staff considered my interests in job planning <sup>b</sup>	13.7%	3.3%	10.0%	29.4%	43.6%
I had lots of opportunities to apply for jobs I was interested in <sup>c</sup>	21.9%	7.1%	17.6%	21.0%	32.4%
I learned skills that made me more confident in my ability to find a job <sup>d</sup>	9.1%	3.8%	16.3%	18.3%	52.4%
JobStart staff gave me leads to employers that were hiring <sup>e</sup>	19.3%	7.7%	10.6%	24.2%	38.2%

<sup>a</sup> N = 212. <sup>b</sup> N = 211. <sup>c</sup> N = 210. <sup>d</sup> N = 208. <sup>e</sup> N = 207.

<sup>108</sup> Analysis of JobStart Participant and Employer Survey responses. N = 206 participants and 74 employers. All participant respondents were employed for at least 1 hour in a transitional job, and all employer respondents employed at least one participant for at least 1 hour in a TJ.

<sup>109</sup> Analysis of JobStart Participant Survey responses. All respondents worked at least 1 hour in a transitional job.

Table 22 shows responses to Employer Survey questions about satisfaction with grantee performance. Among respondents, 84.9 percent reported that the overall performance of the JobStart grantee they worked with was good or very good. In each individual area, 75 percent or more of respondents reported that the performance of their grantee was good or very good.

**Table 22: Employer Satisfaction With Grantee Performance as Reported by Employer Survey Respondents<sup>110</sup>**

	Very poor	Poor	Fair	Good	Very good
Knowledge of program rules and procedures <sup>a</sup>	1.4%	1.4%	17.8%	45.2%	34.2%
Responsiveness to phone calls and emails <sup>b</sup>	1.4%	2.8%	21.1%	28.2%	46.5%
Timeliness in placing participants <sup>a</sup>	1.4%	4.1%	12.3%	27.4%	54.8%
Willingness to help address problem situations <sup>a</sup>	2.7%	1.4%	15.1%	26.0%	54.8%
Effectiveness in addressing problem situations <sup>a</sup>	1.4%	4.1%	16.4%	24.7%	53.4%
Support given to participants <sup>a</sup>	1.4%	1.4%	20.5%	28.8%	47.9%
Overall satisfaction <sup>a</sup>	1.4%	1.4%	12.3%	27.4%	57.5%

<sup>a</sup> N = 73. <sup>b</sup> N = 71.

Table 23 shows the satisfaction of grantee project directors with the 2016 Fund regarding how the 2016 Fund helped their agencies operate their JobStart programs. Project directors reported a relatively high level of overall satisfaction with the 2016 Fund. Eleven reported that its overall performance was very good or good, and only two reported that its overall performance was fair. However, ratings differed across performance areas. Consistent with reports that the 2016 Fund issued changes to program rules and procedures after grantees had started operating their JobStart programs and that agency staff sometimes received contradictory responses to questions from different 2016 Fund staff people, six project directors rated the 2016 Fund as fair, poor, or very poor in the areas of clear and timely communication of rules and procedures. By contrast, most grantees rated the 2016 Fund as very good or good in the areas of willingness and effectiveness at addressing problems and in providing payroll reimbursement and placement fees quickly.

**Table 23: Grantee Satisfaction With 2016 Fund Performance as Reported by Project Director Survey Respondents<sup>111</sup>**

	Very poor	Poor	Fair	Good	Very good
Clear communication of program rules and procedures <sup>a</sup>	1	0	5	4	3
Timely communication of rule and procedure changes <sup>a</sup>	1	1	4	5	2
Clear and timely responses to questions <sup>a</sup>	0	1	2	6	4
Willingness to help address problem situations <sup>a</sup>	0	0	2	5	6
Effectiveness in addressing problems <sup>a</sup>	0	1	2	5	5
Timeliness of payroll and placement fee-payment <sup>b</sup>	0	0	1	4	6
Overall performance <sup>a</sup>	0	0	2	7	4

<sup>a</sup> N = 13. <sup>b</sup> N = 11.

Relatively late conclusion of the Community Services Agreement (CSA) between IDHS and the 2016 Fund and clarification from IDHS about the CSA after it was executed appear to have contributed to problems

<sup>110</sup> Analysis of JobStart Employer Survey responses. All respondents employed at least one participant for at least 1 hour in a transitional job.

<sup>111</sup> Analysis of JobStart Project Director Survey responses. One grantee submitted separate surveys for its adult and youth programs.

with the communication of program rules and procedures from the 2016 Fund to the grantees and to some grantee dissatisfaction with these aspects of the 2016 Fund's performance. As noted previously, the CSA was executed only one week before the target date on which participants would have to begin their transitional jobs in order to work the full 16 weeks of subsidized employment available. By that date, some grantees had already started up their JobStart programs. Complicated aspects of the CSA necessitated clarification from IDHS after the CSA was executed, and these clarifications required grantees to change their procedures mid-program. The need for mid-program changes appears to have contributed to problems with communication reported by grantees. While some project directors expressed dissatisfaction with these aspects of JobStart, most recognized that they were caused largely by the late execution of the CSA.

## Summary

In the relatively short time it operated, JobStart enabled participants to earn substantial income relative to their incomes upon entering the program. It is estimated that participants stimulated \$5.1 million of increased demand, \$1.2 million of increased earnings, and a 44-job increase in employment across Cook County as they spent this income. Survey respondents reported that participant soft skills and business performance increased modestly during the program, and the overwhelming majority of respondents indicated that they would participate again. According to program records, 21.8 percent of adult participants and 91.8 percent of youth participants had entered unsubsidized employment, education or training, or another jobs program at the time JobStart ended. Some participants whose placement status is unknown may have entered unsubsidized employment without notifying their JobStart agency and others may have found unsubsidized employment some time after the program ended. Overall economic conditions and lack of funding to continue services after the program ended may have impeded placement into unsubsidized jobs. Data from the Unemployment Insurance system will enable the Social IMPACT Research Center to construct a more complete picture of employment outcomes and estimate program impacts.

# Comparison with Put Illinois to Work

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**Put Illinois to Work (PITW) and JobStart had similar eligibility requirements, and both enrolled participants from the JobStart CCAs. PITW differed from JobStart in that it served participants from across Illinois and that providers were not instructed to target participants with multiple barriers to employment or required to provide supportive services. The contemporaneous operation of the two programs allows for a side-by-side comparison of a TJ program with a subsidized employment program.<sup>112</sup>**

## Program Design: Similarities and Differences

As programs supported by TANF EF, JobStart and PITW shared important eligibility requirements. Participants in both programs must have been custodial parents or guardians, noncustodial parents, or youth ages 16 to 21 from households with incomes below 200 percent of the federal poverty level. The programs differed on two eligibility requirements. First, JobStart participants must have resided in the designated CCAs. By contrast, PITW participants could reside anywhere in Illinois. Second, JobStart directed grantees to prioritize enrolling participants with multiple barriers to employment who might benefit from the supportive services offered and to refer relatively work-ready applicants to PITW. Six JobStart grantees referred some JobStart applicants to PITW. Four made these referrals because the applicants resided outside the designated CCAs, and one made referrals because JobStart had ended. Three grantees that operated both JobStart and PITW programs referred some PITW applicants to JobStart because applicants had been waitlisted for PITW, because PITW stopped enrolling applicants in midsummer, or because the applicants could not enroll in PITW other reasons. Overall, work readiness appears not to have affected decisions to refer applicants from one program to the other.

JobStart and PITW employed similar organizational structures, but differed substantially in terms of supportive services, timeframe, and scale.

- Under PITW, IDHS contracted with Heartland Human Care Services (HHCS), an Illinois nonprofit with experience operating TJ programs, to oversee the program and serve as the employer of record for participants. HHCS contracted with 26 public and nonprofit organizations, called subcontractors, to recruit participants and place them with employers. In this way, HHCS and its subcontractors performed similar functions to the 2016 Fund and its grantees, although HHCS—not its subcontractors—served as the employer of record and paid participant wages.<sup>113</sup>
- Unlike JobStart, PITW did not require subcontractors to provide supportive services to participants, although some subcontractors did provide some supportive services.
- PITW operated for a longer duration than JobStart. The program began placing participants in subsidized employment in April 2010 and was extended using state funding after the September 30 deadline for using TANF EF funding. PITW ended in mid-January 2011.<sup>114</sup>

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<sup>112</sup> The Social IMPACT Research Center is also evaluating PITW. The PITW data in this chapter come from a few key sources of the ongoing evaluation: the program's central database, payroll records, and surveys of participants and employers that contained many of the same questions as the JobStart surveys.

<sup>113</sup> Social IMPACT Research Center. (2010 October). *Put Illinois to Work evaluation: An early look*. Chicago: Author. (p. 13-15).

<sup>114</sup> PITW was initially extended until November 30, 2010, only a few days before the original September 30 expiration date. It was then extended again by the state a few days before this new November expiration date until January 15, 2011.

