

Transitional Jobs and Subsidized Employment Employment Strategies Used in TANF's 30-year History

Transitional jobs (which might be paid or unpaid)¹ and subsidized employment activities (where wages are paid by a source other than the employer) offer Temporary Assistance for Needy Families (TANF) participants time-limited work experiences combined with supportive services and skill development to help them build work history, increase employability, and transition to permanent employment. These approaches received particular attention in the 2000s.²

WHY TANF TRIED THIS

- TANF participants sometimes have limited work history and other challenges that make it difficult to obtain or retain employment through traditional job search activities alone.
- Transitional jobs offer a structured way for participants to gain work experience and earn income while receiving support and coaching.

HOW IT WORKS



MATCH

Connect participants with a temporary, paid job aligned with their needs and goals.



SUPPORT

Provide coaching, case management, and help addressing barriers that could affect success at work.



BUILD

Use the placement to develop skills, work history, confidence, and employer references.



TRANSITION

Help participants move into permanent, employer-paid jobs.

WHAT WE'VE LEARNED

Subsidized jobs can quickly connect people facing employment barriers to paid work, income, and experience, but their longer-term effects vary across programs. Transitional jobs may be most relevant for people with specific challenges finding employment, and most effective when they serve as a deliberate bridge to unsubsidized work.² However, finding sustained funding for these strategies can be challenging.



Help Increase Employment and Earnings in the Near Term

Paid placements give participants immediate income, recent work experience, and a chance to build skills and references.²



Short-term Gains Don't Always Lead to Lasting Employment

Employment and earnings gains often declined after the first year, although some programs sustained gains beyond the second year.²



May Be Most Helpful for People with More Barriers to Work

Subsidized work can provide an entry point for people who have been out of work longer, have no high school diploma, or face other challenges finding work.²

To learn more about what works to help job seekers with low incomes find and keep employment, see the Administration for Children & Families' Pathways to Work Evidence Clearinghouse: <https://pathwaystowork.acf.gov/>.



EXAMPLES IN ACTION



PIVOT Program Erie County, NY

- Provides subsidized wages for TANF participants for 6 months while they receive on-the-job training with employers.³
- Combines employer incentives with participant supports.
- A 2008 practice brief noted that 85% of participants transition into permanent jobs.⁴



Colorado Works - STEP

- Combines personalized employment supports with a subsidized 6-month internship at a local employer.⁵
- A recent study found that participants' employment increased by 10 percentage points and quarterly earnings rose by an average of \$861, with gains lasting for three years after program exit.⁶

MOVING FORWARD

- **Transitional jobs and subsidized employment can provide a first step** for participants who face barriers to entering the labor market.
- However, the **available evidence does not identify one model or set of program features that consistently produces lasting effects.**
- TANF programs can continue to innovate by designing subsidized jobs as **bridges to stable work, advancement, and longer-term career pathways.**

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Sources

- ¹ Transitional jobs can be paid or unpaid; this infographic focuses on paid transitional jobs. Learn more here: https://pathwaystowork.acf.gov/sites/default/files/2022-08/PathwaysSnapshot_Subsidized-Employment-and-Transitional-Jobs_v2.pdf
- ² Cummings, D., and D. Bloom. "Can Subsidized Employment Programs Help Disadvantaged Job Seekers? A Synthesis of Findings from Evaluations of 13 Programs. OPRE Report 23, Office of Planning." Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services, Washington, DC (2020). [Link](#)
- ³ For more information, see <https://www3.erie.gov/socialservices/pivot-program>
- ⁴ Derr, Michelle K. "Providing Unpaid Work Experience Opportunities for TANF Recipients: Examples from Erie County, New York; Montana; and Hamilton County, Ohio." Retrieved on October 30 (2008): 2012. [Link](#)
- ⁵ For more information, see <https://cdhs.colorado.gov/cwstep>
- ⁶ Barham, Tania, Brian C. Cadena, and Lauren Schechter. "Supported Work Leads to Lasting Labor Market Success Among TANF Recipients." (2026). [Link](#)

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<https://peerta.acf.hhs.gov/>