



Targeting Industries, Training Workers and Improving Opportunities

THE FINAL REPORT FROM THE SECTORAL EMPLOYMENT INITIATIVE

ANNE RODER WITH CAROL CLYMER AND LAURA WYCKOFF



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Targeting Industries, Training Workers and Improving Opportunities

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Executive Summary

Over the past 30 years, American families have faced daunting challenges, including declines in real wages and dwindling upward mobility.¹ Paths to advance within companies have deteriorated, leaving many low-skilled workers “stuck” indefinitely in low-wage jobs—and swelling the ranks of the “working poor.”

As opportunities for less-educated workers to access well-paying jobs grow scarce, it is clear that our nation requires new approaches to workforce development. Indeed, in a departure from traditional strategies, some workforce organizations have begun to implement services and activities that focus on the needs of specific industry sectors. By identifying local sectors that lack workers—which might range from health care to manufacturing to construction—these organizations can help low-income workers acquire the specific skills they need to fill available positions. While many approaches to workforce development have often failed to adequately address employers’ needs or to provide the complementary services

As opportunities for less-educated workers to access well-paying jobs grow scarce, it is clear that our nation requires new approaches to workforce development.

that are crucial to workers’ success, a sectoral approach is different: It focuses on both developing workers’ skills to meet the needs of the sector’s employers and addressing its entrenched practices in hiring, promoting and training workers.

To explore the potential of sectoral approaches, Public/Private Ventures (P/PV) launched the Sectoral Employment Initiative (SEI) in 1998, with support from the Charles Stewart Mott Foundation. Our intention with the project was twofold:

- (1) To test whether low-income participants in sectoral programs experience positive changes; and
- (2) To determine whether programs might be able to foster systemic change within sectors that traditionally pay low wages and offer unfavorable working conditions.

Nine newly formed organizations participated in the initiative. Six of them concentrated on skills training for participants (in the health care, manufacturing, paralegal and information technology industries), two operated social enterprises (in health care and day labor), and one created a membership association of workers (in the child care sector).

OUR STUDY

Given that sectoral strategies were relatively new approaches at the time this study began, we did not employ an experimental design (with a comparison group of non-participants against whom the outcomes of participants could be evaluated). Instead, we assessed the organizations' experiences implementing sectoral programs and collected outcomes data to help us understand their potential to benefit low-skilled workers. While we cannot assess the precise impact of the programs on their participants without a comparison group, this research provides an important early appraisal of sectoral strategies and their potential.²

To assess the organizations' experiences, we conducted interviews with staff members at the SEI organizations and with other key players in the sector, including employers, educators, unions, business associations, advocates and public officials. We also observed programmatic activities during site visits and reviewed documentation related to the organizations' efforts in monthly reports.

To understand the potential of the programs to benefit low-income workers, we conducted baseline and follow-up interviews with participants in all nine programs. These interviews gathered extensive information about participants' employment, earnings, education, housing and household income.

We also assessed the extent to which the SEI organizations either engaged in activities to change systems or positioned themselves in the sector in ways that could enable them to effect change in the future. In assessing the organizations' work on systemic change, we focused on their efforts to develop relationships with and to influence key institutions in their sector.³

KEY FINDINGS

Findings from the SEI are highly encouraging. The six skills-training programs were able to recruit the low-income, less-educated and, in many cases, minority individuals who could—and did—benefit from employment in occupations previously unavailable

Positive changes for participants included higher hourly wages, increased income and better-quality jobs.

to them. Positive changes for participants included higher hourly wages, increased income and better-quality jobs. Both the skills-training programs and the other programs that participated in the SEI made progress in altering government regulations and/or the policies or practices of employers, educational institutions and

public agencies—systemic changes that hold promise to improve working conditions and make training, certification and employment in certain occupations more easily obtainable for low-wage workers. Our key findings, which are explained more fully in Chapter 4, include the following:

- ◆ *Participants in skills-training programs increased their wages and earnings.* Their higher incomes were the result of both working more hours and earning more per hour—participants earned an average of two dollars more per hour than any wage they had earned in the two years prior to training.

- ◆ *Participants in skills-training programs had decreases in poverty*, from 64 percent to 35 percent.
- ◆ *Participants in skills-training programs also accessed higher-quality jobs*. The percentage of participants with health insurance available through their employers increased from 49 percent to 73 percent, while the percentage with paid sick leave increased from 35 percent to 58 percent.
- ◆ Many participants in skills-training programs obtained jobs in targeted sectors. Among advanced skills-training participants, these positions paid more than positions unrelated to training.
- ◆ SEI participants believed the programs helped them achieve success in the labor market. Eighty-three percent of participants agreed that the training prepared them well for work in the targeted sector, and 78 percent said the program had improved their chances of getting a good job.
- ◆ Organizations using sectoral approaches other than or in addition to skills training demonstrated the potential to bring about systemic change. In very different contexts, through organizing and advocacy efforts or using leverage with industry contacts to negotiate with educational institutions, organizations either led or were involved in efforts that brought about significant changes to systems—changes that had the potential to benefit less-educated workers throughout the targeted sector.

CHALLENGING ASPECTS OF SECTORAL EMPLOYMENT

Our findings also reveal real challenges to both training individuals for jobs in specific sectors and extending an organization's influence in ways that produce systemic change. These challenges are explored in Chapter 6. They include:

- ◆ Recruiting sufficient numbers of skills-training participants who met the enrollment qualifications of employers, colleges or the programs themselves.
- ◆ Surmounting participants' negative images of the manufacturing field and its future potential (for the two SEI skills-training organizations targeting that sector).
- ◆ Encountering mixed results in obtaining referrals from public systems that could support participants while in training, such as Temporary Assistance for Needy Families (TANF) or the Workforce Investment Act (WIA).
- ◆ Retaining and graduating participants who needed income to support themselves and their families during training or were dealing with personal issues that make program completion difficult.
- ◆ Securing funding to continue organizing and advocating for systemic changes that could improve low-wage working conditions.

CONCLUSIONS

Despite significant challenges, our findings—and similar ones reported by the Aspen Institute during its Sectoral Employment Development Learning Project—suggest that sectoral approaches are both feasible and important for the workforce development field. Strategies combining employment and training services for individual job seekers with efforts to influence the practices of employers and educators or state policies have the potential to be more far-reaching than traditional workforce development programs. Identifying and securing funding to support these types of nontraditional workforce activities is, of course, a key challenge for all organizations interested in pursuing sectoral programs. The evidence from the Sectoral Employment Initiative suggests that sectoral approaches may indeed bring about positive changes and that greater private and public investment in these efforts (as well as further research) is warranted.

EXECUTIVE SUMMARY ENDNOTES

- 1 Please see full report for a complete list of references.
- 2 In 2002, based on the preliminary findings that were emerging from this study, P/PV launched a more rigorous evaluation of sectoral programs, the Sectoral Employment Impact Study (SEIS), which uses a random assignment design. Results will be published in 2009. P/PV is also working with Project QUEST on a separate but related sectoral employment random assignment study that began in 2006.
- 3 The SEI organizations were not necessarily expected to achieve systemic change during the course of the study. The initiative's three-year time period, combined with the fact that their efforts were new, meant that much of the demonstration period was spent laying the groundwork for future change. In addition, the study was not designed to measure the organizations' impact on all low-income workers in a sector or labor market. Even with the resources to measure such change, linking the experience of workers in an entire sector to the SEI organizations' efforts would have been difficult at best.

Introduction

Over the past 30 years, several trends have produced economic distress for American families. Workers with a high school diploma or less education have experienced major declines in real wages (Bradbury 2002; Duncan et al. 1996), while upward mobility has dwindled: more than half of US families with incomes in the lowest quintile in 1988 remained in the lowest quintile 10 years later (Bradbury, Katz 2002). Promotion ladders within firms—which in the past facilitated the advancement and higher wages of many workers—have become less and less common. Although all workers have been affected by this change, it is especially harsh for low-skilled workers, who have fewer points of entry to jobs with the potential for advancement (Osterman 1999). Conway, Blair and Gibbons found that employers provide the least amount of training to workers with the lowest levels of education, the lowest salaries and the lowest job titles within an organization (2003).

In addition, some workers are more likely than others to find themselves trapped in low-wage work. Several studies suggest that employers may exclude their women and minority employees from occupations that require specialized training. This practice essentially relegates these workers to less-skilled, lower-wage positions (Tomaskovic-Devey, Skaggs 2002; Tilly 1998).

As opportunities for less-educated workers to access well-paying jobs grow scarce—and poverty and inequality endure—it is clear that our nation requires new approaches to workforce development. Indeed, workforce organizations have begun to implement services and activities that focus on the needs of specific industry sectors that stand to benefit when their lower-wage workers—especially those who are often overlooked—are well trained for jobs and ready to move up. While many approaches to workforce development have often failed to adequately address employers' needs or to provide the complementary services that are crucial to workers' success (Osterman, Batt 1993), a sectoral approach is different: It focuses on both developing the skills of workers to meet the specific needs of the sector's employers and addressing its entrenched practices in hiring, promoting and training workers.

TAKING A SECTORAL APPROACH

A sectoral approach to workforce development involves examining labor market trends and developing an in-depth understanding of specific industries. Organizations using such an approach seek out entry points for less-educated workers and identify achievable ways for them to advance within the targeted sector. They typically offer or facilitate training with strict attention to the current needs of employers and the workplace environment. And, unlike more traditional programs, sectoral programs also intervene on the demand side of the labor market by attempting to improve employment opportunities within an industry. They concentrate on developing a strategic role for their organizations, identifying key players in the sector and working to gain allies and leverage that will help them create systemic changes. By developing or enlarging the pool of

qualified workers and/or becoming a major influence on employers, sectoral workforce organizations may help redress factors that prevent or discourage people from entering and advancing in an industry. Ideally, they may aid in rectifying racial, gender and economic injustices in the labor market and may improve the ability of certain businesses to compete and prosper.

In the past two decades, sectoral workforce approaches have attracted the interest of practitioners, researchers and policymakers alike.