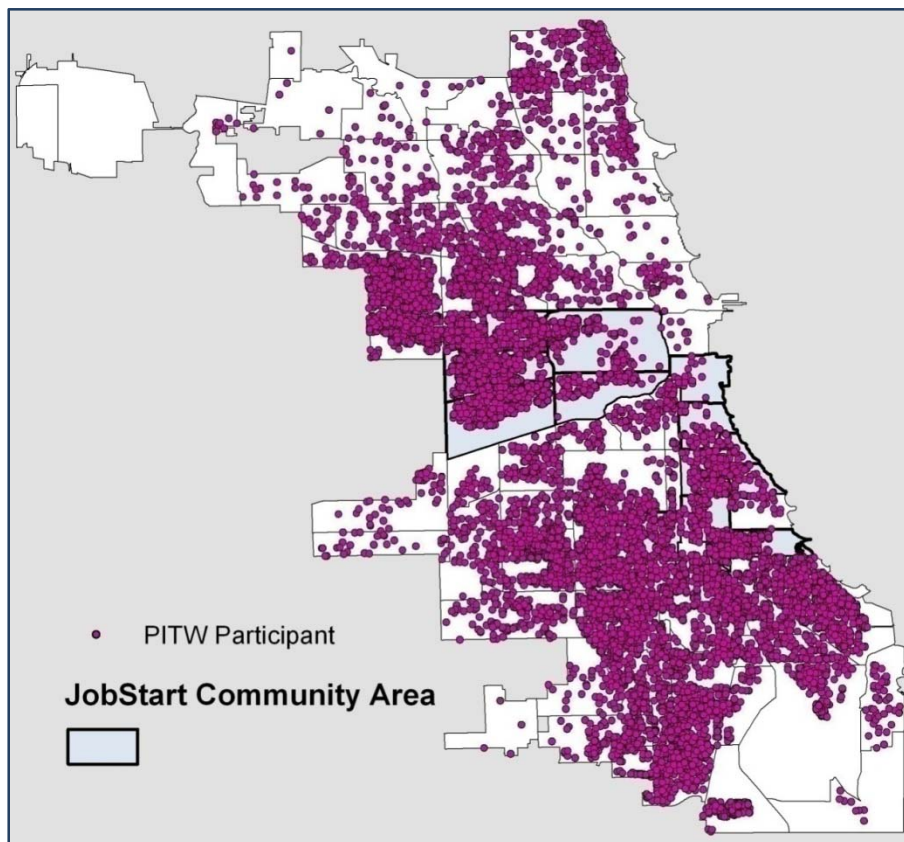


- PITW and JobStart employed different systems for paying subcontractors and participants. PITW subcontractors were paid a flat, one-time fee for every participant placed in a subsidized job. HHCS administered participant payroll, obviating the need for a vouchering system. PITW also employed a centralized online database where all subcontractors entered applicant information, placement information, and hours for payroll, resulting in standardized reimbursement process across all subcontractors and greatly reducing paperwork. These aspects of the PITW payment process made PITW relatively simple for subcontractors.
- PITW operated on a far greater scale than JobStart, employing over 27,000 participants in 71 of 102 Illinois counties.<sup>115</sup>

## Participant Characteristics

This section compares characteristics of JobStart participants and PITW participants within the 13 JobStart CCAs. Additionally, it compares change in business performance reported by JobStart employers and PITW employers within Chicago. This allows for a comparison of the experiences of participants and employers from similar economic and community environments working under different programs. In tables comparing characteristics of samples from JobStart and PITW participants, differences are statistically significant at the 95-percent confidence level unless otherwise noted in the table. Where data for only those PITW participants residing in the JobStart CCAs are unavailable, JobStart participants are compared to all PITW participants and the data issue is noted. Figure 28 shows the location of PITW participant residences within the 77 CCAs.

**Figure 28: JobStart CCAs and Residential Addresses of Put Illinois to Work Participants<sup>116</sup>**



<sup>115</sup> Social IMPACT Research Center. (2010 October). *Put Illinois to Work evaluation: An early look*. Chicago: Author. (p. 5).

<sup>116</sup> Analysis of Put Illinois to Work program records.

Table 24 compares the personal characteristics of JobStart participants and PITW participants who responded to a survey about their experiences with the program. A much higher proportion of JobStart respondents were under age 18 (23.4 percent compared to 0.5 percent for PITW), most likely because of JobStart’s distinct youth programs. However, the proportion of participants under 18 among JobStart adult program participants was comparable to that of PITW survey respondents.<sup>117</sup> A much higher percentage of JobStart participants had not earned a high school diploma or GED (44.8 percent compared to 11.0 percent for PITW), and a much lower proportion had some college (12.1 percent compared to 40.7 percent for PITW). Even among adult participants, a higher proportion of JobStart participants had not earned a high school diploma or GED (27.7 percent compared to 11.0 for PITW) and a lower proportion had some college (14.7 percent compared to 40.7 percent for PITW).

**Table 24: Personal Characteristics of JobStart Participants and Put Illinois to Work Participants Residing in JobStart CCAs<sup>118</sup>**

	JobStart			PITW
	Adults	Youth	Total	
Male <sup>a</sup>	31.0%	42.1%	34.6%	38.3%
Female <sup>a</sup>	69.0%	57.9%	65.4%	61.7%
Under 18 <sup>b</sup>	0.2%	73.0%	23.4%	0.5%
18 to 21 <sup>b</sup>	33.6%	27.0%	31.5%	40.9%
Over 21 <sup>b</sup>	66.2%	0.0%	45.1%	58.6%
African American <sup>c</sup>	94.8%	97.9%	95.8%	81.7%
White <sup>c,f</sup>	0.5%	1.6%	0.9%	0.8%
Other <sup>c</sup>	4.7%	0.4%	3.3%	17.5%
Less than a high school diploma or GED <sup>d</sup>	27.7%	78.9%	44.8%	11.0%
High school diploma or GED <sup>d,f</sup>	55.3%	13.9%	41.5%	39.8%
Some college <sup>d</sup>	14.7%	7.0%	12.1%	40.7%
Associate's or bachelor's degree <sup>d</sup>	2.4%	0.2%	1.7%	8.5%
Average monthly household income <sup>e</sup>	\$609	\$1,127	\$760	\$742

<sup>a</sup> N = 1,022 JobStart adult program enrollees, 484 JobStart youth program enrollees, and 118 PITW participants.

<sup>b</sup> N = 1,023 JobStart adult program enrollees, 478 JobStart youth program enrollees, and 3,671 PITW participants.

<sup>c</sup> N = 1,023 JobStart adult program enrollees, 486 JobStart youth program enrollees, and 3,625 PITW participants.

<sup>d</sup> N = 962 JobStart adult program enrollees, 483 JobStart youth program enrollees, and 118 PITW enrollees.

<sup>e</sup> N = 865 JobStart adult program enrollees, 355 JobStart youth program enrollees, and 3,696 PITW enrollees.

<sup>f</sup> The differences between proportions for JobStart and PITW participants are not statistically significant at the 95-percent confidence level.

Table 25 compares the employment history characteristics of JobStart and PITW participants that were available for both groups. Fewer JobStart participants reported that they had ever held a job before the program began (86.7 percent compared to 96.0 percent for PITW). Participants who had held a job before they entered JobStart reported comparable wages to PITW participants in their most recent prior jobs.

<sup>117</sup> As noted previously, grantees could enroll youth age 16 to 21 in JobStart adult programs so long as they met the TANF eligibility requirements.

<sup>118</sup> Analysis of JobStart and PITW program records and PITW participant survey responses. All JobStart participants worked at least 1 hour in a transitional job.

**Table 25: Employment History Characteristics of JobStart Participants and Put Illinois to Work Participants Residing in JobStart CCAs<sup>119</sup>**

	JobStart			PITW
	Adults	Youth	Total	
Was participant ever employed before program <sup>a</sup>				
Ever employed	89.9%	76.5%	86.7%	96.0%
Wage in most recent prior job <sup>b,c</sup>				
Less than \$9.00	47.0%	84.6%	54.8%	49.2%
\$9.00 to \$9.99	15.0%	7.7%	13.5%	13.8%
\$10.00 to \$10.99	16.0%	7.7%	14.3%	21.5%
\$11.00 to \$11.99	4.0%	0.0%	3.2%	0.0%
\$12.00 or more	18.0%	0.0%	14.3%	15.4%

<sup>a</sup> N = 109 JobStart adult program enrollees, 34 JobStart youth program enrollees, and 101 PITW participants.

<sup>b</sup> N = 98 JobStart adult program enrollees, 25 JobStart youth program enrollees, and 65 PITW participants.

<sup>c</sup> The differences between proportions for JobStart and PITW participants are not statistically significant at the 95-percent confidence level.

## Subsidized Employment

Because PITW operated from April 2010 to mid-January 2011, it allowed participants to work much longer in subsidized employment than JobStart. Data reporting limitations do not allow for calculation of average hours in subsidized employment worked by PITW participants who resided in the JobStart CCAs, ruling out a direct comparison of the time that JobStart and PITW participants worked in subsidized employment. Across Illinois, PITW participants worked 773 hours in subsidized employment, more than twice the average number of hours worked by JobStart adult program participants and more than four times the average number of hours worked by JobStart youth program participants.

## Outcomes

PITW was not specifically intended to increase the employability of participants or help them find unsubsidized employment. The program did not require subcontractors to provide job readiness training or services to help participants find unsubsidized jobs and did not include specific goals for unsubsidized placement. Even so, PITW might have improved employability of participants and helped them find unsubsidized employment through some of the same avenues as a TJ program, helping them learn and practice soft skills, establish an employment record and make contact with employers, learn new skills, and explore career options.

Of the 13,694 PITW participants who were still in a PITW job when the program finally ended in January 2011, 20 percent were known to have entered unsubsidized employment.

As noted previously, the Social IMPACT Research Center has submitted a request for data on the employment and earnings of JobStart participants from Illinois' Unemployment Insurance system. The same data for PITW participants were also requested. These data will be used to estimate the impacts of both programs on participants' employment and earnings and to compare these impacts. The final chapter of this report describes the planned methodology for impact estimation.

<sup>119</sup> Analysis of JobStart Participant Survey responses and PITW participant survey responses. All JobStart participants worked at least 1 hour in a transitional job.

Table 26 compares the extent to which JobStart and PITW participants who responded to a survey believed that the programs helped them meet financial obligations and become more employable. The overwhelming majority strongly agreed or somewhat agreed that the programs helped them achieve these ends. A much higher percentage of PITW respondents strongly agreed that the program allowed them to meet financial obligations, although not all differences were statistically significant at the 95-percent confidence level. This may be because the average PITW participant worked more hours in subsidized employment than the average JobStart participant, and because PITW paid a higher wage.

