WORKING POOR, NO MORE:

HOW THREE BAY AREA PROJECTS ARE MAKING SELF-SUFFICIENCY A REALITY

EXECUTIVE SUMMARY

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NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

BACKGROUND

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

The National Economic Development and Law Center, established in 1969, is a non-profit public interest law and planning organization that specializes in community economic development. It works in collaboration with community organizations, private foundations, corporations and government agencies to build the human, social, and economic capacities of low-income communities and their residents. NEDLC helps to create both strong, sustainable community institutions that can act as "change agents," and an effective local infrastructure for their support.

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INTRODUCTION

The Working Poor Project, spearheaded by the National Economic Development and Law Center (NEDLC), is part of an overall effort to build the field serving low-income workers with dependent family members ("the working poor"). In order to have a cohesive strategy in building this field, NEDLC has studied the demographics and distribution of the working poor and identified the public and private policies and practices that may assist working families to reach self-sufficiency, as well as the policies, practices and economic trends that may be causing many working families to remain in poverty. Finally, it has been necessary to look at the effectiveness of service providers to create programs that improve the skills, wages and career opportunities of the working poor. This last task is the objective of this report and it will accomplish this by using case studies to look at three successful programs.

In November 2002, The William and Flora Hewlett Foundation (Hewlett) funded the National Economic Development and Law Center to carry out a two year project aimed at building: (1) the field of service providers and (2) a greater pool of financial investment to support the working poor in career advancement and wage gains. The specific intent of this report is to learn from three successful projects funded by Hewlett through its Employment Development program.

Based on interviews with project staff, project partners (employer and training providers), project participants, and other written material and data, we analyzed each project in terms of the important steps associated with carrying out an employment development project. These steps are categorized in two phases, project planning/preparation and project implementation. For project planning/preparation, the steps are: (1) organizational capacity; (2) project planning process; and (3) building and maintaining project partnerships. For project implementation, these steps are: (1) outreach, recruitment and screening; (2) training model; (3) case management and support services; and (4) job placement and post-placement services. From this analysis, we identify the key challenges faced, what issues are particularly relevant to the working poor, which strategies were successful and which ones were not, and what are the best practices in planning and implementing a project for the working poor.

PROJECT PROFILES

Marin Jobs and Career Services' Career Plus Project
The Career Plus Project, based in Marin County, California, prepares the working poor for career advancement in office administration. Operated by *Marin Jobs and Career Services* (a partnership of Community Action Marin and Goodwill Industries), the project has been receiving funding from the Hewlett Foundation since October 1999.

Mission Hiring Hall's Construction Administration Training
The Construction Administration Training is a project based in San Francisco, California that trains the working poor for entry into the administrative career track in the construction industry. Operated by the *Mission Hiring Hall*, the construction administration project has been receiving funding from the Hewlett Foundation since August 1998 and is the oldest grantee in their Employment Development Program.

Rubicon Programs Inc.'s Nursing Assistant Project
The Nursing Assistant Project is based in West Contra Costa County, California and is focused on training certified nursing assistants (C.N.A.s) to enter high-paying jobs as acute

care C.N.A.s in local hospitals. Operated by *Rubicon Programs Inc.,* the project has been receiving funding from the Hewlett Foundation since January 2000.

PLANNING AND PREPARATION PHASE

In this section, we examine how the three projects developed the necessary organizational capacity, project planning process and partner relationships. In general, important factors in *organizational capacity* are: experience running an employment and training program, experience working with the population, and designation of appropriate staff resources. Important factors in the *project planning process* are: expertise in the target industry and conducting in-depth labor market research, including employer surveys. Important factors in *building and maintaining partner relationships* are: expertise in managing collaborations, prior experience working with project partners, identification of common or mutual interests, and constant communication.

ORGANIZATIONAL CAPACITY

In terms of *organizational capacity*, the projects all benefited significantly from their agencies' experience with employment and training programs (e.g., key relationships and resources already established, such as a training partner, recruitment process, case management, support services, etc.). In addition it was found very helpful if project staff were experienced in working with low-income populations. One of the more challenging areas for the projects was having the necessary experience and contacts with the target industry, but for at least one project that did have extensive experience and contacts, they found employer involvement to be a smooth process and were able to quickly begin project implementation. All of the projects struggled at some point with having enough staff resources to carry out the projects and with having staff with the needed expertise in employment and training or with employer relationship building. However, in the case where there was a long-term project coordinator who was given full ownership of the project and full support of management, the projects benefited significantly from these coordinators' ability to respond to challenges quickly, flexibly and with a great deal of innovation.