A Definition

A sector strategy to workforce development:

- ◆ Targets a specific industry or cluster of occupations, developing a deep understanding of the interrelationships between business competitiveness and the workforce needs of the targeted industry;
- ◆ Intervenes through a credible organization or set of organizations, crafting workforce solutions tailored to that industry and its region;
- ◆ Supports workers in improving their range of employment-related skills, improving their ability to compete for work opportunities of higher quality;
- ◆ Meets the needs of employers, improving their ability to compete within the marketplace; and
- ◆ Creates lasting change in the labor market system to the benefit of both workers and employers.

—from *Sectoral Strategies for Low-Income Workers: Lessons from the Field* (Conway, Blair, Dawson, Dworak-Munoz 2007).

THE CHARLES STEWART MOTT FOUNDATION'S SECTORAL EMPLOYMENT INITIATIVE

To explore the potential of sectoral approaches, Public/Private Ventures (P/PV) launched the Sectoral Employment Initiative (SEI) in 1998, with the support of the Charles Stewart Mott Foundation; we concluded the final two-year follow-up surveys in late 2003¹. Our intention with the project was twofold: (1) to test whether low-income participants in sectoral programs experience positive changes; and (2) to determine whether participating organizations might be able to foster systemic change within sectors that traditionally pay low wages and offer unfavorable working conditions.

Throughout the study, we were able to track the experiences of nine newly formed SEI organizations as they planned and implemented their programs and attempted to position themselves within targeted sectors. These programs were: Action to Rehabilitate Community Housing (ARCH), Washington, DC; Direct Action for Rights and Equality (DARE), Providence, RI; New Hampshire Community Loan Fund, Manchester, NH; Philadelphia Area Accelerated Manufacturing Education, Inc. (PhAME), Philadelphia, PA; Primavera, Tucson, AZ; Project QUEST, San Antonio, TX; Southern Good Faith Fund, Pine Bluff, AR; Training, Inc., Newark, NJ; and WIRE-Net, Cleveland, OH. In addition, we were able to analyze their participants' outcomes and report on the programs' progress toward improving job access, income and working conditions.

The SEI organizations had the flexibility to use a variety of strategies to benefit their participants and influence the policies and practices within employment sectors on their participants' behalf. (Descriptions of each program are provided in the Appendix.) Six of the organizations concentrated on skills training for participants, two organizations operated social enterprises and one created a membership association of workers. All programs, including those offering skills training, aimed to improve the working conditions faced by low-wage earners within a given sector, an unusual goal for workforce development programs. But the specific approaches they used varied, which created an opportunity to study diverse ways of implementing sectoral strategies.

P/PV'S STUDY

P/PV researchers collected a variety of data that allowed us to examine the progress SEI programs made toward their goals of serving individuals and bringing about systemic change during the three-year initiative.

STUDYING HOW PARTICIPANTS WERE SERVED

Given that sectoral strategies were relatively new approaches at the time this study began, we did not employ an experimental design (with a comparison group of non-participants against whom the outcomes of participants could be evaluated). Instead, we assessed the organizations' experiences implementing sectoral programs and collected outcomes data to help us understand their potential to benefit low-skilled workers. This type of research makes sense when programs are new and there are unknowns regarding their ability to recruit participants and provide services to target populations. However, there are limitations associated with the approach: Without a comparison group, we cannot assess the precise impact of the programs on the individuals they served. Still, this research provides an important early appraisal of sectoral strategies and their potential.²

To assess the organizations' experiences, we conducted interviews with staff members at the SEI organizations and with other key players in the sector, including employers, educators, unions, business associations, advocates and public officials. We also observed programmatic activities during site visits and reviewed documentation related to the organizations' efforts in monthly reports.

In addition, we conducted interviews with participants in all nine programs. To understand the potential of the six training organizations and Quality Care Partners (the New Hampshire Community Loan Fund's social enterprise) to benefit low-skilled workers, we conducted interviews with program participants at three points in time: a baseline survey that took place when workers entered the program, a follow-up interview 12 months after the scheduled end of training and a second follow-up 24 months after the scheduled end of training. The actual amount of time between the baseline and follow-up interviews varied by site depending on the length of training. The participant-employees of Primavera (the other social enterprise) became eligible for follow-up interviews 12 months after their baseline interviews were conducted. Members of the Day Care Justice Co-op created by Direct Action for Rights and Equality were interviewed 18 and then 36 months after their baseline interview. During the interviews, we gathered extensive information about participants' employment, earnings, education,

housing and household income. Table 1 indicates the number of participants who were enrolled and completed the baseline and follow-up surveys.

Table 1
Participants and Survey Participation

Organization	Number Enrolled	Completed Baseline Survey	Completed One-Year Follow-Up Survey	Completed Two-Year Follow-Up Survey
ARCH	44	35	20	n/a
DARE	270	116	97	95
New Hampshire Community Loan Fund	89	74	64	58
PhAME	266	130	89	89
Primavera	533	152	94	n/a
Project QUEST	289	113	73	74
Southern Good Faith Fund	266	149	120	116
Training, Inc.	227	134	99	105
WIRE-Net	161	107	82	77

STUDYING PROGRESS ON SYSTEMIC CHANGES

The SEI organizations were not necessarily expected to achieve systemic change during the course of the study. The initiative's three-year time period, combined with the fact that their efforts were new, meant that much of the demonstration period was spent laying the groundwork for future change. In addition, the study was not designed to measure the organizations' impact on all low-income workers in a sector or labor market. Even with the resources to measure such change, linking the experience of workers in an entire sector to the SEI organizations' efforts would have been difficult at best. Instead, we assessed the extent to which the SEI organizations either engaged in activities to change systems or positioned themselves in the sector in ways that could enable them to effect change in the future. In assessing the organizations' work on systemic change, we focused on their efforts to develop relationships with and to influence key institutions in their sector.

HOW THIS REPORT IS ORGANIZED

The remainder of *Targeting Industries, Training Workers and Improving Opportunities* is organized as follows:

Chapter 2: The Sectoral Employment Initiative Organizations provides descriptions of the nine SEI organizations and offers a sense of the diversity in approaches, strategies and goals available for our study.

Chapter 3: Participants of the Sectoral Employment Initiative Organizations presents baseline data on participants enrolled in the SEI organizations.

Chapter 4: Changes for Sectoral Employment Initiative Participants describes data illuminating the experiences of participants, including changes in both the quality of jobs they obtained and in their wages and income.

Chapter 5: Progress on Systemic Changes reports on progress made by the SEI organizations in pursuing changes within their targeted sectors.

Chapter 6: Challenges for the Sectoral Employment Initiative Organizations recounts and analyzes the difficulties faced by organizations offering occupation-specific skills training to low-wage job seekers and the challenges confronted by all organizations as they worked to bring about positive changes for sector workers.

Chapter 7: Lessons, Implications and Conclusions from the Sectoral Employment Initiative explores implications for organizations contemplating taking a sectoral approach to workforce development.

By describing the experiences, challenges and progress of the SEI organizations, this final report offers insight for other organizations contemplating sectoral approaches and for those who continue to study the field.

The Sectoral Employment Initiative Organizations

Chapter 2 describes the nine participating SEI organizations, their approaches and strategies for sectoral workforce development, and their goals for systemic change.

Collectively, the nine SEI organizations used two basic approaches to try to achieve positive change in targeted sectors. Six organizations emphasized the provision of skills training and job placement services to their participants; two operated social enterprises, and one created a membership association of workers. In general, the skills-training organizations' goal was to provide access to good jobs for low-skilled workers, while the social enterprises and membership association strived to improve working conditions in specified low-wage occupations. All SEI organizations, including the six that primarily provided occupation-specific training, also sought to create systemic change that could benefit more broadly the low-income workforce in their targeted sectors. And, although the major focus of the social enterprises and membership association was to enhance working conditions, they too offered their participants support for working in the sector and the opportunity to gain skills. However, because the organizations emphasized different aspects of a sectoral approach, we discuss the skills training and the other organizations separately throughout the report.

In the skills training organizations, organizations provided either entry level or advanced training with one organization providing both (see Table 4 for more information.) Advanced training differed from entry level training in that it was longer and targeted better-paying occupations. Advanced programs also required participants to have more skills and/or education at the outset than was required of participants in entry-level programs. Chapters 4, 5 and 6 of this report contain additional data, analyses and findings related to the level of training in which participants were enrolled.

We begin with brief descriptions of the organizations; for more additional information, see the Appendix.

SEI'S SIX SKILLS-TRAINING ORGANIZATIONS

A community-based organization founded in 1986, **Action to Rehabilitate Community Housing (ARCH)** serves the residents of southeast Washington, DC, by helping to locate affordable housing, quality education and effective health and social services. ARCH participated in the SEI by offering advanced skills training and placing people of color in the paralegal profession. As its goal for systemic change, the organization hoped to alter the traditional hiring practices of the local legal profession, which relied exclusively on college graduates to fill paralegal positions.

Philadelphia Area Accelerated Manufacturing Education, Inc. (PhAME) emerged in 1995 as a response to the need for technically trained precision-manufacturing workers in the Greater Philadelphia region. By producing a pool of well-trained workers, the organization aimed to preserve and strengthen the region's fading manufacturing base.

Founded in 1993, **Project QUEST** helps residents of San Antonio, TX, access skills training to prepare them for healthcare occupations such as registered nurses and surgical technicians. In addition to providing advanced training, **QUEST** hoped to shorten class time and enable workers to advance faster in their careers by establishing core competencies for healthcare workers in all local hospital systems.

Southern Good Faith Fund, located in Pine Bluff, AR, works to increase the incomes and assets of low-income and low-skilled individuals through skills training. In addition to offering entry-level skills training for certified nursing assistants (CNAs), the organization sought to increase the value of CNAs to local employers by heightening certification standards. In county and state welfare reform discussions, Southern Good Faith Fund advocated for policies that would make it easier for welfare recipients to continue to receive public assistance while being trained.

Training, Inc. is a national nonprofit with sites in seven cities. Its Newark, NJ, site, located within Essex County College's Department of Continuing Education, offered advanced hardware- and software-technology training that included preparation for the A+ computer certification test. The organization also tried to increase the accessibility of college to its participants and others through academic advising and combining basic skills remediation with hands-on experience in computer science.