**Table 26: Satisfaction of JobStart and Put Illinois to Work Participants Residing in JobStart CCAs With Selected Aspects of their Programs<sup>120</sup>**

	Strongly disagree		Somewhat disagree		Neither agree nor disagree		Somewhat agree		Strongly agree	
	JobStart	PITW	JobStart	PITW	JobStart	PITW	JobStart	PITW	JobStart	PITW
JobStart/PITW allowed me to support my family or pay my bills when I might not otherwise have been able to <sup>a</sup>	11.2%	2.5%	4.2%	2.5%	7.4%	4.2%	21.4%	15.8%	55.8%	75.0%
Without JobStart/PITW, I would likely have been unemployed <sup>b</sup>	13.0%	10.0%	8.8%	4.2%	15.3%	7.5%	17.7%	20.8%	45.1%	57.5%
My JobStart/PITW job taught me new skills <sup>c</sup>	12.1%	5.0%	5.6%	5.0%	9.8%	6.7%	19.2%	15.8%	53.3%	67.5%
My JobStart/PITW job exposed me to a new type of work <sup>d</sup>	9.8%	6.7%	4.7%	5.8%	11.6%	6.7%	18.6%	15.0%	55.3%	65.8%
I met contacts through my JobStart/PITW job who I may be able to use in the future if I'm looking for a new job or opportunity <sup>e</sup>	13.7%	6.7%	5.7%	5.9%	12.3%	10.9%	20.8%	21.8%	47.6%	54.6%

<sup>a</sup> N = 215 JobStart participants and 120 PITW participants. The differences between proportions for JobStart and PITW participants for “Somewhat disagree,” “Neither agree nor disagree,” and “Somewhat agree” are not statistically significant at the 95-percent confidence level.

<sup>b</sup> N = 215 JobStart participants and 120 PITW participants. The differences between proportions for JobStart and PITW participants for “Strongly disagree,” “Somewhat disagree,” and “Somewhat agree” are not statistically significant at the 95-percent confidence level.

<sup>c</sup> N = 214 JobStart participants and 120 PITW participants. The differences between proportions for JobStart and PITW participants for “Somewhat disagree,” “Neither agree nor disagree,” and “Somewhat agree” are not statistically significant at the 95-percent confidence level.

<sup>d</sup> N = 215 JobStart participants and 120 PITW participants. None of the differences between proportions for JobStart and PITW participants are statistically significant at the 95-percent confidence level.

<sup>e</sup> N = 212 JobStart participants and 119 PITW participants. None of the differences between proportions for JobStart and PITW participants are statistically significant at the 95-percent confidence level.

Table 27 shows how JobStart and PITW employers who responded to a survey rated changes in businesses performance as a result of employing participants. In all areas of business performance, a higher proportion of JobStart respondents reported no change as a result of employing participants, while a higher proportion of PITW respondents reported that performance somewhat increased or increased, although not all differences were statistically significant at the 95-percent confidence level. This difference may be related to the different lengths of the two programs. PITW started placing participants in subsidized employment earlier than JobStart, and PITW participants worked more hours

<sup>120</sup> Analysis of JobStart Participant Survey responses and PITW participant survey responses. All JobStart participants worked at least 1 hour in a transitional job.

and weeks in subsidized employment on average than JobStart participants. By employing participants longer, PITW employers may have had more time to use them for activities that increased business performance.

**Table 27: Change in Business Performance as a Result of Employing JobStart Participants and Put Illinois to Work Participants Residing in JobStart CCAs<sup>121</sup>**

	Decreased		Somewhat decreased		No change		Somewhat increased		Increased	
	JobStart	PITW	JobStart	PITW	JobStart	PITW	JobStart	PITW	JobStart	PITW
Productivity <sup>a</sup>	1.4%	1.8%	0.0%	2.8%	44.3%	21.7%	25.7%	40.6%	28.6%	33.2%
Quality of work <sup>b</sup>	1.4%	1.4%	0.0%	6.4%	47.2%	31.5%	23.6%	37.9%	27.8%	22.8%
Number of customers or clients served <sup>c</sup>	1.4%	0.9%	2.8%	0.9%	41.7%	30.9%	22.2%	38.2%	31.9%	29.0%
Customer or client satisfaction <sup>d</sup>	1.4%	1.4%	1.4%	2.8%	45.8%	37.5%	23.6%	35.6%	27.8%	22.7%
Workforce satisfaction with workload <sup>e</sup>	1.4%	1.4%	1.4%	2.3%	42.3%	27.7%	25.4%	39.5%	29.6%	29.1%

<sup>a</sup> N = 70 JobStart participants and 217 PITW participants. The differences between proportions for JobStart and PITW participants for “Decreased,” “Somewhat decreased,” and “Increased” are not statistically significant at the 95-percent confidence level.

<sup>b</sup> N = 72 JobStart participants and 219 PITW participants. The differences between proportions for JobStart and PITW participants for “Decreased” and “Increased” are not statistically significant at the 95-percent confidence level.

<sup>c</sup> N = 72 JobStart participants and 217 PITW participants. The differences between proportions for JobStart and PITW participants for “Decreased,” “Somewhat decreased,” “No change,” and “Increased” are not statistically significant at the 95-percent confidence level.

<sup>d</sup> N = 72 JobStart participants and 216 PITW participants. None of the differences between proportions for JobStart and PITW participants are statistically significant at the 95-percent confidence level.

<sup>e</sup> N = 71 JobStart participants and 220 PITW participants. The differences between proportions for JobStart and PITW participants for “Decreased,” “Somewhat decreased,” and “Increased” are not statistically significant at the 95-percent confidence level.

## Summary

JobStart and PITW participants who responded to surveys about the programs differed most noticeably on educational attainment, with a higher proportion of JobStart participants not having earned a high school diploma or GED and a higher proportion of PITW participants having some college. On average, JobStart participants spent less time in subsidized employment than PITW participants. This may help explain the higher level of satisfaction expressed by PITW participants and the higher proportion of PITW employers who reported that their business performance increased.

“The positive aspect of participating in both [JobStart and PITW] was that it gave a huge array of people a chance to be in the working class. These people varied from single parents, ex felons, people who have not had any work experience as well as those who have been dislocated workers. It gave these people a second chance and for some a first chance.”

*JobStart Program Staff Person*

<sup>121</sup> Analysis of JobStart Employer Survey responses and PITW employer survey responses. All JobStart respondents employed at least one participant for at least 1 hour in a transitional job.

# Successes, Challenges, and Recommendations

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Within its 4 months of operation, JobStart placed a large number of low-income individuals into subsidized employment. Most Employer Survey Respondents reported that the program improved business performance and that participants' soft skills improved. Additionally, JobStart most likely affected other businesses through an economic multiplier effect. JobStart fell short of its goals for transitional job placement and placed fewer participants into unsubsidized employment than hoped for by the time the program ended. This appears to have resulted from the demanding timeline, the geographic boundaries, contemporaneous operation of JobStart and PITW, the types of employers that participated in the program, lack of funding for job placement and retention after transitional jobs ended, and economic conditions in Chicago and across the United States at the time JobStart ended. The successes and challenges with JobStart may help to inform the design and implementation of future TJ programs within and outside of an economic-recovery context.

## Successes

- **Within a short period of time, JobStart recruited and trained a large number of participants, placed them into transitional jobs, and helped them access supportive services.** 1,618 participants completed job readiness training, and grantees placed 1,518 (93.8 percent) of these participants into transitional jobs. Experience operating TJ programs and job readiness and placement programs for TANF recipients helped grantees start up their JobStart programs within the timeline imposed by the deadline for using TANF EF funding, Illinois' late application for TANF EF funding, and relatively late execution of the community services agreement (CSA) between IDHS and the 2016 Fund.
- **The individuals recruited, trained, and placed into transitional jobs had a pronounced need for earned income, and survey results suggest that large proportions of participants had barriers to employment.** The average participant reported household income of \$760 upon entering JobStart. Commonly-reported barriers to employment included lack of overall job skills and interpersonal skills, criminal records, and unmet needs for transportation and childcare.
- **The average participant worked the overwhelming majority of weeks available given his or her start date.** On average, each adult program participant worked 9.1 weeks in a transitional job, or 87.6 percent of the 10.4 weeks available given his or her start date.
- **Average monthly income earned through JobStart was substantial relative to average household income upon entering the program.** Average monthly income earned by adult program participants was more than double their average household income upon entering JobStart, while average monthly income earned by youth program participants was 78.5 percent of their average household income upon entry.



- **The majority of Employer Survey respondents reported that employing JobStart participants resulted in moderate positive effects on business performance.** Slightly more than half of respondents to the Employer Survey reported that performance somewhat increased or increased in these areas as a result of employing JobStart participants. This may be because their businesses were relatively financially healthy before the program began, and because the average JobStart participant worked only 8.4 weeks for an employer, a relatively short period of time to affect business performance and financial health.
- **In addition to its direct effects on participants and employers in the program, JobStart most likely affected other businesses and their employees throughout Cook County through an economic multiplier effect.** Assuming that participants spent 70 percent of income earned through JobStart in the retail sector of Cook County, JobStart wages were associated with a \$5.1 million increase in demand for goods and services across all sectors, a \$1.2 million increase in household earnings, and an increase in employment of 44 jobs across Cook County.
- **Participant and Employer Survey respondents reported that participants' soft skills improved from the beginning to the end of their transitional jobs.** The percentage of employer respondents who rated participants as "poor," "very poor," or "fair" in six performance areas at the beginning of the program decreased at the end of the transitional job, while the percentage who rated participants "good" or "very good" increased. The majority of participant respondents reported that they were somewhat more likely or more likely to exercise certain soft skills after completing JobStart, and that JobStart increased their attractiveness to employers, introduced them to useful contacts, taught them new skills, and exposed them to a new type of work.
- **Participant and Employer Survey respondents indicated a high level of satisfaction with JobStart.** Most participant respondents (91.7 percent) and Employer respondents (85.1 percent) reported that they would participate in JobStart or a similar program if it were offered again.

## Challenges

JobStart provided participants with much-needed earnings and appears to have benefited businesses directly and indirectly. However, it did not meet its goal for number of participants placed into transitional jobs. Additionally, program records from immediately after JobStart ended indicate that it did not meet its goal for number of adult participants placed into unsubsidized employment, education, or training by the time the program ended.

