

Time for a Meaningful Transitional Jobs Program within W-2

Transitional Jobs (TJ) programs represent a workforce development strategy aimed at helping those with multiple barriers to employment find and keep work. Recent research has shown that high numbers of participants in Wisconsin’s W-2 program fall into this category, and that W-2 agencies are having a hard time aiding these individuals, with many who do find work returning to the program a short time later.

Wisconsin currently has a version of a transitional jobs program on the books – the W-2 placement category “Trial Jobs” which has been rarely used. Implementing a more robust transitional jobs program in Wisconsin has been proposed in recent years, and evidence is mounting that such an approach – if designed in a way that agencies will utilize it – could have significant positive impacts on many W-2 participants.

How and Why Transitional Jobs Work

While transitional jobs programs differ in some respects, they typically contain the following elements:

- The job is time-limited;
- The employment is with a public or private employer for a wage;
- The job is 20 to 35 hours per week;
- Case management and retention services are *work-focused*;
- Includes education and training opportunities;
- Includes incentives (for both the employee and workplace peer mentors),
- Includes career pathway planning.

The advantages of this approach are numerous:

First, it would allow W-2 participants – some of whom have very little successful work history – to gain work skills and experience while still receiving ongoing case-management support in those critical first days and weeks after starting a job. Currently, W-2 participants *may* continue to receive case management services after they start working, but the reality is that it has proven difficult for W-2 agencies to maintain contact with participants once they enter work. Within TJ programs, the ongoing case management is a required component, with case managers reviewing work progress and other issues on a weekly basis, for example.

The incentives that are often offered, whether to the employee for staying on the job for a certain amount of time, and/or for other workers who agree to serve as workplace peer mentors for the W-2 participants, can also help keep the employee interested in maintaining that relationship with the W-2 agency and in working through problems that may arise at work.

Also, because the employee is earning a wage from an employer, they are eligible for the state and federal Earned Income Tax Credit. The EITC is a significant boost for low-income workers, with an average refund of about \$2,000. Those in W-2 Community Service Jobs (CSJs) receiving a monthly subsidy, by contrast, are not eligible for the EITC.

Another aspect of TJ programs to consider is the increased likelihood that a participant and the agency involved will work together on a long-term employment “career pathway” plan. While employability plans are currently developed for W-2 participants, once a participant gains work, again, there is usually little contact with the serving agency. The ongoing connection between the employee and the agency within a

TJ program offer more opportunities for the case manager to discuss the value of both staying on the job and working through any problems they encounter, as well as other things the employee needs to do to move up to a higher wage, either within the same position or by moving to another. That should include skill training or educational opportunities that may exist, depending on the employee's background.

Considerations for a Wisconsin Pilot

We know from the lack of success of the current W-2 Trial Job placement category option that merely having a transitional jobs program on the books doesn't necessarily mean it's going to be used or that it will improve the long-term employment outcomes of participants – which is the gauge by which any such program should be judged. The program's specifics matter a great deal, and a number of issues need to be explored before participating W-2 agencies implement a TJ pilot program.

Connecting to Employers

A key element of TJ programs is the ability of agencies to connect to a range of employers. This is an area of concern, currently, and a shortcoming which has led to a number of negative outcomes for participants. One example is that very high numbers of W-2 participants are placed at temporary work agencies. By definition, these positions are inappropriate for a TJ program. Most TJ programs expect – or require – that the employer agree to hire the employee after the trial job placement has ended (often around 3-6 months), if there have been no serious work performance problems. While some employers working through temp agencies may indeed hire some temp employees after the initial assignment, it is largely the exception and not the rule, and it would be difficult if not impossible for the W-2 agency to parse out only *those* employers for use in the TJ program.

The ability to reach out to and engage employers is such a critical aspect of any TJ program that the Department of Workforce Development (DWD) should, in the piloting

counties, bring together the W-2 agencies, local workforce development boards, and other key employer-focused organizations. The aim would be twofold: (1) to ensure the W-2 agency is aware of the employer-related organizations and services that exist (for example, JobNet online job database) that can be tapped into as they look for relevant employers to reach out to, and (2), to sell the program to key workforce entities in the area to gain their active involvement.

Employers have historically not been considered a "client" of the W-2 program, but keeping employers' needs in mind should help the Department of Workforce Development and the participating W-2 agencies design a TJ program that is successful for everyone involved.

Tracking Results

Keeping track of participant experiences and outcomes will be essential to future replication of the TJ effort, as well as the possibility of making informed improvements to the pilot counties' projects. DWD should review its current participant outcome information tracking system to determine whether or not necessary data will be captured, and what additional information may be required, and develop plans for tracking that data. (For example, DWD should track: job placement information such as wages, hours working, and type of employer, as well as experience data such as length of time in the program, type and amount of case-management/retention services administered during employment, whether hired or not at completion of TJ participation and if not, reasons why, and so on.)

Conclusion

At their core, transitional jobs programs are based on the idea that everyone can work, and that everyone has strengths that should be built upon. TJ programs have been shown in other states to help those hardest to place in employment make successful connections to the workplace, and it's time Wisconsin revamps its transitional jobs effort into something more effective.