Founded to serve the manufacturing employers of Cleveland's West Side, **WIRE-Net** is a citywide organization with members from across northeastern Ohio. The organization's primary strategy involved engaging local educational institutions and employers to build entry-level and advanced metalworking training programs that met industry needs, recruiting the targeted population—those whose income was at or below 50 percent of the median income in the county—and offering the supportive services participants needed to complete training and obtain jobs. As for its systemic goals, **WIRE-Net** worked to convince local training providers to incorporate standardized skills into their training curricula and urged employers to hire and promote workers based on these standards.

THE TWO SOCIAL ENTERPRISES AND THE MEMBERSHIP ASSOCIATION

Since 1983, the **New Hampshire Community Loan Fund** in Manchester, NH, has provided technical assistance and low-interest loans to projects that help low-income workers achieve a livable wage. During the initiative, the organization formed Quality Care Partners, a staffing firm designed to provide CNAs to healthcare providers such as home-care agencies, nursing homes and healthcare networks. Quality Care Partners provided training for its participants and employment upon their graduation. By producing well-trained healthcare workers and demonstrating that improved working conditions could result in greater employee retention, the organization wanted to compel other providers to improve working conditions. The organization also created the Direct Care Workforce Initiative to advocate for the interests of paraprofessional healthcare workers statewide.

An advocacy and social service agency, **Primavera** was founded in 1982 to improve the lives of homeless and formerly homeless people in Tucson, AZ. During the Initiative, Primavera created Primavera Works, a day-labor hall that paid higher wages than the for-profit agencies operating nearby. Primavera also provided workers with free tools and free transportation to get to jobs rather than deducting the costs of these expenses from their paychecks as was typical of the for-profit agencies. In addition, the organization tried to help its workers obtain permanent employment. Through these services, Primavera Works intended to provide better workers than other agencies and anticipated that its competition would compel for-profit day-labor halls to improve employment conditions.

Direct Action for Rights and Equality (DARE), a community organization in Providence, RI, has organized people around social, economic and political justice issues since 1986. During the Initiative, DARE formed the Day Care Justice Co-op, a membership association for family child care providers. The Co-op offered a variety of services to its members, including training and professional development, access to a toy-lending library, a technology access program and a mini-grant program. The Day Care Justice Co-op also worked to shape public opinion, and, as part of its advocacy efforts, members sought leadership roles in policy forums to represent the interests of child care providers who serve low-income families.

Tables 2 and 3 summarize the descriptions above. Table 2 shows the SEI organizations' targeted sectors and categorizes their basic approaches.

Table 2
SEI Organizations, Their Targeted Sectors and Basic Approaches

Organization	Targeted Sectors	Basic Approach to Sectoral Workforce Development		
		Skills Training/ Placement	Social Enterprise	Membership Association
ARCH	paralegal	X		
PhAME	manufacturing	X		
Project QUEST	healthcare	X		
Southern Good Faith Fund	healthcare	X		
Training, Inc.	information technology	X		
WIRE-Net	manufacturing	X		
New Hampshire Community Loan Fund	healthcare		X	
Primavera	day labor		X	
DARE	child care			X

Table 3 describes the organizations' goals for systemic change and indicates the areas of their targeted sectors in which they sought to achieve these goals. For example, ARCH pursued its goals in the legal sector by demonstrating that paralegals without college degrees were valuable assets and more stable employees than recent college graduates. In doing so, ARCH sought to convince employers not to require a college degree for these positions.

Table 3
SEI Organizations, Their Goals and Strategies

SEI Organizations	Goals for Achieving Systemic Change	Areas Targeted for Systemic Change				
		Skills Training	Hiring and Other Practices of Employers in the Sector	Higher Education	Public System for Workforce Development	Legislation or Regulations That Affect Working Conditions
ARCH	Alter the traditional practice of hiring college graduates for paralegal positions by demonstrating that less-educated participants could master skills and become good employees.	X	X			
DARE	Improve the working conditions of low-income home child care providers by strengthening their businesses and establishing a contracting system with the state in which the Day Care Justice Co-op would become the recognized negotiating entity.					X
New Hampshire Community Loan Fund	Compel other health care providers to improve working conditions by creating a paraprofessional healthcare services firm, training its workers beyond state standards, employing graduates at competitive wages with benefits and offering peer-group support and pathways to advancement.			X		
PhAME	Retain and expand the region's manufacturing base by addressing workforce needs through training skilled machinists. Develop relationships with college technical programs so students can continue their education. Create an employer consortium to address needs of small businesses.	X	X	X		
Primavera	Compel for-profit day-labor halls to improve employment conditions by offering superior service to employer-customers and workers through Primavera Works. Organize and advocate for state legislation regulating practices by day-labor halls.			X		X
Project QUEST	Create mobility programs to move entry-level workers into higher-level nursing positions. Establish core competencies for workers in local hospitals to replace elements of the training curricula, shortening class time and helping workers advance more quickly. Pilot a remediation program to open access to career paths to lower-skilled workers. Seek education and funding for basic education and training.	X	X	X	X	
Southern Good Faith Fund	Build relationships with key educators, employers and policymakers. Become an advocate for the poor in welfare reform discussions to create career pathways in the health-care field.	X	X	X	X	X
Training, Inc.	Assist Essex County College in providing better academic advising and in developing course tracks that combine basic skills remediation with hands-on experience in computer science.	X		X		
WIRE-Net	Convince local training providers to incorporate standardized skills into their curricula and urge employers to hire and promote workers based on those skills.	X	X	X	X	

SUMMARY

By targeting specific sectors, all nine SEI organizations responded to conditions on the ground in their local and regional economies and to the opportunities these conditions could provide for low-wage workers. Each organization tailored its goals and strategies to address perceived impediments to the success of its participants and other workers in targeted industries. Together, the organizations had a rich variety of strategies, experiences and challenges. Chapter 3 provides profiles of the participants these organizations served.

Participants of the Sectoral Employment Initiative Organizations

Chapter 3 provides data on the participants enrolled in the SEI organizations' skills-training and other programs. Data in this section come primarily from baseline surveys of program participants.

All nine of the SEI organizations enrolled similar participants: low-income workers who would benefit from access to occupations paying good wages or from improved working conditions in the sectors in which they were employed. The six SEI skills-training programs successfully reached their target population of individuals with limited skills who had recently worked in low-wage jobs. They were also able to recruit members of racial or ethnic minority groups that had traditionally lacked access to the targeted occupations in local labor markets. Organizations that created social enterprises or a membership association also recruited low-income participants to work in their staffing agencies or to become members. In this section, we first present data on participants of the skills-training organizations and then turn our attention to participants in the three other programs.

PARTICIPANTS OF THE SEI SKILLS-TRAINING ORGANIZATIONS

Table 4 shows the number of people the skills-training organizations enrolled during the two-and-a-half-year study-enrollment period along with the organizations' targeted sectors and the length and skill level of the training offered.

Table 4
Skills-Training Organizations, Enrollment and Training Characteristics

Organization Name	Number Enrolled	Training Characteristics		
		Targeted Sector	Length of Training	Skill Level
ARCH	44	Paralegal	10 months	Advanced
PhAME	266	Manufacturing	13 to 61 weeks	Advanced
Project QUEST	289	Healthcare	1 to 2 years	Advanced
Southern Good Faith Fund	266	Healthcare	8 to 12 weeks	Entry-level
Training, Inc.	227	Information technology	20 weeks	Advanced
WIRE-Net	161	Manufacturing	8 weeks and 6 to 9 months	Both entry-level and advanced
All enrollments	1,253			

Source: P/PV analysis of site data submitted for participants who enrolled between August 1998 and March 2001.

TRAINING PROGRAMS ENROLLED MINORITY INDIVIDUALS

The majority of the 1,253 participants enrolled by the skills-training organizations were members of minority racial or ethnic groups, a proportion that reflected the organizations' goals of providing minority workers with access to jobs in the targeted sectors. The training programs enrolled slightly more females than males.

Table 5 shows the demographic characteristics of participants enrolled by the skills-training organizations according to the skill level of the program. It is noteworthy that women made up the vast majority of participants in entry-level training programs and, although not reflected in the table, women made up nearly all of the participants in the healthcare programs. Three quarters of participants in the manufacturing programs were men.

Table 5
Participants' Demographic Characteristics
(Skills-Training Programs)

	All Programs (n=481)	Advanced Programs (n=339)	Entry-Level Programs (n=142)
Gender			
Female	59%	48%	85%
Male	41%	52%	15%
Race/Ethnicity			
Black/African American	67%	61%	79%
Hispanic	15%	20%	2%
White	13%	11%	17%
Multiracial or other	6%	7%	2%
Age			
Average age	30 years	31 years	28 years
18 to 24	36%	31%	49%
25 to 39	46%	48%	39%
40 and above	18%	20%	12%

Source: P/PV analysis of baseline survey data.

TRAINING PROGRAMS ENROLLED PEOPLE WITH LIMITED EDUCATIONS

While most participants possessed at least a high school diploma or GED, only 8 percent held a postsecondary degree. The entry-level training programs served a less educated population than the advanced programs. About a quarter (26 percent) of participants in the entry-level programs had neither a high school diploma nor a GED, while at the advanced training sites, only 2 percent had not completed high school or received an equivalency diploma. This difference reflected the educational requirements of several of the advanced training programs. Table 6 shows the educational attainment of participants at program entry.

Table 6
Participants' Educational Attainment at Enrollment
(Skills-Training Programs)

	All Programs (n=481)	Advanced Programs (n=339)	Entry-Level Programs (n=142)
Highest degree earned			
Associate's degree or higher	8%	10%	3%
High school diploma	68%	71%	59%
GED	16%	17%	12%
None	9%	2%	26%
Has a vocational, technical or business certificate	37%	43%	23%

Source: P/PV analysis of baseline survey data.

TRAINING PROGRAMS ENROLLED LOW-INCOME WORKERS

Nearly two thirds (64 percent) of all participants lived in households with incomes below the poverty line. Less than half of participants (40 percent) lived with other adults who worked for pay. Twenty-four percent of participants were the heads of single-parent households. Participants in advanced training programs, in which the length of training was longer than in entry-level programs, had somewhat higher household incomes at the time of enrollment (an average of \$1,416 per month) compared with participants in entry-level programs (an average of \$1,025 per month).