- JobStart placed 1,518 participants into transitional jobs. This represents 69.0 percent of the planned 2,200 transitional job placements and 70.5 percent of the 2,154 final transitional employment slots allocated by the 2016 Fund.
- Program records indicate that 91.8 percent of youth entered unsubsidized employment, education, or training. However, JobStart did not meet its 60-percent placement goal for adults by the time the program ended: it placed only 21.8 percent of adults into unsubsidized employment, education, training, or some combination of those activities.

Seven primary factors appear to explain why JobStart did not meet all of its goals:

1. **The TANF EF requirement that states make all reimbursable expenditures by September 30, combined with the late timing of Illinois' application for TANF EF funding and late execution of**



**the CSA between IDHS and the 2016 Fund, left grantees with less than a month to set up their JobStart programs in order to provide participants with the maximum 16 weeks of subsidized employment possible under JobStart.** This timeline affected multiple aspects of the program. Several project directors said that their agencies would have expanded recruiting efforts if more time had been available. Most project directors said that additional time would have improved their assessment procedures, enabling them to acquire more information about participants to guide provision of case management and support services later in the program.

Most importantly, perhaps, the timeline impeded the achievement of placement goals by limiting the duration of transitional jobs for many participants. While no consensus exists on the optimal transitional job duration, most TJ programs offer 3 to 9 months in a transitional job. For example, in a study of six TJ programs for TANF recipients and other low-income individuals, participants who found unsubsidized jobs averaged between 3.9 and 8.2 months in the programs. Earlier TJ programs that yielded sustained positive impacts on employment and earnings among welfare recipients included a year or more of subsidized employment.<sup>122</sup> By contrast, JobStart adult program participants spent only 2.3 months on average in transitional jobs. For participants with poor interpersonal skills and understanding of workplace expectations, a transitional job must afford sufficient time to learn and practice soft skills, make mistakes, receive guidance from case managers, workplace supervisors, and peers, and improve their performance. The hard end date for JobStart may have precluded most participants from having sufficient time to take these steps. As one project director explained:

“The most difficult time was getting past the length of time that I had to train them for the job before the program expired.”

*JobStart Employer*

“[A] TJ program is about trials [and] errors and multiple chances. An individual is in a learning process which sometimes must allow for them to make mistakes, learn from them and move forward. [JobStart] for all intents and purposes did not allow for such learning to happen due to the rushed nature of the program.”

Consistent with this explanation, 46.1 percent of Employer Survey respondents reported that participants who were not ready to hire would be ready with more time in the transitional job, including 34.6 percent who said that these participants would be ready with 2 or more months in the transitional job.

- 2. The requirement that grantees recruit participants exclusively from the designated CCAs almost certainly impeded their ability to meet JobStart’s transitional placement goal.** Among Grantee Staff Survey respondents, 37.0 percent reported difficulty recruiting from the designated CCAs. Several project directors reported that their agencies received many applications for JobStart from outside the designated CCAs and that they could have enrolled many more participants in the absence of the residency requirement. In addition to impeding the ability of grantees to recruit participants for placement into subsidized jobs, the residency

<sup>122</sup> Kirby, G., Hill, H., Pavetti, L., Jacobsen, J., Derr, M., & Winston, P. (2002, April). *Transitional jobs: Stepping stones to unsubsidized employment*. Princeton, NJ: Mathematica Policy Research, Inc. National Transitional Jobs Network. (2010, January). (Appendix C). The National Supported Work Demonstration (1975-1980) included 12 to 18 months of highly structured paid work experience, and the AFDC Homemaker Health Aid Demonstration (1983-1986) included up to 1 year of subsidized employment. Bloom, D. (2010, February). *Transitional jobs: Background, program models, and evaluation evidence*. New York: MDRC. (Table 1).

requirement added to the already substantial burden of determining participant eligibility and created confusion among neighborhood residents and other stakeholders about who could participate in JobStart. Use of 2016 Fund resources was limited to the JobStart CCAs without prior approval from contributors, and the 2016 Fund staff reported that they made accommodations in the two cases in which grantees reported difficulties recruiting from the JobStart CCAs.

3. **Contemporaneous operation of JobStart and PITW appears to have impeded placement of JobStart participants.** First, participants and employers at some grantees that operated both programs appear to have confused JobStart and PITW. This may have caused some participants and employers to believe that JobStart, like PITW, would be extended after September 30, 2010, and consequently, discouraged participants from searching for employment and employers from hiring JobStart participants into unsubsidized positions. Second, several project directors reported that PITW created competition for employers, absorbing worksites at which JobStart participants might have been placed.
4. **JobStart relied heavily on relatively small for-profit and nonprofit employers to provide transitional jobs.** While these types of employers tended to accommodate participants with barriers to employment and offer participants individual attention more readily than large for-profit employers, they were less likely to hire participants permanently after subsidized employment as a result of their relatively small budgets and few job slots. Among respondents to the Employer Survey, 60.0 percent reported that they were not financially able to retain all the JobStart participants they wanted to hire. Several project directors indicated that relatively small nonprofit employers they used for JobStart lacked resources to hire participants. Several project directors also said their agencies tried to recruit large for-profit employers, but that they were unable to obtain approval through the companies' bureaucracies in time.

"I think it's a very beneficial program to the employer and the worker. It was very hard to see [the participants] go. I just wish we had the capacity to keep two of the three we were given."  
*JobStart Employer*
5. **Absence of funding for job placement and retention after the transitional jobs ended appears to have impeded unsubsidized placement.** Some TJ programs continue to help participants find unsubsidized jobs after their transitional jobs end; however, spending on placement and retention services would not be reimbursed by the TANF EF after September 30, and JobStart did not include funding for these services. The JobStart program design directed grantees to begin connecting participants with services before the transitional job but could not require them to provide services after September 30.
6. **Economic conditions may have impeded placement of JobStart participants into unsubsidized jobs.** Unemployment rates for Chicago and for African Americans with a high-school diploma or less education across the United States were at historic highs in 2010. These facts suggest that populations with the personal characteristics of JobStart participants were still facing pronounced difficulty finding employment.
7. **Finally, placement data from program records likely under-represent the percentage of adult participants who found employment after JobStart ended.** Placement rates reported by

employment programs generally under-represent actual placement rates. As noted previously, these records likely under-represent the number of participants who found employment for two reasons. First, some participants may have found unsubsidized employment before JobStart ended but may not have notified their JobStart agency. The placement status of 18.3 percent of adult participants was unknown at the time JobStart ended and some of these participants may have found unsubsidized jobs. Second, some participants may have found unsubsidized employment some time after the program ended.

## Transitional Jobs in a Recovery Context

Considering the successes and challenges of JobStart, six overall lessons about the possibilities and limitations of subsidized employment and TJ programs emerge about the implementation and potential value of transitional jobs programs:

**The substantial amount of income earned by JobStart participants and the expected economic activity associated with that income suggests that subsidized employment may be a promising response to economic downturns.** The average adult participant reported household income of \$609 per month (including public benefits) upon entering the program; on average, he or she earned \$1,361 per month during the program, over twice his or her average household income. The majority of Participant Survey respondents indicated that this income was important and that they would not have earned income in the absence of JobStart: 77.2 percent somewhat agreed or strongly agreed that JobStart allowed them to support their families or pay their bills when they might not otherwise have been able to do so, and 62.8 percent somewhat agreed or strongly agreed that they would have been unemployed without JobStart. Assuming that participants spent 70 percent of income earned through JobStart in the retail sector of Cook County, JobStart participant wages associated with a \$5.1 million increase in demand for goods and services, a \$1.2 million increase in household earnings, and an increase in employment of 44 jobs across Cook County.

**The number of youth served by JobStart and the percentage of youth who returned to school after the program ended suggest that subsidized employment may be an effective means of engaging disadvantaged youth.** Summer employment may fulfill critical needs for youth in low-income neighborhoods: it may foster soft skills and early attachment to the labor market, provide safe space from gang activity and violence, and help youth successfully transition back to school. The recession beginning in 2007 was associated with a dramatic decline in the youth labor market. Teenage employment declined from 45 percent in summer 2000 to 25 percent in summer 2011.<sup>123</sup> Despite this weak labor market, JobStart engaged 488 youth who worked in transitional jobs. The average youth participant worked 184 hours for 6.9 weeks, or 27 hours per week. After the program ended, 91.8 percent of youth who worked in a transitional job returned to school, entered another jobs program, or entered unsubsidized employment.

**Subsidized employment may be an effective means of engaging low-income, noncustodial males.** Poor educational attainment, unstable work history, and incarceration limit the ability of many noncustodial fathers to pay child support, and noncustodial fathers are often outside of social service and workforce development systems that might help them to overcome these barriers.<sup>124</sup>

<sup>123</sup> Austin, A. (2011 July). *Get teens back to work: why the federal government must invest now in teen jobs*. Retrieved August 23, 2011 from <http://www.spotlightonpoverty.org/ExclusiveCommentary.aspx?id=0418662d-948b-4047-8e1c-5f093e5709b9>

<sup>124</sup> Martinson, K., Trutko, J., & Strong, D. (2000 December). *Serving noncustodial parents: A descriptive study of welfare-to-work programs*. Washington, DC: Urban Institute. (p. 3-5)

Even prior programs emphasizing services to help noncustodial parents gain employment have found it very difficult to recruit participants from this population.<sup>125</sup> Nearly one third of JobStart adult program participants were male and nearly half of these (48.2 percent) reported that they were noncustodial parents. This suggests that subsidized employment may be a promising avenue for engaging low-income and non-custodial male parents.

**Initially, the newness of many stakeholders to using TANF funding for subsidized employment may have impeded use of TANF EF funding for JobStart.** At the federal, state, and local levels, important JobStart stakeholders were new to the use of TANF funding for subsidized employment. At the federal level, new leadership at HHS may have contributed to delays in issuing guidance to the states on the use of TANF EF funding. At the state level, the IDHS administration that applied for TANF EF funding was appointed in October 2009, less than a year before the deadline for spending TANF EF funding. The 2016 Fund had never used federal funding before and was challenged by its substantial reporting requirements. While subsidized employment had been an allowable use of TANF funding since 1996, the newness of stakeholders at every level may have contributed to a situation in which many important stakeholders lacked “institutional memory” about the use of this funding. In Illinois, this delayed the state’s application for TANF EF funding, leading to a short timeframe between approval of the state’s application and the deadline for spending this funding.