PROJECT PLANNING

All of the projects underwent a planning process prior to receiving their Hewlett grants, and usually continued planning activities for the first six to twelve months after that. Some had a more formal and extensive process than others. Common elements of all three planning processes were (1) identifying the target occupation/industry; (2) developing a strategy for moving participants into the target occupations; and (3) convening interested parties/key stakeholders. All of the projects were required by Hewlett to incorporate into their designs the following criteria: (i) the Hewlett definition of the target population ("working poor"); (ii) the self-sufficiency wage standard as the goal to be achieved for project participants within two years; (iii) identification of the target occupation and description of career ladder that shows how participants can obtain jobs paying self-sufficiency wages; and (iv) use of in-depth labor market research data to support the selected target occupation. In many ways these criteria drove much of the planning process for these projects.

All of the projects benefited significantly from conducting in-depth labor market research, particularly employer surveys, to determine which occupations are most in demand, what skill sets are required, what are the opportunities for self-sufficiency wages and career advancement. The surveys were also good tools for identifying potential employer partners. In developing their strategies, each of the projects smartly built upon existing services and resources, but then adapted them or added additional features to fit the target population and industry. The projects found that they needed to acquire significant knowledge about and connections to the target industry not only to develop effective strategies, but also to convene the appropriate parties.

Projects also needed employment and training expertise at the planning level to ensure that all necessary resources are accounted for to achieve its goals.

BUILDING AND MAINTAINING PARTNER RELATIONS

All of the projects involved collaboration with multiple partners, including a training provider, employers and in some cases other social service agencies. The success of the projects is directly related to the strength of their partnerships, particularly with employers and training providers. From the start, Hewlett viewed these partnerships as critical to the projects' success. Hewlett required the projects to be run by a partnership of community service providers and *at least one private sector employer.* Proposals had to identify the employer and training partners and describe each partners' roles and responsibilities. Hewlett specifically required that the employer partner(s) be involved in the project design and commit to contributing cash or significant in-kind contributions.

In developing and maintaining these partnerships, the Hewlett projects found that it was critical to learn how to: communicate constantly and effectively with partners, establish clear roles and responsibilities, and be responsive to partners' needs. Projects found that including partners in an advisory board was a great way to maintain communication and to give them input in to the project. Projects also found that with employer partners, it was particularly important to be educated on their needs and the issues that were being faced in their industries.

Additionally, the partnerships that were particularly strong were based on mutual benefit or interest (e.g., the project was a good fit with each partners' missions, or where each partner clearly had something significant to gain from the partnership.) It also helped tremendously if the partners had worked together before and if the employer or training partner had previous experience working with community nonprofits or with low-income populations.

PROJECT IMPLEMENTATION PHASE

This section explores the development, challenges and successes of each project in implementing the necessary components of an employment development project. In this section, more than the previous one, the distinct project models will be highlighted for better understanding of the various strategies and the contexts in which they work best. It is also here where comparisons can be made between traditional workforce development methods and those most effective in serving the working poor.

OUTREACH, RECRUITMENT AND SCREENING

One of the biggest initial challenges faced by the projects in conducting outreach, recruitment and screening was figuring out how to apply Hewlett's very specific definition of the working poor population. Projects found that outreach and recruitment of the working poor is intensive and time-consuming, requiring more targeted approaches (e.g. community colleges and childcare facilities). Staff needed flexible schedules to do outreach and recruitment on evenings and weekends when they were more likely to reach working parents. Projects found that establishing specific referral contacts at community organizations and schools is an effective way to pre-screen applicants on the basic criteria. One project was able to streamline its outreach, recruitment and screening efforts by utilizing a project design that recruits participants from lower-level training programs or occupations in order to train them for the next level along the career ladder. In addition, as all three projects became established, they received strong word of mouth referrals. From the perspective of participants, individual counseling by staff to address concerns about handling training along with work and family obligations can be an important element of recruitment.

All three projects provide a similar set of basic training services that are tailored to meet the specific requirements of their target occupations. All projects offer a core classroom component that covers basic and occupation-specific curriculum, and a soft-skills component covering work readiness skills. In addition, two of the projects have a formal on-the-job training component. The third project provides some informal work experience on a case-by-case basis. In addition, each project's training is short-term, ranging from eight to sixteen weeks.