Table 7
Participants' Household Characteristics at Enrollment
(Skills-Training Programs)

	All Programs (n=481)	Advanced Programs (n=339)	Entry-Level Programs (n=142)
Live with own children under age 18	53%	46%	70%
Live with own children under age 6	37%	31%	51%
Single adult household with children under age 18	24%	20%	33%
Other adult in household	66%	68%	61%
Other adult in household who works for pay	49%	53%	42%
Average monthly household income	\$1,295	\$1,416	\$1,025
Household at or below poverty line	64%	58%	77%

Source: P/PV analysis of baseline survey data.

TRAINING PROGRAMS ENROLLED PEOPLE WHOSE INCOMES COULD POTENTIALLY INCREASE WITH ACCESS TO BETTER JOBS

While the majority (82 percent) of participants had worked during the year prior to enrolling in training, only 22 percent were employed during all 12 months of that year. About a quarter (23 percent) of participants had never held a full-time job for a year or more. Compared with participants in advanced programs, a greater number of participants in entry-level training programs (17 percent) had never worked in a full-time job. Many participants had worked steadily in the past, with 41 percent holding the same full-time job for three years or more. Yet despite this experience, participants continued to work in low-wage positions. Participants earned a median hourly wage of \$7.49 at their most recent job prior to entering training; just under half (49 percent) had health benefits available at this job.

Table 8 summarizes the work experience of participants enrolled by the skills-training organizations.

Table 8
Participants' Work Experience Prior to Enrollment
(Skills-Training Programs)

	All Programs (n=481)	Advanced Programs (n=339)	Entry-Level Programs (n=142)
Ever employed during the year	82%	84%	79%
Employed during all 12 months of the year	22%	25%	16%
Median hourly wage at most recent job ^a	\$7.49 ^b	\$8.10	\$6.56
Worked full-time at most recent job ^a	62%	59%	68%
Health benefits available at most recent job ^a	49%	47%	54%
Length of longest full-time job ever held			
Never worked full-time	7%	3%	17%
Less than one year	16%	12%	27%
One year to less than three years	36%	39%	28%
Three years or more	41%	46%	28%
Average number of years	3.6	4.0	2.6

Source: P/PV analysis of baseline survey data.

^a Among participants who worked during the year.

^b Hourly wages are in 2002 dollars.

LIMITED EDUCATION WAS ONLY ONE OF MANY BARRIERS TO OBTAINING GOOD JOBS

As Table 9 suggests, many participants needed reliable child care to participate in training; indeed, 20 percent of all participants cited the need for child care as a barrier to obtaining a good job. Other common barriers cited by participants included lack of skills (58 percent), lack of transportation (23 percent) and complications related to the health problems of family members (12 percent). Fifteen percent of all participants said they had been convicted of a crime. Participants in entry-level training programs cited a greater number of barriers than those in advanced programs.

Table 9 identifies barriers to obtaining good jobs cited by participants entering the skills-training programs. During subsequent interviews, participants cited some of the barriers listed below as reasons for not completing training. See Chapter 6 for data on the challenges of retaining participants in skills-training programs.

Table 9
Participants' Self-Identified Barriers to Obtaining Good Jobs
(Skills-Training Programs)

	All Programs (n=481)	Advanced Programs (n=339)	Entry-Level Programs (n=142)
Percent who said issue was a very important barrier to obtaining a good job			
Lack of skills	58%	65%	43%
Lack of transportation	23%	17%	38%
Securing child care	20%	18%	24%
Health problems of family members	12%	9%	18%
Drug or alcohol abuse	7%	6%	11%
Ever convicted of a crime	15%	16%	12%
Ever homeless	15%	15%	13%
Has a health condition that limits type or amount of work they can do	5%	4%	6%

Source: P/PV analysis of baseline survey data.

The data offered in Tables 4 through 9 show that the skills-training organizations were able to enroll their target populations. The organizations described in the following pages served similar populations, but they did so with the primary intention of improving their working conditions rather than developing their skills.³

PARTICIPANTS OF THE SEI SOCIAL ENTERPRISES AND MEMBERSHIP ASSOCIATION

Tables 10 and 11 summarize the demographic characteristics and self-identified barriers to finding good jobs of the participants served by the social enterprises and membership association.

Table 10
Participants' Demographic Characteristics
(Social Enterprises and Membership Association)

	Primavera Works (n=94)	Quality Care Partners (n=58)	Day Care Justice Co-op (n=85)
Gender			
Female	22%	97%	100%
Male	78%	3%	0%
Race/Ethnicity			
White	53%	86%	1%
Black/African American	19%	3%	12%
Native American	14%	0%	0%
Hispanic	5%	5%	84%
Multiracial or other	9%	5%	2%
Age			
Average age	41 years	29 years	44 years
18 to 24	4%	47%	1%
25 to 39	34%	36%	31%
40 and above	62%	17%	68%
Highest degree earned			
Associate's degree or higher	14%	5%	13%
High school diploma	44%	52%	36%
GED	23%	31%	13%
None	19%	12%	38%
Has a vocational, technical or business certificate ^a	44%	52%	33%

Source: P/PV analysis of baseline survey data.

^a For Co-op members, this figure is the percentage of providers who had any type of child care certification.

PARTICIPANT-EMPLOYEES OF QUALITY CARE PARTNERS

New Hampshire Community Loan Fund’s Quality Care Partners primarily served white women in their late 20s and early 30s. The average age of program participants was 29 years. Participants had somewhat limited previous work experience—only 30 percent had held the same full-time job for three years or more. Seventeen percent had not worked at all during the year prior to coming to Quality Care Partners. Most (84 percent) said they applied to the program because they had always wanted to work in the healthcare sector. Despite their interest, only a quarter of the participants interviewed had been employed in healthcare in the two years prior to coming to Quality Care Partners. Some participants faced significant barriers to steady employment. Seventeen percent said they had a health condition that limited the type or amount of work they could do, and 25 percent said that securing child care had been a very important barrier to obtaining a good job in the past. At the time of enrollment, 19 percent of participants were receiving food stamps and 6 percent were receiving TANF. One factor that distinguishes Quality Care Partners from other SEI organizations is that the majority of its participants (81 percent) owned a car—Quality Care Partners took transportation into consideration when screening participants because many workers needed to travel between the places where they provided care.

Table 11
Participants’ Self-Identified Barriers to Obtaining Good Jobs
(Social Enterprises)⁴

	Quality Care Partners (n=58)	Primavera Works (n=94)
Percent who said issue was a very important barrier to obtaining a good job		
Lack of skills	38%	42%
Lack of transportation	10%	41%
Securing child care	26%	9%
Health problems of family members	4%	16%
Drug or alcohol abuse	4%	19%
Ever convicted of a crime	4%	44%
Ever homeless	17%	82%
Has a health condition that limits type or amount of work they can do	17%	18%

PARTICIPANT-EMPLOYEES OF PRIMAVERA WORKS

About three quarters of Primavera Work’s participants were men, and the average age was 41. The site attracted a diverse array of participants in terms of race and ethnicity; slightly over half (53 percent) were white, 19 percent were African American and 14 percent were Native American. Nearly half (44 percent) reported having been convicted of a crime. Almost all (89 percent) had been homeless at some time in their lives, with nearly half identifying themselves as homeless at the time they started working for Primavera Works. Another third said they lived in public housing.⁵ Primavera’s participants had significant prior work experience—59 percent had held the same full-time job for three or more years in the past. However, their recent work experience was much less consistent, with only a quarter working year-round. Those who did work were confined to low-paying jobs.

PARTICIPANT-MEMBERS OF THE DAY CARE JUSTICE CO-OP

All of the members of DARE’s Day Care Justice Co-op whom we interviewed were women, a majority (84 percent) were Latina and their average age was 44. More than 40 percent lived in households with incomes below the federal poverty line. Nineteen percent of members received some type of public assistance, primarily in the form of public housing (12 percent) or food stamps (8 percent). At the time of their initial interview, Co-op members had been providing child care for an average of four years, although many were relatively new to family child care. Almost half (49 percent) of members had been providing care in their homes for less than two years; only about one quarter (22 percent) had done so for more than five years. Co-op providers cared for an average of six children each day and worked about 64 hours per week after accounting for time spent on activities such as shopping for supplies, planning activities and record-keeping.

SUMMARY

All SEI organizations enrolled individuals who could benefit from training and efforts to bring about systemic change. Overall, the organizations’ experiences indicate that an untapped workforce of individuals is available and amenable to working in a variety of industries. Chapter 4 examines the participants’ experiences during and after their participation in SEI programs, exploring changes in their ability to obtain quality jobs, increase their income and work in more favorable environments.

Changes for Sectoral Employment Initiative Participants

Chapter 4 presents data and our analysis of changes that took place for participants in SEI programs.

As shown in the previous section, all the SEI organizations enrolled low-wage, often minority workers with limited educations. Many of the findings in this section relate to the skills-training organizations, for although they held goals for systemic changes affecting other low-wage workers in their targeted sectors, these programs focused primarily on improvements for their own participants—most notably increasing enrollees’ access to quality jobs through skill development. However, the social enterprises and the membership association, whose primary goals involved improving working conditions, also provided services to individual participant-employees and association members, and those services included varying amounts of skills training. With this in mind, we looked at the experiences and changes for their participants as well as those enrolled in the training organizations. In this section, as we did in Chapter 3, we have organized the data and our analyses so that we present first what we learned about participants in the six skills-training programs and then what we learned about those served by the three remaining organizations.

EXPERIENCES AND CHANGES FOR SKILLS-TRAINING PARTICIPANTS

PARTICIPANTS IN SKILLS-TRAINING PROGRAMS INCREASED THEIR WAGES AND EARNINGS AND ACCESSED HIGHER-QUALITY JOBS

Many participants in the SEI skills-training programs accessed higher-skilled, higher-paying jobs than they had been able to obtain in the two years prior to participating in the programs, and many realized substantial increases in wages and earnings after entering the programs. They worked more consistently after training and had notably greater annual earnings, leading to a substantial decrease in the number of participants living in households with incomes below the poverty level.