**In Chicago, longstanding cooperation among a group of philanthropic funders, nonprofit organizations, and public agencies facilitated implementation of JobStart within a short timeframe.** Despite the short timeframe, the preexisting relationship among the funders, nonprofit organizations, and public workforce system enabled these stakeholders to rapidly plan and administer JobStart. The robust network of Chicago-area workforce providers with experience operating subsidized and transitional employment programs offered ready-to-use capacity to implement the program. Importantly, the fiscal environment prevented the State of Illinois from planning and administering a large subsidized employment program directly. In this environment, hiring the personnel needed to plan and administer PITW and JobStart would have proven fiscally challenging and politically infeasible for the state. The existence of nongovernmental stakeholders with preexisting relationships and workforce experience enabled Illinois to implement JobStart without adding to the state administrative bureaucracy.

**Given institutional leadership, experienced providers, and adequate funding, a beneficial TJ program can be implemented within a short timeframe.** Within 7 months of receiving approval for TANF EF funding, a group of philanthropic funders, nonprofit organizations, and public agencies designed and implemented a program that placed 1,518 participants into transitional jobs. The average JobStart participant worked 80.3 percent of weeks available in the program and earned a substantial amount of income relative to his or her household income on program entry. These data suggest that state and local governments with capable leadership organizations and workforce providers can rapidly implement beneficial TJ programs.

## Recommendations

The following recommendations for future subsidized employment and TJ programs reflect aspects of the JobStart program that grantees found effective, aspects of the program that grantees found challenging, and practices that might have helped the 2016 Fund and its grantees implement and

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<sup>125</sup> Trutko, John et al. (1999 July). *Early implementation of the Welfare-to-Work grants program*. Washington, DC: The Urban Institute. (p. 20).

administer JobStart more successfully. Some recommendations apply to subsidized employment and TJ programs in any context; others pertain specifically to an economic-recovery context, in which time to plan and implement programs may be in short supply. Government agencies that fund subsidized employment and TJ programs, program administrators, and program providers should consider implementing these recommendations.

### For government agencies:

**Issue and communicate about rules and guidelines for use of program funding in advance of the program start date.** Subsidized employment programs involve substantial spending on participant wages; in the case of TJ programs, they also involve spending on job readiness training, supportive services, and job placement and retention. Using federal funding to cover these costs, the 2016 Fund and its grantees had to track participant eligibility and spending in detail in order to avoid liability to the federal government for improper spending. To facilitate detailed and labor-intensive tracking involved in a federally-funded subsidized employment program, government funders should issue rules and guidelines for using program funds well in advance of the program start date. This would enable programs to thoroughly communicate rules for tracking and spending funding to staff and train staff on tracking procedures before the program begins. In the case of JobStart, relatively late execution of the CSA and continued clarification from IDHS about implementing the CSA after it was executed made administration difficult for the 2016 Fund and its grantees.

**Provide flexibility for states to design and implement programs that meet their needs.** The creation of JobStart and PITW demonstrates how the TANF EF provided states with flexibility to meet their needs using enhanced reimbursement for increased TANF spending: the TANF EF enabled Illinois to design subsidized employment programs tailored to different segments of the low-income population—ready-to-work Illinoisans in the case of PITW and Chicagoans with barriers to employment in the case of JobStart—and fund the combination of subsidized wages and supportive services called for in each program. Several JobStart project directors valued the flexibility of TANF EF funding provided through JobStart and reported that it allowed them to fund a wide variety of supportive services.

### For program administrators:

**Ensure that program design and resource allocation reflect intended goals.** Some TJ programs continue to help participants find unsubsidized jobs after their transitional jobs end. Additionally, research suggests offering retention services to program participants who find an unsubsidized job improves their employment outcomes. While JobStart was intended to place participants into unsubsidized employment and help them succeed in the labor market, it did not include funding for job search assistance and retention services after September 30, 2010. The program design and available resources did not entirely reflect its goals.

**Assess the capacity of prospective providers to implement the program.** Most JobStart grantees were operating other ARRA-funded employment programs contemporaneously with JobStart: seven grantees were operating PITW programs and two of these agencies were also operating JobStart and PITW programs for the Chicago Housing Authority. Additionally, some grantees were operating ARRA-funded employment programs for youth. In some cases, the demands that multiple programs placed on grantees may have affected their ability to operate

JobStart programs. To thoroughly assess the capacity of prospective providers to implement a subsidized employment or TJ program, program administrators should require them to list other subsidized employment and TJ programs they will be operating in their applications, and to describe any interaction between the prospective program and the other programs. Additionally, programs should include a staffing plan as a requirement that shows the number of staff who will be working on the program, the number of hours each staff person will devote to the program, and whether the staff will be new or are already in place.

**Include provisions for third-party process evaluation.** The JobStart implementation experience suggests that observation and input from a party outside the implementing organization would have been beneficial. Feedback from a third party might have helped improve some aspects of the program while it was operating. Third-party process evaluation may prove especially valuable in an economic-recovery context, in which program administrators and providers have little time to expend program funding, learn from mistakes, and make “mid-course corrections.”

**Establish clear and detailed requirements for data reporting before the program begins.** JobStart required grantees to record basic outcome measures, such as number of participants who completed job readiness training, number of participants placed in transitional jobs, number of participants placed into unsubsidized employment, and reasons participants exited the program. However, the program rules did not provide standard definitions for all data elements required, resulting in different providers recording similar outcomes differently. Additionally grantee staff had to retroactively record some data that would typically be recorded at enrollment. Future subsidized employment and TJ programs should establish clear and detailed requirements for data reporting well before they begin enrolling participants. Programs might also incentivize complete and accurate data reporting.

**Employ a user-friendly web-based database to record and transmit participant outcome and payment-related data.** The experience of JobStart grantees with vouchering for payroll expenses and placement fees shows that the tasks associated with recording participant progress through a TJ program and conveying this information to a funder for reimbursement can be complicated and frustrating. A user-friendly, secure, web-based database that allows program staff to enter participant benchmarks and payroll data and allows a program funder to access this information electronically would reduce program staff time spent on data reporting and vouchering, allowing staff to concentrate on other aspects of the program.

### **For program design:**

These recommendations reflect aspects of the JobStart program or other practices that grantees described as effective, and practices that grantees reported would have helped them to overcome challenges they experienced during JobStart. They should be considered for inclusion in future subsidized employment and TJ programs and, to the extent that program design and data collection resources allow, evaluated for their impacts on participant earnings and employment.

### ***Eligibility Determination***

**Streamline eligibility determination:** Some grantees found it difficult to meet “up-front” requirements for eligibility documentation, especially for noncustodial parents and



youth. Subsidized employment and TJ programs should reduce the number of documents necessary to demonstrate eligibility and implement systems to ease document sharing. Programs may use participation in other programs for low-income people, such as SNAP or Medicaid, to establish eligibility; allow applicants to self-attest to certain eligibility criteria and provide documentation after they enter the program; and use electronic systems to transmit documents when necessary.

### *Assessment*

**Include assessment of participant aptitudes and career interests:** Assessment of participant aptitudes and career interests may help program staff provide job coaching more effectively, improve transitional job matches, and engage participants in planning for a career after their transitional jobs end.

### *Job Readiness Training*

**Provide ongoing job readiness training during the transitional job:** Following initial job readiness training preceding the transitional job, schedule one full or partial day of job readiness training each week. Training days could include reinforcement of soft skills and job search skills training from the initial training period, presentations by employer representatives and program graduates, and opportunities for participants to ask questions and discuss challenges at work.

**Provide payment or other incentives for job readiness training:** Effective job readiness training requires participants to devote substantial time and effort to learning to prepare for transitional jobs. Payment for job readiness training may incentivize attendance, reduce retention problems during job readiness training, and reinforce the association between work and wage earning.

**Feature employer representatives and program graduates in job readiness training:** Invite supervisors and managers from local employers and former program participants who have successfully transitioned into unsubsidized employment to talk with current participants about the soft skills and attitudes toward work needed to succeed in a regular job. Employer representatives and program graduates may offer compelling narratives needed to counter inappropriate attitudes and unrealistic expectations about work.

### *Subsidized Employment*

**Ensure that employers understand the TJ program model:** Select employers who view the TJ program as a source of potential permanent employees and as a means to train these employees at no cost. Provide participating employers with guidance on supporting participants while maintaining an authentic work environment.

**Include an employer memorandum of agreement (MOA) that defines employer and program responsibilities and establishes a beneficial framework for employers.** An MOA that sets forth employers' responsibility to provide participants with meaningful work, supervision, and opportunities for skill development can help ensure that employers understand the TJ program model. The MOA can also make the program



more attractive to employers by describing the program’s responsibility to provide job readiness training, job coaching, and supportive services and to help resolve worksite problems.

**Use a variety of employers to accommodate participants:** A diverse set of employers may help TJ programs accommodate participants with different work readiness, career interests and skill levels. Large for-profit employers may offer the best fit for participants with more advanced hard and soft skills, while small for-profit or nonprofit employers may offer the individualized attention and support needed by more severely disadvantaged participants. A set of employers from different industries may help a TJ program maintain participant interest and motivation by enabling the program to match participants with jobs that fit their vocational interests. Programs that hope to use large for-profit employers should budget extra time for recruiting these employers and navigating their bureaucracies.

**Select employers who are open to permanently hiring participants with a criminal record:** TJ programs may help “sell” such participants to employers who are cautious about hiring ex-offenders by emphasizing soft skills attained, successful TJ work experience, and other supports that they provide. They may also help sell ex-offenders by helping employers access the U.S Department of Labor Bonds for Jobs program, which insures against certain damages caused by ex-offenders, and the Work Opportunity Tax Credit, which provides a tax credit for hiring an ex-offender within one year after conviction or release from prison.