It has been in the development of training services, more than any other project component, where the projects found they needed to be most flexible and innovative in order to meet the needs of working poor participants. The projects learned that it is critical to have committed, caring and accessible instructors who understand the needs of this population and have a flexible approach to training. Attendance was a challenge for many participants and projects found it works best to have a flexible training schedule and policy that accommodates the needs of working parents (e.g. scheduling classes at night and Saturdays; excusing childcare-related absences; creating flex-time class schedule). Projects also found that it helps to establish rules or incentives that reward good attendance and to put these rules in a student manual or "contract" that participants sign. Projects also found that providing additional tutoring or support from a mentoring program is important for participants having difficulty getting through classes (e.g. limited English speakers). Finally, one of the most important services that all of the projects are providing is an opportunity for participants to gain real work exposure and to apply what they are learning in a practical setting (e.g. through construction internships and clinical site training). All participants interviewed found this aspect of training to be the most enjoyable and motivating for them.

COUNSELING, CASE MANAGEMENT AND SUPPORT SERVICES

All of the projects offer case management and support services (either directly or through referrals). The case management needs faced by participants varied from childcare, housing, limited English, and domestic violence. The services identified by project staff and participants as being the most often utilized are: financial support, individual counseling and participant support groups. Of all the support services, financial support, in the form of stipends or vouchers, were the most helpful in meeting participants' needs while in training. It was also important though for projects to offer a broad range of support services because participants' needs were so varied. Projects did this most effectively by identifying available community resources and developing direct relationships with them to address participants' needs. In terms of counseling and case management, individual counseling has been a significant source of support for participants who are feeling overwhelmed by training, work and family obligations. Participants were also encouraged and motivated through peer support groups.

JOB PLACEMENT AND POST-PLACEMENT SERVICES

It is ultimately the results on placement and wage increases by which project success is judged. All three projects made significant strides for their participants here. Not all placement strategies have gone according to plan. There are many factors, particularly external economic forces, which constantly challenge the projects' abilities to meets their placement goals. Projects have learned then that successful placement is tied to understanding the needs of employers and the impact of external industry factors (e.g. changes in labor market, industry hiring practices, legal requirements). Successful placement is also tied to properly screening and preparing participants before referring them to employers (e.g. addressing childcare issues before referral). The projects found that using internships or other methods of connecting participants and employers during training can give participants a competitive edge in getting jobs with those employers.

Another good strategy was to utilize staffing agencies or other temporary employment agencies to place participants in the target occupation, particularly if participants are new to the occupation and require more experience or a gentler transition. Projects made good use of referral networks, among employers and former graduates, to find job opportunities in the target occupations. The projects were most challenged by the retention and career advancement service components. These are unrealistic for most projects that only have enough staff resources to handle initial placement.

OTHER PROJECT CONSIDERATIONS

PROJECT FUNDING

The three projects each received $100,000 per year from the Hewlett Foundation to carry out their projects (with the understanding that the projects would seek additional funding from other sources). Each of the projects report their annual operating costs to significantly exceed their Hewlett grants by 75% to 150%. The projects have all had difficulty raising additional funds.

IMPLICATIONS FOR THE WORKFORCE DEVELOPMENT SYSTEM

Based on the findings in this study, we suggest ways in which the current workforce development system can better support employment development projects to achieve success in increasing wages and providing career advancement opportunities for the working poor. We make some general recommendations for revising workforce policy, requests for proposals and other program elements that are relevant to projects serving the working poor.

Key Issues in Planning and Preparing a Project Serving the Working

1) **Budget and Fund Development**

(i) Policy Recommendations: In order for the current workforce development system to address the needs of the working poor, workforce policy must first acknowledge that the working poor are a group that needs assistance. Policy should provide administrative guidance on how to address the unique needs of this group. Specific funding should then be allocated on a multi-year basis to serve those needs. Workforce policy should also consider eliminating current funding restrictions that make it difficult to carry out important components of these projects.

(ii) Request for Proposal Recommendations: In order to successfully establish projects to serve the working poor, RFPs will need to utilize realistic per project funding amounts and budget line items. RFPs should also incorporate a detailed budget planning process that requests applicants to develop a work plan that identifies all proposed activities, identifies the separate cost of each of those activities and details how those activities will be funded. RFPs can also request that applicants provide a detailed fund development plan showing how the project costs will be funded over a two to three year period.