While the amount of time SEI participants worked increased after taking part in training, a considerable portion of the growth in participants’ annual earnings resulted from their ability to access jobs with higher wages. Two years after training, participants reported that the hourly wages they received at their most recent job were \$2.61 greater, on average, than what they had earned at their last job prior to entering the programs. Compared with the highest hourly wage earned at any time during the two years prior to enrollment, wages at the most recent job two years after training reflected an average increase of almost two dollars (\$1.93) per hour. Often increases in earnings observed after participation in employment programs are attributable simply

to increases in the amount of time people worked. In the case of SEI participants, the increases in earnings indicate not just more hours worked but employment in better jobs—an important distinction.

Additionally, more participants (77 percent) worked full-time at their most recent job 24 months after training. The percentage of participants with health insurance available through their employers increased from 49 percent to 73 percent, while the percentage with paid sick leave increased from 35 percent to 58 percent.

As a group, skills-training participants accessed higher-paying jobs in the first year after training and either sustained or improved those earnings in the second year. Table 12 highlights changes in participants' labor market outcomes between the year prior to training and the second year after training. These results are especially noteworthy given that the 24-month interviews were completed between August 2001 and early 2004 and thus captured participants' experiences during an economic downturn.

Table 12
Changes in Participants' Labor Market Experiences Two Years After Training
(Skills-Training Programs)

	One Year Before Training (n=461)	Two Years After Training (n=461)	Change from Year Before to Two Years After Training ^a
Ever employed during year	83%	91%	+10%
Average months employed	6.7	9.4	+40%
Worked during all 12 months	22%	61%	+178%
Median annual earnings (all participants)	\$8,563	\$18,158	+112%
Median annual earnings (workers only)	\$10,465	\$18,875	+80%
Hourly wage at current or most recent job			
Median	\$7.49	\$9.82	+31%
Average	\$8.52	\$11.09	+30%
Current or most recent job is full-time	62%	77%	+25%
Current or most recent job offers health benefits	49%	73%	+50%

Source: P/PV analysis of baseline and follow-up survey data.

NOTE: Earnings and hourly wages are in 2002 dollars.

^a Figures in this column represent the percentage increase between a participant's reported value during the baseline survey and the value reported during the two-year follow-up survey.

We should note a concern about studies that compare participants' earnings just prior to participating in training with earnings reported after training. Individuals are often at a low point in their labor market experience when they decide to attend training programs. Therefore, their earnings just prior to training do not represent their true earnings potential; even in the absence of training, their earnings can be expected to increase. To explore this possibility, we examined SEI participants' earnings for a full two years prior to enrollment in the programs. As shown in Figure 1 on the next two pages, the evidence suggests that the earnings potential of participants in advanced training programs increased after they took part in training—in five of the six training sites, post-training earnings exceeded the earnings participants had attained prior to the preenrollment dip. The increase in earnings from the first to the last quarter among participants in advanced training programs ranged from an average of \$1,007 per month at WIRE-Net to an average of \$5,095 per month at Project QUEST. After completion of entry-level programs at Southern Good Faith Fund and WIRE-Net, participants' quarterly earnings increased, but only to a level consistent with the earnings reported by participants prior to the preenrollment dip in their income.

**GRADUATES OF SKILLS-TRAINING PROGRAMS EXPERIENCED
LARGER INCREASES IN THEIR HOURLY WAGES
THAN PARTICIPANTS WHO DID NOT GRADUATE**

Across the six SEI skills-training programs, and after accounting for differences in the demographic characteristics and work experience of training graduates and nongraduates, participants who graduated experienced greater increases in hourly wages than those who did not graduate. It is possible that individuals with certain unmeasured abilities or motivation were both more likely to graduate and to obtain better jobs than those who did not graduate. However, the differences in hourly wages and annual earnings remained substantial after taking into account participants' previous education and work experience. The differences in employment earnings outcomes between training graduates and nongraduates are summarized in the box below.

**Changes in Employment and Earnings Outcomes for Graduates Versus
Nongraduates (Skills-Training Programs)**

Two years after training, those who graduated:

- ◆ Were 2.1 times more likely to be working at the time of the 24-month follow-up survey;
- ◆ Experienced, on average, a \$6,031 greater increase in annual earnings;
- ◆ Experienced, on average, a \$2.05 greater increase in hourly wages at their most recent job;
- ◆ Were 1.8 times more likely to have health benefits available at their most recent job; and
- ◆ Were 4.3 times more likely to be working in a training-related occupation at their most recent job.

Figure 1

Changes in Quarterly Earnings Among Participants from Two Years Before to Two Years After Enrollment (Skills-Training Programs)

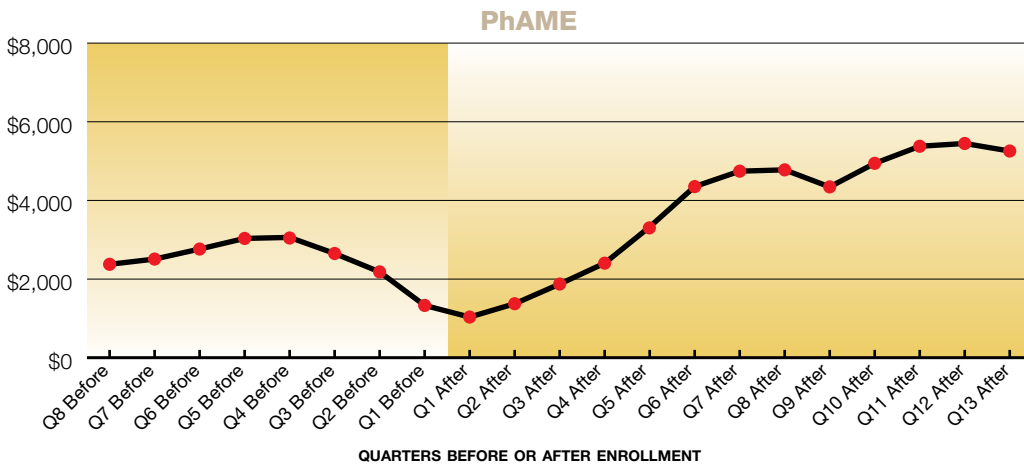
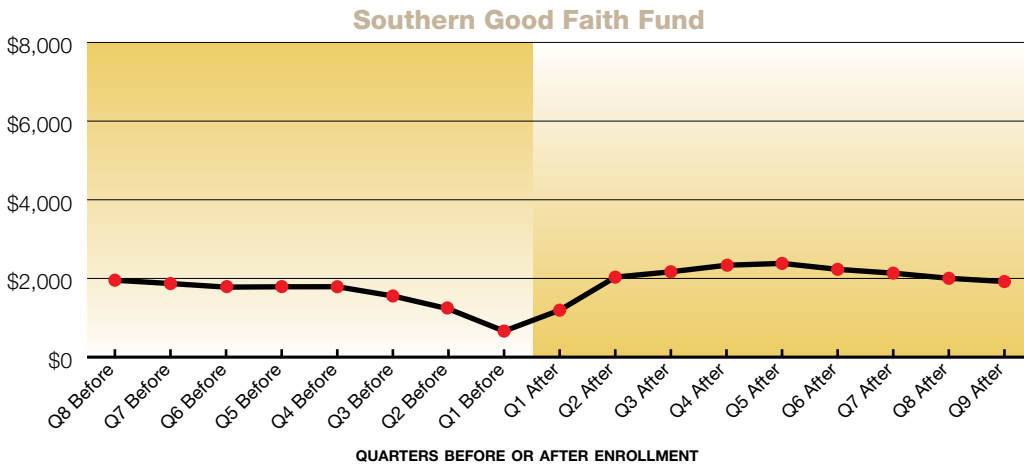
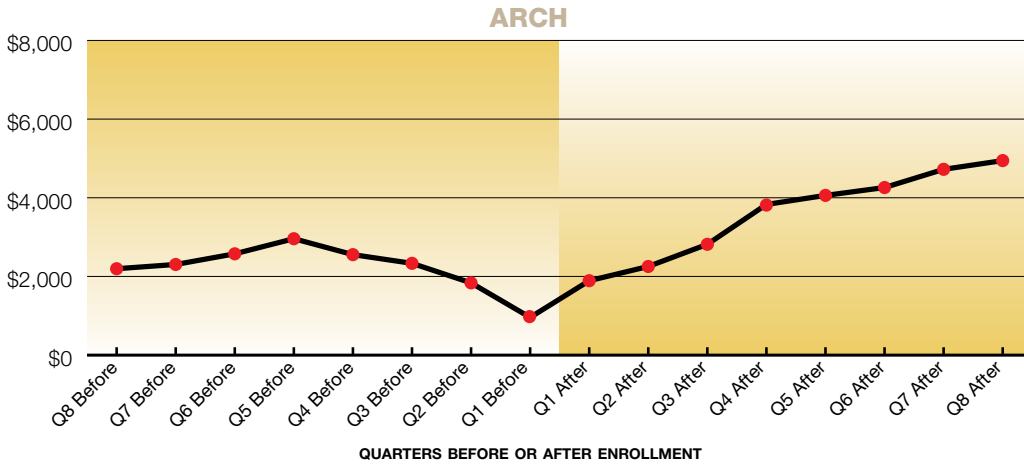
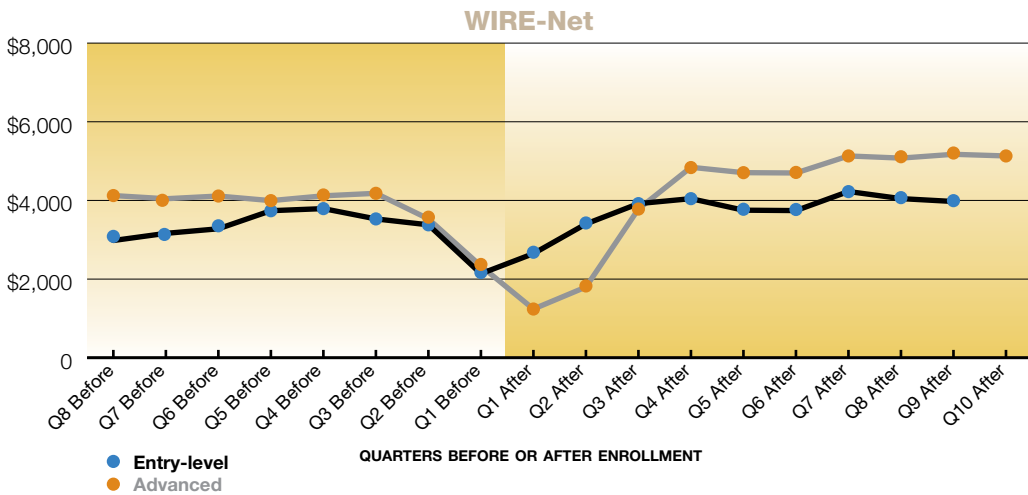
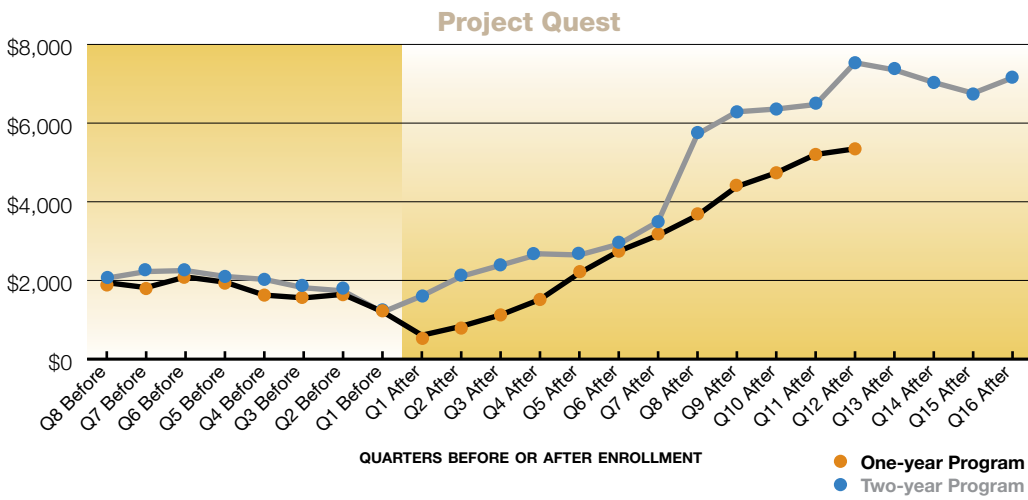
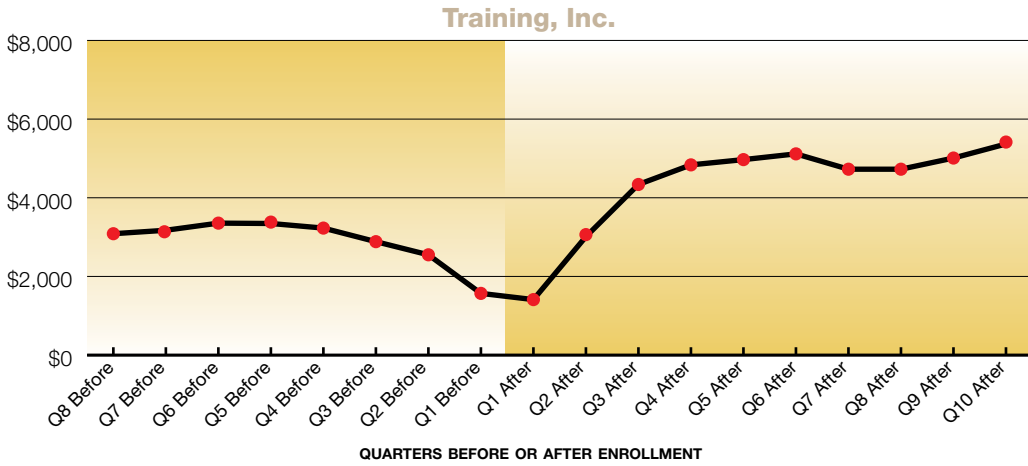