**Provide instruction and incentives that help employers support participants:** Active support from employers may help participants acquire soft skills and appropriate attitudes toward work through a transitional job. Important forms of employer support include informal training or guidance from frontline supervisors, assigning a more experienced coworker to serve as a peer mentor or coach, or modifying regular disciplinary procedures to enable participants with little work experience to recover and learn from mistakes.<sup>126</sup> While important for participants, these supports may absorb employer staff time and resources and, in the case of modifying disciplinary procedures, elicit a negative reaction from regular employees. Technical and financial assistance from TJ programs may be necessary to help employers provide these supports.

### *Academic or Hard Skills Training*

**Use subsidized employment to incentivize acquisition of educational credentials and cross-cutting hard skills:** The subsidized employment component of a TJ program could be used as an incentive for participants to complete coursework for a high school degree or GED or to engage in cross-cutting or vocational skills training. For participants who lack basic quantitative, computer, and clerical and administrative skills, training in these areas could improve their attractiveness to employers and help them find unsubsidized employment. Earning a meaningful academic credential or marketable hard skill would likely require substantial time outside the transitional job and would

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<sup>126</sup> Warland, C. (2011). *Ensuring that the transitional job is a developmental experience*. Chicago: National Transitional Jobs Network. (p. 4-6).

require participants and case managers to balance the training component of the program with the transitional job and ongoing job readiness training.

### *Case Management*

**Provide group sessions:** Group sessions may offer participants an important source of support, encouragement, and accountability for achieving their employability goals and help program staff obtain information about participants that they would not be able to obtain from one-on-one sessions.

### *Supportive Services*

**Provide participants with transportation assistance, help arranging childcare, and mobile phone service:** The Chicago Transit Authority passes and childcare referrals through Illinois Action for Children appear to have enabled participants with most JobStart grantees to overcome unmet needs for transportation and childcare. Future TJ programs should continue to provide these or similar supportive services, and should provide or help participants who lack consistent mobile phone service obtain it. Consistent phone service may help case managers maintain communication with participants and monitor their progress.

### *Job Placement and Retention*

**Provide and fund job placement and retention services:** Extending job placement and supportive services for a defined period after transitional jobs end may help former participants still searching for an unsubsidized job find one, and help ensure that those who found an unsubsidized job retain it permanently. Research suggests that the duration and intensity of retention services is positively related to employment outcomes.<sup>127</sup>

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<sup>127</sup> Clymer, C., Roder, A., & Roberts, B. (2005 September). *Promoting opportunity: Findings from the State Workforce Policy Initiative on employment retention and advancement*. Philadelphia: Public/Private Ventures. (p. 21).

## Next Steps for the Evaluation

This report relied on program records, surveys, and interviews to investigate JobStart implementation and job placement, employability, and economic stimulus outcomes. While these sources provide a general picture of overall program outcomes, they represent relatively incomplete sources for assessing employment outcomes and provide no data on the employment and earnings of participants after JobStart ended.

The *impact* of a program is the difference between the average outcome for individuals who participated in the program and the *estimated* average outcome for the same individuals if they had *not* participated in the program. For example, if average employment among participants was 10 percent before a program and 50 percent after a program, the *outcome* of the program would be a 40 percent increase in employment; if evaluators estimated that employment would have increased from 10 percent to 20 in the *absence* of the program, then the *impact* of the program would be a 30 percent increase in employment (50 percent minus 20 percent). JobStart was intended to place participants into unsubsidized employment and may have increased earnings and reduced receipt of means-tested public benefits as a result. Changes in these participant characteristics represent important program outcomes, and the Social IMPACT Research Center hopes to estimate JobStart's impact in these areas.

The Social IMPACT Research Center plans to use records from Illinois' Unemployment Insurance system and other public programs to investigate the employment and earnings outcomes of participants, and to estimate the impact of JobStart on their employment, earnings, and public benefits receipt. Additionally, IMPACT will use these records to compare outcomes and impacts of JobStart to those of PITW.

A request has been submitted for data on the employment and earnings of JobStart and PITW participants from the Illinois Department of Commerce and Economic Opportunity (DCEO), and data on the receipt of TANF, SNAP, medical assistance, and LIHEAP benefits from the Illinois Department of Human Services, the Illinois Department of Healthcare and Family Services, and DCEO. To obtain a sufficient "baseline" of participant characteristics before JobStart and to estimate changes in program impacts over the two years after JobStart ended, the request covered data from the beginning of 2006 to the end of 2012. The Social IMPACT Research Center plans to use these data to identify the association between outcomes and participation in JobStart or PITW and assign impacts on employment, earnings, and public benefits receipt to each program. This will allow for a more rigorous investigation of program outcomes than the data used in this report.

# Appendix A

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## Evaluation Methodology

Four primary sources were used in this evaluation report to investigate the implementation and outcomes of Chicago Neighborhood JobStart: program documents describing the design and funding of JobStart; program records, including participant tracking logs, eligibility documents, and wage and placement fee vouchers; surveys of participants, employers, grantee project directors, and grantee staff; and interviews with project directors and representatives of the key organizations that planned, implemented, and funded JobStart. To estimate economic activity associated with spending of earned by JobStart participants, the evaluation used wages paid to JobStart participant drawn from program records and economic multipliers from the U.S. Department of Commerce, Bureau of Economic Analysis.

### Program Documents

To understand the JobStart program design, two program documents were reviewed: the community services agreement (CSA) between the IDHS and the 2016 Fund that set forth the conditions under which the 2016 would receive TANF EF funding for JobStart, and the JobStart Procedural Manual developed by the 2016 Fund. The CSA established the essential services that JobStart grantees were required to provide and enabled the 2016 Fund to contract with grantees to recruit participants and employers and provide services. The Procedural Manual described the required services in greater detail. The CSA and the JobStart Procedural Manual were incorporated into grant agreements between the 2016 Fund and each grantee. The explanation of the JobStart program design in this report relies primarily on these documents.

### Program Records

Four types of program records were used for the evaluation. Data from these records were used to investigate the personal characteristics of JobStart participants and to determine wages, hours, and weeks worked in transitional jobs.

#### Participant Tracking Log

Grantees were required to record information about each participant's personal characteristics and achievement of program benchmarks on a participant tracking log, an Excel spreadsheet developed by the 2016 Fund.<sup>128</sup> This information included residential address, Chicago Community Area of residence, gender, age, race, ethnicity, transitional job employer, worksite address, and post-program status (i.e., unsubsidized employment, education or training, unsubsidized employment and education or training, another jobs program, unemployed, or unknown). From the 2016 Fund, IMPACT obtained tracking logs submitted by each grantee for the entire program period. Tracking log data were available for 1,608 participants, although not all data elements were available for each participant. These data were used to investigate the personal characteristics and to map the residential addresses of participants, to count the number of transitional job employers, and to describe placement outcomes following the transitional job.

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<sup>128</sup> 2016 Fund for Chicago Neighborhoods (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 25).

Grantees were also required to record whether each participant completed the transitional job (i.e., worked until September 30, 2010), withdrew from the transitional job, or was terminated by the grantee, and to indicate the reason for program exit if the participant withdrew or was terminated. However, IMPACT found that reasons for program exit were not recorded consistently across grantees. Consequently, IMPACT did not report on the percentage of participants who completed, withdrew from, or were terminated from the transitional job as recorded on the tracking log, instead using wage voucher data to compare average weeks in the transitional job to average weeks available given participant start dates to gauge how successfully participants retained their transitional jobs.

### **Eligibility Checklist**

For each participant, grantees were required to complete an eligibility checklist showing information needed to determine each participant's eligibility for JobStart (e.g., identity, household composition, household income, eligibility to work in the United States).<sup>129</sup> The completed checklist and copies of documents needed to verify information shown on the checklist (e.g., driver's license, public benefits records) were submitted to the 2016 Fund, reviewed by 2016 Fund staff to verify the participant's eligibility, and stored in the 2016 Fund's participant files. IMPACT reviewed all eligibility checklists available in the participant files and recorded household composition, household income, and whether there was an additional earner in the household. Data were available for 1,596 participants, although not all data elements were available for all participants. These data were used to investigate the personal characteristics of participants.

### **Wage Vouchers**

Grantees were required to record hours worked by participants on a wage voucher, in the form of an Excel spreadsheet provided by the 2016 Fund, and to submit wage vouchers to the 2016 Fund in order to claim reimbursement for the cost of payroll expenses.<sup>130</sup> Information on wage vouchers included the start and end dates of wage payments for each participant, hours worked and wages vouchered for by grantees, and FICA and Workers' Compensation payments vouchered for by grantees. From the 2016 Fund, IMPACT obtained wage vouchers submitted by each grantee for the entire program period. Wage voucher data were available for 1,525 participants, although not all data elements were available for all participants. This information was used to determine wages paid, hours worked, and weeks worked in transitional jobs, and to estimate total economic activity across Cook County that was associated with JobStart (see Economic Activity below). Number of weeks worked was calculated by finding the number of days between a participant's start date and end date on the wage voucher.

### **Placement Fee Voucher**

Grantees were required to record program benchmarks that participants achieved on a placement fee voucher, an Excel spreadsheet provided by the 2016 Fund, and to submit placement fee vouchers to the 2016 Fund in order to claim reimbursement for the cost of services provided to participants.<sup>131</sup> From the 2016 Fund, IMPACT obtained placement fee vouchers submitted by each

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<sup>129</sup> 2016 Fund for Chicago Neighborhoods (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 9).

<sup>130</sup> 2016 Fund for Chicago Neighborhoods (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 27-28).

<sup>131</sup> 2016 Fund for Chicago Neighborhoods (Chicago Neighborhood JobStart Procedural Manual, May 25, 2010, p. 28).

grantee for the entire program period. Placement fee voucher data were available for 1,592 participants, although not all data elements were available for all participants. The number of participants that grantees claimed completed job readiness training as recorded on the placement fee vouchers was used to calculate participants who worked in a transitional job as a percentage of all participants who completed job readiness training, worked one or more hours in a transitional job, or both.