2) **Organizational Capacity**

(i) Policy Recommendations: Workforce policy can facilitate bringing together the needed expertise by directly encouraging workforce development projects for the working poor that incorporate all three areas of expertise. One way to achieve this is to establish funding specifically for workforce development projects run by a partnership of community service providers, employers and training institutions.

(ii) ***Request for Proposal Recommendations****:* RFPs should ask applicants to demonstrate their expertise/experience in each of the three areas.

3) Project Planning

(i) ***Policy Recommendations:*** Workforce policy aimed at helping the working poor should allocate funding specifically for project planning. Policy should also adopt planning criteria similar to the Hewlett Employment Development Program. In particular, adopting the local self-sufficiency wage standard as the target wage, and requiring the identification of target occupations and career ladders will guide the development of workforce strategies that are tightly focused on achieving specific wage increases and career advancement. An initial period of at least six months should be set aside for carrying out project planning activities.

(ii) ***Request for Proposal Recommendations:*** RFPs for programs targeting the working poor should also specify the criteria mentioned above regarding the definition of the working poor population, the self-sufficiency standard, target occupations and career ladders. In addition, RFPs should also strongly encourage applicants to conduct employer surveys as a part of their labor market research process. RFPs also need to include a requirement for projects to utilize a computer data tracking system to track the progress of participants. RFPs should identify the specific types of data to be tracked.

4) Partner Relations

(i) ***Policy Recommendations***: Workforce policy should encourage and fund partnership structures for projects serving the working poor. Particularly those partnerships that pool the resources and expertise of community service providers, training institutions and employers. Employers in particular provide essential insight and access to the target industry.

(ii) ***Request for Proposal Recommendations***: RFPs should consider requiring that projects utilize a partnership structure consisting of at least one community service provider, one training provider and one employer from the target industry. Applicants should be asked to identify all partners and detail each partner's commitment to the project and what benefits they hope to achieve from the project.

Key Issues in Implementing a Project Serving the Working Poor

1) Outreach, Recruitment and Screening

(i) ***Policy Recommendations:*** In allocating funding for projects serving the working poor, workforce policy should take into consideration the substantial effort required to do outreach, recruitment and screening of this population.

(ii) ***Request for Proposal Recommendations:*** Workforce development RFPs targeting the working poor should strongly encourage projects to utilize the targeted methods that were successful in the Hewlett projects. For project planning purposes, RFPs can also present guidelines on how much staff time and cost can be expected to carry out these activities.

2) Training Services

(i) ***Policy Recommendations***: Workforce policy should acknowledge the importance of flexibility in providing training for the working poor. In terms of funding allocation, policy should also take into consideration the possible higher cost of providing training on flexible schedules or with more class options.

(ii) ***Request for Proposal Recommendations***: Workforce development RFPs targeting the working poor should strongly encourage projects to provide training in a flexible manner to accommodate the needs and schedules of working parents. RFPs should also strongly encourage projects to provide an on-the-job or work exposure component of training, and when appropriate for the needs of the particular population, provide ESL training.

3) Counseling, Case Management and Support Services

(i) ***Policy Recommendations:*** Workforce policy should be flexible in allowing projects to provide a wide variety of financial support for working poor participants, and specifically should eliminate any restrictions on the use of financial stipends.

(ii) ***Request for Proposal Recommendations:*** Workforce development RFPs targeting the working poor should strongly encourage projects to provide necessary financial support for participants. In addition, RFPs should encourage projects to establish direct relationships with community support service providers and to build participant support groups (or mentoring programs) into their project designs.

4) Placement and Post-Placement

(i) ***Policy Recommendations:*** Workforce policy should strongly encourage the involvement of employers in projects serving the working poor in order to facilitate better understanding of the target industry and to increase the opportunities for placement in the industry. Additionally, more funding should be allocated to support retention and career advancement efforts.

(ii) ***Request for Proposal Recommendations:*** Workforce development RFPs targeting the working poor should strongly encourage projects to involve employers in designing and implementing their placement strategies. RFPs should also encourage projects to consider utilizing an internship component or some other form of connecting participants and employers during training. For project planning purposes, RFPs can present guidelines on how much staff time and cost can be expected to carry out retention and career advancement activities.

We also make recommendations for technical assistance (to be provided by funders) in the areas that were found to be most challenging for the Hewlett projects, including budget planning and fund development, labor market research, target industry expertise, and managing partnerships/collaborations. Finally, we recommend that funders budget and plan for evaluations of the project outcomes and long-term impact of their working poor programs.