Figure 1 continued

Changes in Quarterly Earnings Among Participants from Two Years Before to Two Years After Enrollment (Skills-Training Programs)



PARTICIPANTS IN SKILLS-TRAINING PROGRAMS OBTAINED JOBS IN THE TARGETED SECTORS

More than half (53 percent) of the participants in skills-training programs obtained jobs in the sectors for which they were trained, and, on average, they earned higher wages than those working in non-training-related occupations.

During the two years after training, about 6 in 10 participants worked in the targeted sector—59 percent in the first year after training and 53 percent in the second year.⁶

Across the six SEI training sites, participants who worked in training-related jobs two years after training earned an average wage of \$11.90, compared with an average wage of \$10.32 among those in non-training-related occupations. These differences held up in analyses that accounted for differences in the demographic characteristics and work histories of participants in these two groups.

This finding varied, however, when we looked at the level of training. Across all of the advanced training programs, participants who obtained training-related jobs earned a substantially greater hourly wage than those who obtained non-training-related jobs. But across the entry-level training programs, participants in training-related jobs did not earn a significantly greater hourly wage than those in non-training-related jobs. Still, the entry-level jobs obtained by participants who remained in a training-related field were positions that offered the potential for advancement. The data for participants of Southern Good Faith Fund's training program, for example, suggest that they accessed opportunities they had not been able to in the past. Only 2 percent of those working in the targeted healthcare occupations 24 months after training had done so during the two years prior to training. More follow-up is necessary to find out whether these participants continued to progress in the healthcare field.

Graduates were more likely to obtain training-related jobs than were nongraduates. (See Chapter 6 for data on the challenges of retaining participants in skills-training programs.) In fact, when looking at the six skills-training programs combined, the significance of the relationship between being a program graduate and hourly wages is reduced after accounting for whether or not participants were working in the targeted occupations. During the second year after training, 61 percent of graduates worked in training-related jobs, compared with 32 percent of nongraduates. While some participants who left training early may have obtained the necessary skills to access the targeted jobs, they were more likely to reap the benefits of that training when the jobs in the targeted sector did not require some type of certification. At Project QUEST, where participants trained for nursing and other health positions that required a certificate or degree, completing the training was associated with greater hourly wages even after accounting for whether or not participants were working in training-related occupations.

An alternative explanation for the employment outcomes could be that participants had prior work experience in the targeted occupations and simply continued to work in related jobs. We explored this possibility by examining whether participants who obtained training-related jobs after training had worked in those types of jobs in the two years prior to training. We found that fewer than one third (28 percent) of participants working in the targeted occupations had done so during the two years prior to enrollment.

EARNINGS OF PARTICIPANTS RECEIVING ADVANCED TRAINING WERE GREATER THAN THOSE IN ENTRY-LEVEL TRAINING PROGRAMS

While participants in both advanced and entry-level training programs realized increases in employment and earnings, the increases in earnings achieved by participants in advanced skills-training programs were substantially greater.

Participants in advanced programs experienced an average increase in hourly wages of \$3.14, while those in entry-level programs saw their hourly wages rise an average of \$1.21. Although participants in entry-level programs achieved a lower level of earnings due to lower hourly wages, these programs were valuable in that they were able to serve a population that was more disadvantaged than the one served by the advanced programs. Table 13 compares employment outcomes for entry-level versus advanced skills-training participants.

Table 13
Employment Outcomes for Entry-Level and Advanced Skills-Training Programs

	Advanced Programs (n=319)	Change Over Year Before Enrollment	Entry-Level Programs (n=142)	Change Over Year Before Enrollment
Worked during all 12 months	67%	+173%	46%	+195%
Median annual earnings (workers only)	\$22,626	+95%	\$12,325	+63%
Median hourly wage at current or most recent job	\$11.54	+42%	\$7.07	+8%
Average hourly wage at current or most recent job	\$12.34	+36%	\$7.88	+11%
Current or most recent job is full-time	80%	+36%	68%	+<1%
Current or most recent job offers health benefits	75%	+62%	67%	+24%

Source: P/PV analysis of baseline and follow-up survey data.
NOTE: Earnings and hourly wages are in 2002 dollars.

OTHER CHANGES FOR SKILLS-TRAINING PARTICIPANTS

Along with increases in wages and earning, participants of skills-training programs experienced increases in educational attainment, income and assets, and in some types of debt.

CHANGES IN EDUCATIONAL ATTAINMENT

Some SEI programs helped participants earn college credits. QUEST participants attended credit-bearing programs at community colleges. Participants at two of the three Southern Good Faith Fund locations and at Training, Inc. earned college credits for completing the SEI training. Overall, the percentage of skills-training participants who had at least an associate's degree increased from 4 percent to 15 percent during the study period. Fifteen

percent of participants in advanced training programs earned an associate's degree during the follow-up period, while 5 percent of participants in entry-level programs did so. In addition to these gains, some participants earned a GED or diploma during the follow-up period. Among participants in the entry-level training programs, the percentage with no high school diploma or GED decreased from 26 percent to 20 percent.

CHANGES IN INCOME, ASSETS AND DEBTS

In addition to changes in participants' employment and earnings, we examined changes in other aspects of their lives that may have been indirectly influenced by improvements in their earnings. Participants' median household income two years after training was \$2,473 per month, almost twice the median monthly household income reported in the month prior to program entry. The percentage of participants living in households with incomes below the poverty line decreased by nearly half, from 64 percent to 35 percent. Among participants in the advanced skills-training programs, the poverty rate decreased from 58 percent to 24 percent, and fewer participants received public assistance two years after training. The percentage of participants receiving TANF in the month before the survey decreased from 16 percent to 3 percent, and the percentage receiving food stamps declined from 39 percent to 22 percent. The majority of those receiving food stamps 24 months after training were participants in the programs targeting entry-level jobs.

Participants increased their assets and some debts two years after training. Just over half of program participants owned an automobile, a 43 percent increase over the percentage who owned a vehicle at program entry. The rate of home ownership increased from 13 percent to 19 percent, and more than half of the participants (53 percent) had a checking account—a 64 percent increase. Slightly more participants had credit-card debt and automobile loans, although slightly fewer had other debts such as overdue utility bills and medical bills. Median net worth among all training participants remained at zero, although it increased to \$450 among participants in the advanced training programs.

EXPERIENCES AND CHANGES FOR PARTICIPANTS IN THE SOCIAL ENTERPRISES AND MEMBERSHIP ASSOCIATION

Although the primary goal of New Hampshire Community Loan Fund, Primavera Services and DARE was to improve the working conditions in the low-paying sectors on which their programs focused, the organizations also worked to improve the wages and circumstances of their employees or members. In fact, both New Hampshire Community Loan Fund's Quality Care Partners participant-employees and members of DARE's Day Care Justice Co-op realized substantial increases in earnings during the study period.