Data from the participant tracking logs, eligibility checklists, wage vouchers, and placement fee vouchers were merged using a unique identification number based on each participant's Social Security number. For most analyses, data were used from only those participants who had worked at least one hour in a transitional job according to the wage vouchers.

## Surveys

Surveys were sent to JobStart participants, employers, grantee project directors, and grantee staff. These surveys asked questions about the characteristics of participants, employers, and grantee agencies that participated in JobStart, program implementation, program outcomes, and satisfaction with select aspects of JobStart.

### Participant Survey

The Participant Survey was sent to 1,757 individuals whose names and mailing addresses or email addresses were provided by the 2016 Fund.<sup>132</sup> It consisted of 36 questions about personal characteristics and barriers to employment, characteristics of the transitional job, activities after the program ended, and satisfaction with the program. Surveys were sent by mail and email on October 19, 2010, and resent by mail to all participants who had not already responded after 1 month. Additionally, IMPACT staff followed up with non-respondents by phone and email to encourage them to complete the survey.

IMPACT ended Participant Survey collection on April 16, 2011, and Participant Survey data presented in this report reflects only those surveys received by that date. IMPACT received 238 useable responses, although not all survey questions were answered by all respondents. Factors that presented challenges to survey collection include: difficulty maintaining communication with individuals in a low-income population who often change phone numbers and addresses and who may lack consistent email access; a high proportion of bad phone numbers; release of surveys after JobStart ended on September 30, 2010; and release of surveys close to the holidays.

The following table compares the number of participants from each grantee who worked in a transitional job as a percentage of all participants who worked in a transitional job, and the number of useable participant surveys by grantee as a percentage of all participant surveys received. Overall, the percentage of transitional job participants from each grantee is comparable to the percentage of surveys received by grantee, suggesting that Participant Survey respondents are broadly representative of the participant population.

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<sup>132</sup> This number exceeds the 1,618 participants who completed job readiness training, worked at least 1 hour in a transitional job, or both according to program records. Individuals who made contact with grantees and provided their contact information but did not complete job readiness training may account for the difference.

**Appendix A Table 1: Number of Participants Who Worked in a Transitional Job and Number of Useable Participant Surveys by Grantee**

Grantee	Adults				Youth				All			
	TJ		Survey		TJ		Survey		TJ		Survey	
Alternative Schools Network					77	15.8%	10	15.6%	77	5.1%	10	4.2%
Association House of Chicago	44	4.3%	6	3.4%					44	2.9%	6	2.5%
Centers for New Horizons	52	5.0%	12	6.9%					52	3.4%	12	5.0%
Central States SER	179	17.4%	30	17.2%					179	11.8%	30	12.6%
Chicago Housing Authority	303	29.4%	45	25.9%	235	48.2%	24	37.5%	538	35.4%	69	29.0%
Heartland Human Care Services	94	9.1%	15	8.6%					94	6.2%	15	6.3%
Inspiration Corporation	23	2.2%	5	2.9%					23	1.5%	5	2.1%
National Able Network	131	12.7%	25	14.4%					131	8.6%	25	10.5%
OAI, Inc.	30	2.9%	5	2.9%					30	2.0%	5	2.1%
Phalanx Family Services	149	14.5%	25	14.4%	45	9.2%	6	9.4%	194	12.8%	31	13.0%
Safer Foundation	25	2.4%	6	3.4%					25	1.6%	6	2.5%
Westside Health Authority					131	26.8%	24	37.5%	131	8.6%	24	10.1%
All grantees	1,030	100.0%	174	100.0%	488	100.0%	64	100.0%	1,518	100.0%	238	100.0%

Responses from the Participant Survey were merged with data from participant tracking logs and wage vouchers. Only those survey responses from participants who had worked at least one hour in a transitional job according to wage voucher records were included in analyses of survey data.

### Employer Survey

The Employer Survey was sent to the 268 employers who participated in JobStart. It consisted of 35 questions about the characteristics of employers involved in JobStart and reasons why employers became involved with the program, employer assessments of participant progress, effects of the program on business financial health, and employer satisfaction with the program. The Employer Survey was sent to contact people listed on worksite tracking logs completed by each grantee and provided to IMPACT by the 2016 Fund. Contact people were asked to complete the survey if they were knowledgeable about the activities of JobStart workers and the impact of JobStart on their businesses. If they were not knowledgeable about JobStart, they were asked to forward the survey to someone else at their business who would be better equipped to complete it. The Employer Survey was sent by email on December 6, 2010, and resent by mail to all employers who had not already responded after 1 month. Additionally, IMPACT staff followed up with non-respondents by phone and email to encourage them to complete the survey.

IMPACT ended Employer Survey collection on April 16, 2011, and Employer Survey data presented in this report reflects only those surveys received by that date. IMPACT received 77 useable responses, although not all survey questions were answered by all respondents. As with the Participant Surveys, factors that presented challenges to survey collection include release of the employer surveys after the program ended and the survey being sent close to the holidays.

Responses from the Employer Survey were merged with data on hours worked in transitional jobs. Only those survey responses from employers who employed at least one participant for at least one hour in a transitional job according to wage voucher records were included in analyses of survey data.



## Project Director Survey

The Project Director survey was sent to grantee project directors on December 15, 2010. It consisted of 69 questions about program implementation, the effect of JobStart on grantees, and grantees' experience with the 2016 Fund. Complete surveys were received from all project directors, although not all survey questions were answered by each respondent. One grantee submitted separate surveys for its adult and youth programs.

## Grantee Staff Survey

The Grantee Staff Survey was sent to project directors at each of the 13 grantees. Project directors were asked to forward the survey to all staff who worked directly with JobStart participants or employers. Based on the number of staff people who project directors reported had worked on JobStart (including those hired for the program and those laid off after the program ended), 103 staff people eligible to complete the survey were still employed at grantee agencies at the time surveys were sent. Surveys were sent by email on January 4, 2011. IMPACT staff followed up periodically with project directors to ask that they encourage staff to complete the survey.

The Grantee Staff Survey consisted of 60 questions about participant characteristics and implementation of each agency's JobStart programs. The survey asked grantee staff to identify which areas of program implementation they worked on: recruiting participants; assessing participants using formal tests, interviews, or other methods; providing or helping participants to access job readiness training or other training; recruiting and enrolling employers; placing participants in transitional jobs; providing participants with case management; worksite visits and communicating with employers during the transitional job; providing or helping participants to access support services during their transitional jobs; and helping participants to find, gain, and prepare for unsubsidized employment. Based on the areas of program implementation identified, staff people were presented with questions specific to those parts of the program.

Survey collection ended on March 31, 2011, and Grantee Staff Survey data presented in this report reflects only those surveys received by that date. IMPACT received 80 useable responses, although not all survey questions were answered by all respondents. The following table shows the number of staff who responded to the survey by implementation area.

**Appendix A Table 2: Grantee Staff People by Area**

Program implementation area	Staff people	
Recruiting participants	54	67.5%
Providing or helping participants to access job readiness training or other training	51	63.8%
Providing participants with case management	49	61.3%
Assessing participants using formal tests, interviews, or other methods	48	60.0%
Providing or helping participants to access support services	47	58.8%
Worksite visits and communicating with employers during the transitional job	45	56.3%
Recruiting and enrolling employers	39	48.8%
Placing participants in transitional jobs	39	48.8%
Helping participants to find, gain, and prepare for unsubsidized employment	36	45.0%
Not reported	10	12.5%
Total responses	80	100.0%

## Interviews

To understand the national and local circumstances which motivated the creation of JobStart and shaped its design and implementation, 2016 Fund program officers who worked on JobStart administration were interviewed. Initial interviews were carried out in fall 2010, and IMPACT continued to communicate with 2016 Fund program officers throughout the evaluation. Representatives of the following organizations were also interviewed: Illinois Department of Human Services, the Chicago Jobs Council, the Chicago Workforce Investment Council, and three of the philanthropic funders that contributed private funding to JobStart. These interviews were carried out in April and May 2011.

To gain an in-depth understanding of each grantee's experience implementing JobStart and to clarify responses to the Project Director survey, project directors from each of the 12 grantees were interviewed. Project director interviews were carried out between December 2010 and April 2011.

## Economic Activity Analysis

Economic activity across Cook County associated with JobStart was estimated using economic multipliers created by the U.S. Department of Commerce, Bureau of Economic Analysis using its Regional Input-Output Modeling System (RIMS II). Multipliers are defined for specific geographies, such as individual counties, groups of contiguous counties, and states, and for industrial sectors within geographies, such as construction, health services, and retail trade. They express the relationship between increased demand for goods and services in one sector within a geography and increased economic activity (i.e., demand, household income, and employment) across all sectors within that geography.

Multipliers for retail trade in Cook County were used to estimate economic activity associated with spending of income earned by JobStart participants. The retail trade sector encompasses many of the business establishments at which participants might have spent their income. These include motor vehicle and parts dealers, furniture and home furnishings stores, electronics and appliance stores, building material and garden equipment and supplies dealers, food and beverage stores, health and personal care stores, gasoline stations, clothing and clothing accessories stores, sporting goods, hobby, book, and music stores, general merchandise stores, miscellaneous store retailers, and nonstore retailers (i.e., retailers that sell through infomercials, catalogs, door-to-door solicitation, portable stalls, and distribution vending machines).<sup>133</sup>

Three types of RIMS II multipliers for retail trade in Cook County were used:

- **Output multiplier:** An output multiplier expresses the relationship between increased demand in one sector of the economy and increased demand across all sectors of the economy. It can be used to translate increased sales in one sector into increased sales across all sectors. Increased sales across all sectors are composed of two quantities: the initial spending that sets in motion other spending across the economy and the subsequent spending needed to support the initial spending (e.g., subsequent spending may include spending by businesses to replace inventories depleted as consumers bought goods in the initial round of spending).

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<sup>133</sup> U.S. Department of Labor, Bureau of Labor Statistics. Retail Trade: NAICS 44-45. Retrieved June 28, 2011 from <http://www.bls.gov/iag/tgs/iag44-45.htm>

- Income multiplier: An income multiplier expresses the relationship between increased demand in one sector of the economy and increased income received by households across all sectors. It can be used to translate increased sales in one sector into increased income received by households.
- Employment multiplier: An employment multiplier expresses the relationship between increased demand in one sector of the economy and increased employment across all sectors. It can be used to translate increased sales in one sector into increased employment across all sectors.

All multipliers used were Type II multipliers, meaning that they count demand for goods and services on the part of households as contributing to demand in other sectors, rather than as ends in the “chain” of economic activity initiated by initial spending.

Lower-income individuals and families have a higher propensity to spend income on goods and services (as opposed to saving or investing income), and to spend income locally, than those with higher incomes.<sup>134</sup> Studies of the Earned Income Tax Credit and recent federal stimulus payments find that low-income households spent approximately 70 percent of these payments immediately after receiving them.<sup>135</sup> Accordingly, the multiplier effect of JobStart is estimated by assuming that participants spent 70 percent of income earned through the program. This represents a conservative assumption, as the definition of low-income households used in the studies are substantially higher than the household incomes of JobStart participants, suggesting that JobStart participants would spend a greater proportion of earned income to satisfy immediate needs.<sup>136</sup>

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<sup>134</sup> P. Orszag & J. Stiglitz. (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. Several studies of the consumer response to tax rebates find that low-income households spend a higher proportion of their tax rebates than the typical middle-income household. D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (p. 16).

<sup>135</sup> EITC recipients spent 70 percent of their EITC checks. Low-income households spent 76 percent of their 2001 income tax rebates and 71.5 percent of their 2008 economic stimulus payments. R. Edwards. (2003 September). *Macroeconomic implications of the Earned Income Tax Credit*. Retrieved October 27, 2011 from <http://www.demog.berkeley.edu/~redwards/Papers/edwards-eitc.pdf> (p. 16). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1603). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (Table 6).

<sup>136</sup> In 2004, the average annual income of an EITC-eligible household was \$28,599, equivalent to \$2,383 per month. The studies of spending from the 2001 income tax rebate and 2008 economic stimulus payments defined low-income households as those with annual earnings equal to or less than \$34,298 and \$32,000, equivalent to \$2,858 and \$2,667, respectively. As noted previously, average household income reported by JobStart adult program participants upon entry was only \$609 per month, equivalent to \$7,308 per year. A. Goodman-Bacon & L. McGranahan. (2008). *How do EITC recipients spend their refunds?* Chicago: Federal Reserve Bank of Chicago. (p. 21). D. Johnson, J. Parker, & N. Soueles. (2006 December). Household expenditure and the income tax rebates of 2001. *American Economic Review*, Volume 96, 1589-1610. (p. 1604). J. Parker, N. Soueles, D. Johnson, & R. McClelland. (2009 December). *Consumer spending and the economic stimulus payments of 2008*. Retrieved October 27, 2011 from [http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008\\_v7b\\_results.pdf](http://finance.wharton.upenn.edu/~soueles/research/papers/ESP2008_v7b_results.pdf) (Table 6).

# Appendix B

## Hours Worked and Wages Earned in JobStart Transitional Jobs

**Appendix B Table 1: Hours and Weeks Worked in Subsidized Employment by JobStart Participants by Chicago Community Area**

Chicago Community Area	Number of enrollees who worked			Total hours worked		
	Adults	Youth	Total	Adults	Youth	Total
Douglas	56	37	93	14,743	5,736	20,479
East Garfield Park	119	57	176	44,915	12,038	56,952
Englewood	122	45	167	38,208	8,720	46,928
Grand Boulevard	37	29	66	9,879	4,698	14,577
Kenwood	14	11	25	4,214	2,354	6,567
Lower West Side	8	8	16	3,057	1,768	4,824
Near South Side	16	0	16	3,634	0	3,634
Near West Side	178	96	274	52,154	16,424	68,577
North Lawndale	257	98	355	93,469	19,248	112,717
Oakland	30	28	58	7,898	4,035	11,932
South Lawndale	44	18	62	14,893	3,514	18,407
Washington Park	50	31	81	15,649	6,354	22,003
Woodlawn	71	18	89	19,937	3,501	23,438
Other	11	10	21	3,874	1,254	5,128
Unknown	17	2	19	2,226	112	2,338
<b>Total</b>	<b>1,030</b>	<b>488</b>	<b>1,518</b>	<b>328,747</b>	<b>89,754</b>	<b>418,500</b>

Source. Analysis of program records.

**Appendix B Table 2: Hours and Weeks Worked in Subsidized Employment by JobStart Participants by Chicago Community Area**

Chicago Community Area	Average hours worked per participant			Average number of weeks worked per participant		
	Adults	Youth	Total	Adults	Youth	Total
Douglas	263	155	220	8	6	8
East Garfield Park	377	211	324	10	7	9
Englewood	313	194	281	9	7	8
Grand Boulevard	267	162	221	8	6	7
Kenwood	301	214	263	9	6	8
Lower West Side	382	221	302	10	5	8
Near South Side	227	0	227	8	-	8
Near West Side	293	171	250	9	8	9
North Lawndale	364	196	318	10	7	9
Oakland	263	144	206	8	7	8
South Lawndale	338	195	297	10	7	9
Washington Park	313	205	272	9	8	9
Woodlawn	281	195	263	8	8	8
Other	352	125	244	10	5	8
Unknown	131	56	123	5	4	5
Total	319	184	276	9	7	8

Source. Analysis of program records.

**Appendix B Table 3: Hours and Weeks Worked in Subsidized Employment by JobStart Participants by Chicago Community Area**

Chicago Community Area	Total wages earned			Average wages per participant			Average wages per hour		
	Adults	Youth	Total	Adults	Youth	Total	Adults	Youth	Total
Douglas	\$146,459	\$47,320	\$193,779	\$2,615	\$1,279	\$2,084	\$9.93	\$8.25	\$9.46
East Garfield Park	\$435,749	\$99,311	\$535,060	\$3,662	\$1,742	\$3,040	\$9.70	\$8.25	\$9.39
Englewood	\$371,554	\$72,827	\$444,381	\$3,046	\$1,618	\$2,661	\$9.72	\$8.35	\$9.47
Grand Boulevard	\$94,923	\$39,100	\$134,023	\$2,565	\$1,348	\$2,031	\$9.61	\$8.32	\$9.19
Kenwood	\$38,577	\$19,637	\$58,214	\$2,755	\$1,785	\$2,329	\$9.16	\$8.34	\$8.86
Lower West Side	\$30,330	\$14,582	\$44,912	\$3,791	\$1,823	\$2,807	\$9.92	\$8.25	\$9.31
Near South Side	\$34,853	\$0	\$34,853	\$2,178	-	\$2,178	\$9.59	-	\$9.59
Near West Side	\$505,974	\$135,548	\$641,522	\$2,843	\$1,412	\$2,341	\$9.70	\$8.25	\$9.35
North Lawndale	\$909,055	\$158,942	\$1,067,997	\$3,537	\$1,622	\$3,008	\$9.73	\$8.26	\$9.48
Oakland	\$77,382	\$33,287	\$110,669	\$2,579	\$1,189	\$1,908	\$9.80	\$8.25	\$9.27
South Lawndale	\$146,285	\$28,991	\$175,275	\$3,325	\$1,611	\$2,827	\$9.82	\$8.25	\$9.52
Washington Park	\$150,536	\$53,161	\$203,697	\$3,011	\$1,715	\$2,515	\$9.62	\$8.37	\$9.26
Woodlawn	\$192,648	\$29,204	\$221,852	\$2,713	\$1,622	\$2,493	\$9.66	\$8.34	\$9.47
Other	\$36,619	\$10,348	\$46,966	\$3,329	\$1,035	\$2,236	\$9.45	\$8.25	\$9.16
Unknown	\$22,258	\$966	\$23,224	\$1,309	\$483	\$1,222	\$10.00	\$8.63	\$9.93
<b>Total</b>	<b>\$3,193,201</b>	<b>\$743,223</b>	<b>\$3,936,423</b>	<b>\$3,100</b>	<b>\$1,523</b>	<b>\$2,593</b>	<b>\$9.71</b>	<b>\$8.28</b>	<b>\$9.41</b>

Source. Analysis of program records.

**Appendix B Table 4: Hours and Weeks Worked in Subsidized Employment by JobStart Participants by Chicago Community Area**

Chicago Community Area	Total FICA payments			Total Workers' Compensation payments		
	Adults	Youth	Total	Adults	Youth	Total
Douglas	\$11,204	\$3,620	\$14,824	\$1,533	\$152	\$1,686
East Garfield Park	\$31,588	\$7,597	\$39,186	\$13,577	\$1,922	\$15,499
Englewood	\$28,428	\$5,574	\$34,002	\$10,443	\$269	\$10,713
Grand Boulevard	\$7,262	\$3,030	\$10,292	\$1,606	\$137	\$1,744
Kenwood	\$2,913	\$1,502	\$4,415	\$618	\$87	\$705
Lower West Side	\$2,320	\$1,116	\$3,436	\$1,165	\$65	\$1,229
Near South Side	\$2,666	\$0	\$2,666	\$306	\$0	\$306
Near West Side	\$38,317	\$10,369	\$48,687	\$8,789	\$171	\$8,960
North Lawndale	\$67,819	\$12,159	\$79,979	\$24,009	\$3,016	\$27,025
Oakland	\$5,920	\$2,546	\$8,466	\$1,269	\$35	\$1,304
South Lawndale	\$11,142	\$2,218	\$13,360	\$4,817	\$164	\$4,981
Washington Park	\$11,506	\$4,067	\$15,573	\$3,280	\$277	\$3,557
Woodlawn	\$14,628	\$2,234	\$16,862	\$3,117	\$185	\$3,303
Other	\$2,801	\$792	\$3,593	\$996	\$18	\$1,014
Unknown	\$1,703	\$74	\$1,777	\$0	\$0	\$0
<b>Total</b>	<b>\$240,219</b>	<b>\$56,898</b>	<b>\$297,117</b>	<b>\$75,527</b>	<b>\$6,499</b>	<b>\$82,026</b>

Source. Analysis of program records.





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