NEW HAMPSHIRE COMMUNITY LOAN FUND: THE EXPERIENCE OF PARTICIPANT-EMPLOYEES OF QUALITY CARE PARTNERS

Data provided by staff members at Quality Care Partners reveal that during the initiative, the organization enrolled 89 participants, of whom 93 percent completed the organization's five-week training program and 81 percent secured employment with Quality Care Partners. We interviewed participants at the time they joined the agency and again one and two years later. Of the interviewees who worked during the 12 months after training, 69 percent stated that they had been employed by Quality Care Partners during the year after training. These workers earned a median hourly wage of \$8.50 and worked an average of 32 hours per week for the organization. Data from the 24-month follow-up survey indicate that 27 percent of participants who were employed during the second year after training worked for Quality Care Partners, earning a median wage of \$10.37 per hour and working an average of 34 hours per week. These figures are consistent with data from the site indicating that turnover among workers at Quality Care Partners was high. Despite continuing to enroll and train new participants, Quality Care Partners' workforce did not grow beyond about 20 to 25 employees at a given time. (See "Retaining Employee-Participants at a Staffing Agency: A Challenge for Quality Care Partners" on page 51.)

PARTICIPANTS OF QUALITY CARE PARTNERS INCREASED THEIR EMPLOYMENT AND WAGES AND ACCESSED HIGHER-QUALITY JOBS

Overall, participants realized significant increases in employment and earnings during the two years after enrolling in Quality Care Partners. The percentage working in jobs offering medical benefits also increased.

While many participants did not remain employed with Quality Care Partners, the majority (85 percent) of the participants interviewed worked as a Certified Nurses Assistant CNA or in a related healthcare occupation during the year after program entry, and 69 percent did so during the second year after entering the program. The percentage of participants working year-round increased from 35 percent in the year prior to enrollment to 57 percent in the second year after program entry. The median hourly wages for participants in their most recent job two years after enrollment increased 20 percent to \$9.75. In the second year after enrollment, annual earnings among all Quality Care Partners participants increased by an average of \$5,974 over the prior year. Eighty-three percent had medical benefits available—a 58 percent increase over the year before baseline.

Table 14 on the next page offers data on participants' labor market experiences before and after enrolling in Quality Care Partners.

Table 14
Quality Care Partners Participants' Labor Market Experiences
In the Year Before and Second Year After Enrollment

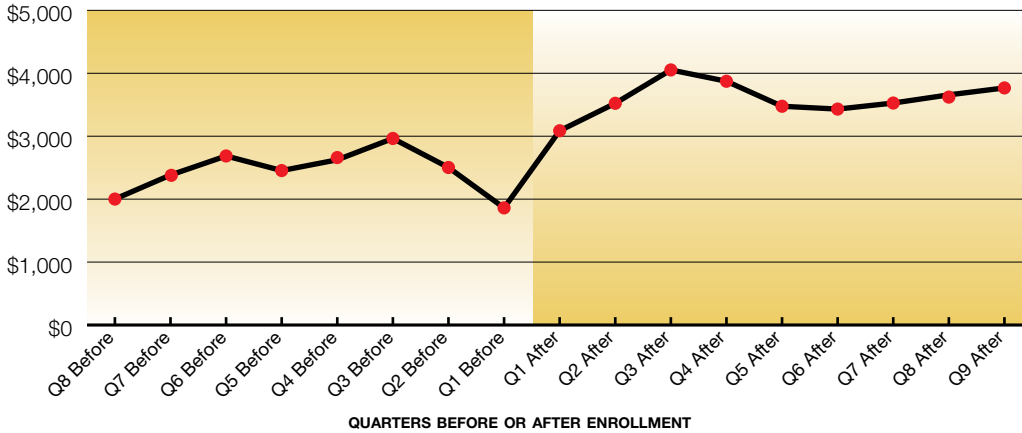
	Year Before Enrollment (n=58)	Two Years After Enrollment (n=58)	Change from Year Before to Two Years After Enrollment
Ever employed during year	81%	90%	+11%
Average months employed	7.5	9.4	+25%
Worked during all 12 months	35%	57%	+65%
Median annual earnings (all participants)	\$9,124	\$18,150	+99%
Median annual earnings (workers only)	\$12,704	\$19,152	+51%
Hourly wage at current or most recent job			
Median	\$8.14	\$9.75	+20%
Average	\$8.10	\$10.14	+25%
Current or most recent job is full-time	43%	73%	+72%
Current or most recent job offers health benefits	52%	83%	+58%

Source: P/PV analysis of baseline and follow-up survey data.
NOTE: Earnings and hourly wages are in 2002 dollars.

Figure 2 reveals that participants at Quality Care Partners experienced a change in earnings similar to those in some of the SEI skills-training programs discussed above, though the increases in the latter quarters were not as great as those at some of the advanced skills-training sites. Participants' earnings dipped just prior to joining Quality Care Partners, then increased during the first year after enrollment. While participants experienced a downturn near the beginning of the second year after enrollment, their earnings gradually began to recover and remained above the earnings they received in the quarters prior to program entry.

PARTICIPANTS OF QUALITY CARE PARTNERS OBTAINED JOBS THEY HAD NOT PREVIOUSLY BEEN ABLE TO ACCESS

Given that few participants worked in healthcare occupations prior to joining Quality Care Partners, it appears that the experience helped participants obtain healthcare jobs that they had not previously been able to access. Of those participants who worked in healthcare during the two years after enrolling in the program, only 28 percent had done so during the two years prior to coming to Quality Care Partners. Also, jobs in the targeted sector paid more than the other types of jobs participants obtained during the follow-up period. Those who worked in the targeted healthcare occupations 24 months after enrollment earned a median wage of \$10.50 per hour compared with a median wage of \$9.25 per hour among those in other occupations.

Figure 2**Quarterly Earnings Among Quality Care Partners Participants**

PARTICIPANTS OF QUALITY CARE PARTNERS EXPERIENCED OTHER FINANCIAL IMPROVEMENTS

Overall, participants of Quality Care Partners experienced a decrease in the rate of poverty, with fewer receiving public assistance. Median monthly household income among participants of Quality Care Partners increased by 76 percent over the median income reported at enrollment, reaching \$2,122 in the month prior to the second follow-up survey. The poverty rate among participants' households decreased from 50 percent at enrollment to 18 percent two years after enrollment. The proportion receiving TANF dropped from 16 percent to 2 percent, while the number of food stamp recipients dropped from 28 percent to 12 percent. Participants also increased their assets and net worth. During the follow-up period, the largest increase in assets was reflected in the percentage of participants who had a checking account—whereas only 55 percent of participants had a checking account at enrollment, 74 percent had one two years later. Participants' median net worth increased from \$51 to \$694 over the same period.

PRIMAVERA SERVICES: THE EXPERIENCE OF PARTICIPANT-EMPLOYEES OF PRIMAVERA WORKS

As described in Chapter 2, Primavera's primary goal was to improve the conditions of day-labor work for homeless workers in Tucson, AZ, by operating its own day-labor hall to compete with for-profit firms. During the study period, Primavera Works far exceeded its original goals by employing 533 individuals in its business. We interviewed a sample of Primavera Works participants at the time of enrollment and one year later to learn about changes in their employment and housing situations.

PARTICIPANT-EMPLOYEES OF PRIMAVERA WORKS INCREASED THEIR WAGES AND ACCESSED HIGHER-QUALITY JOBS

Participants who completed the follow-up surveys worked an average of 30 hours per week in their Primavera Works jobs, earning median hourly wages of \$5.45. Compared with the other day-labor jobs held by participants, Primavera Works' median hourly wages were \$.20 higher. Participants also secured work through Primavera at least four days per week 77 percent of the time, compared with 66 percent of the time at other day-labor firms—however, the average hours worked per week were the same.

In addition to its goal of employing participants in its day-labor business, Primavera sought to help individuals secure permanent employment. To that end, the organization offered workshops on completing an application, interviewing techniques and anger management. While the evidence suggests that some participants experienced improvements in the quality of jobs they obtained, most continued to mix day-labor work at multiple firms with regular jobs. Three quarters (75 percent) of all participants worked in non-day-labor jobs in the year after enrollment, compared with 81 percent who did so during the year prior to enrollment.

While overall employment rates declined slightly in the year after enrollment, there is evidence that some Primavera workers began to access higher-quality jobs and more consistent work. Between the year prior to and the year after enrollment, the percentage of participants who worked year-round increased from 25 percent to 35 percent. Almost two thirds (65 percent) of participants' current or most recent jobs at follow-up were non-day-labor jobs. During the period between the two interviews, median hourly wages among workers increased modestly to \$6.64, but the percentage of workers earning more than \$8.00 per hour increased from 13 percent to 35 percent. Almost two thirds (65 percent) worked full-time a year after enrollment, and 46 percent had health benefits available at their current or most recent job—an 83 percent increase over the number of respondents reporting access to such benefits prior to enrollment. Median annual earnings among Primavera participants who worked in the year after enrollment were \$11,150—a 26 percent increase over the year prior to entering the program. These data are shown in Table 15.

Although some participants experienced the improvements described above, Figure 3 demonstrates that, overall, quarterly earnings had not grown to the levels experienced by participants two years prior to program participation. When we examine this longer period of time, we find that the trajectory of participants' quarterly earnings changed for the positive after they enrolled in Primavera, but that their postprogram earnings in the fourth quarter remained lower than what they had earned in earlier quarters for which we have data. Without data for a comparable group of homeless day laborers, we do not know whether participants' earnings would have continued to decline if they had not enrolled in Primavera or if they would have stabilized even in the absence of the program.

Table 15

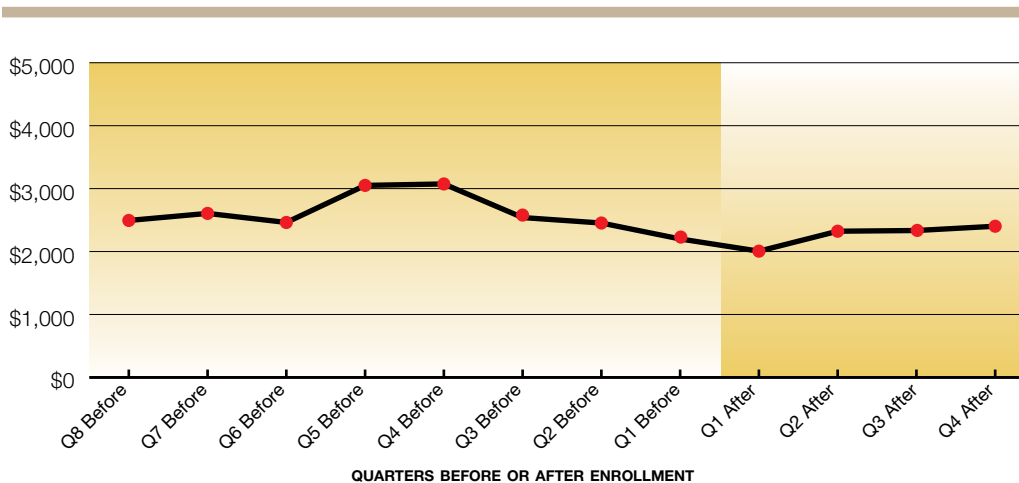
Primavera Works Participants' Labor Market Experiences in the Year Before and After Program Enrollment

	Year Before Enrollment (n=94)	One Year After Enrollment (n=94)	Change from Year Before to Year After Enrollment
Ever employed during year	95%	90%	-5%
Ever employed in a non-day-labor job in the past year	81%	75%	-7%
Average months employed	7.7	8.1	+5%
Worked during all 12 months	25%	35%	+40%
Median annual earnings (all participants)	\$8,041	\$10,060	+25%
Median annual earnings (workers only)	\$8,853	\$11,150	+26%
Hourly wage at current or most recent job			
Median	\$5.97	\$6.64	+11%
Average	\$6.91	\$7.37	+7%
Current or most recent job is full-time	58%	65%	+11%
Current or most recent job offers health benefits	25%	46%	+83%

Source: P/PV analysis of baseline and follow-up survey data.
NOTE: Earnings and hourly wages are in 2002 dollars.

Figure 3

Quarterly Earnings Among Primavera Works Participants



PRIMAVERA WORKS PARTICIPANTS EXPERIENCED GAINS IN INCOME AND ASSETS

Participants' median monthly household income one year after enrollment was \$940—a 56 percent increase over their income during the month prior to enrollment. The rise in income can be credited to two factors—an increase in earnings from work and an increase in food-stamp usage from 20 percent to 27 percent of participants. The percent of participants living in households with below-poverty incomes declined from 80 percent in the month prior to enrollment to 56 percent in the month prior to the follow-up survey. The percent of participants who owned an automobile more than doubled during the follow-up period to 26 percent, while the proportion with a savings account also doubled to 18 percent.

Regarding participants' housing outcomes, there was a slight increase in the percentage of participants who lived in a private dwelling—from 17 percent at the time of enrollment to 22 percent 12 months later.⁷ The percentage of Primavera participants who identified themselves as being homeless decreased from 48 percent at program entry to 28 percent one year later, while the percentage who said they lived in public housing increased from 35 percent to 50 percent.

DARE: THE EXPERIENCE OF MEMBERS OF THE DAY CARE JUSTICE CO-OP

During the study period, the Co-op set up programs to support members' child care businesses and enhance their working conditions as well as the quality of the care they provided.⁸ The Co-op's strategies included: (1) creating a training system that was accessible to its members in its affordability, location and language; (2) influencing the mainstream training system so that it became more accessible to the low-income, minority providers who made up the Co-op membership; (3) contracting with the state to provide sick and vacation days to its members through a substitute pool program; and (4) providing access to resources such as toys, books, computers and grants for physical improvements that members could not have accessed on their own. Survey data indicate that 90 percent of Co-op members attended training or workshops provided by the Co-op, just over half used the substitute pool program and one third accessed the toy lending library.

We conducted three rounds of interviews with Co-op members who were active in 1999 and 2000. The second and third interviews took place 18 months and 30 months after the baseline interview. The surveys gathered information about members' characteristics, their child care income and expenses, and their experiences with the Co-op's programs and services. The data in this report focus on the 85 members who completed all three interviews. A full analysis of the experience of the Co-op and its membership appears in the P/PV report *Investing in Low-Wage Workers: Lessons from Family Child Care in Rhode Island* (Roder, Seavey 2006). Here we provide a brief summary of the findings from that report.

DAY CARE JUSTICE CO-OP MEMBERS SIGNIFICANTLY INCREASED THEIR INCOME, REDUCED THEIR POVERTY RATE AND INCREASED THEIR ASSETS

An increase in income, tied to an increase in the state’s reimbursement rate for family child care, significantly reduced the poverty rate of Day Care Justice Co-op members. Members strengthened their businesses and experienced an increase in home ownership.

One of the most striking findings from our interviews is evidence of a substantial increase in Co-op members’ net incomes over the course of the study period. During the 30-month follow-up period, members’ average expenditures did not change very much, but their average monthly gross income increased to \$3,336 from \$2,252 at the initial interview—an average increase in gross income of 48 percent. (See Table 16.) The increase in net monthly income translates into a \$13,632 increase in annual earnings, with the average annual earnings at the time of the 30-month follow-up interview reaching \$24,696.

The growth in net income resulted in a substantial reduction in the number of Co-op members living in households with income below the poverty line—from 44 percent to 15 percent. Members also experienced increases in rates of home ownership from 60 to 79 percent and rates of car ownership from 79 to 88 percent. Finally, most providers were able to take steps to improve their child care businesses—between 81 and 90 percent of respondents purchased furniture or equipment, and between 72 percent and 82 percent made repairs or renovations to their homes in each of the three years in which they were interviewed.

Table 16
Co-op Members’ Monthly Family Child Care Income and Expenses

	At Initial Interview	At 18-Month Follow-Up Interview	At 30-Month Follow-Up Interview
Gross income from child care	\$2,252	\$3,118	\$3,336
Expenditures	\$1,330	\$1,310	\$1,278
Net income from child care	\$922	\$1,808	\$2,058

Source: P/PV analysis of baseline and follow-up survey data.
Note: Figures are in 2002 dollars.

A substantial part of the increase in provider net income was tied to a 50 percent increase in average reimbursement rates for state-financed family child care. The change in rates was a political decision influenced by a variety of factors, including the state’s budget surplus and political will to invest in its child care system, the availability of increased federal funding for child care provided to low-income families and the advocacy efforts of the state’s child care community (including members of the Co-op). As a result, it is impossible to disentangle the effects that the Co-op, the state and other child care advocates had on the system.

SUMMARY

Improving participants' economic opportunities is a common goal of workforce development programs serving low-income workers. Indeed, this was a goal of the SEI organizations. However, these organizations coupled their concern for individuals with a deep understanding of the labor needs of specific sectors. Overall, this strategy resulted in increased access to quality jobs and substantial changes in wages and earnings. Although the organizations implemented their sectoral strategies in different ways—some more successfully than others—their experiences indicate that targeting specific industries is a promising and viable approach to moving people out of poverty. Chapter 5 describes the organizations' efforts to bring about systemic changes that could make quality jobs more accessible and working conditions better for less-educated workers—including workers other than their own participants.

Progress on Systemic Changes

Chapter 5 reports on the progress made by the SEI organizations in bringing about changes within their targeted sector—changes that could affect not only the organizations' participants but also other workers in the sectors' low-wage jobs.

Bringing about systemic change is a time-consuming process. It requires gaining considerable knowledge of the system that comprises a sector and developing a strategic position from which to exert influence. As stated earlier, we did not expect the SEI organizations, whose efforts were largely new, to achieve systemic changes during the study period. Instead, we assessed their progress toward engaging in activities and positioning themselves in ways that could lead to future change. The strategies through which the SEI organizations sought change included not only training skilled workers and influencing the policies and practices of sector employers but also influencing (1) the policies and practices of higher education, (2) the public system for workforce development and (3) legislation and/or regulations that affect working conditions. (For more information on the goals and strategies of SEI organizations, see Table 3 on page 9.)

THE SKILLS-TRAINING ORGANIZATIONS' PROGRESS TOWARD SYSTEMIC CHANGE

The six skills-training organizations made varying levels of progress toward their systems-change goals during the initiative. WIRE-Net made the most progress in bringing about change at educational institutions and in positioning itself to guide changes in the practices of its targeted metalworking employers. Southern Good Faith Fund largely focused its systemic activities on the public sector to gain support for its and others' work with low-income individuals. Its activities with community colleges laid the groundwork for future efforts to change the way these institutions operate. QUEST and Training, Inc., organizations that operated well-respected training programs with high completion rates and high rates of success in placing participants into well-paying jobs, may have been in a position to pursue systemic change through partnerships with employers or educators, but they did not do so during the initiative.

ARCH and PhAME did not make headway on strategies to work with employers on issues confronting their sectors or to get employers to change industry practices. Given that both of these organizations closed their skills-training programs before the end of the initiative, it is not surprising that they were unable to begin positioning themselves to advance their systemic goals. Challenges that arose during the start-up period of their training programs consumed staff members of both organizations. Once program implementation had begun, this preoccupation detracted from their ability to develop relationships with employers and other key players in the sector.

The following pages describe in more detail the progress, potential and setbacks of the skills-training organizations as they pursued positive changes that would affect both their participants and other workers in their targeted sectors.

SYSTEMS-CHANGE GOAL 1: TO INFLUENCE THE POLICIES AND PRACTICES OF SECTOR EMPLOYERS

CHANGING EMPLOYER PERCEPTIONS OF LOW-INCOME, MINORITY WORKERS

All six of the SEI skills-training organizations aimed to change employers' perceptions of the populations they served—primarily low-income, minority job seekers and workers who often possessed limited educations.

PROGRESS

While the SEI skills-training organizations placed low-income, minority workers in jobs in the targeted sectors, the numbers were small relative to the size of the sector in any one location. We cannot measure the extent to which employers' perceptions or practices changed or separate out the influence of the SEI programs versus other factors (for example, the state of the local economies during the initiative). However, we can offer an assessment of the organizations' progress in interacting with employers that extended beyond the traditional role of referring job seekers to them, which we do in the box on page 37.

CHANGING EMPLOYMENT REQUIREMENTS TO BENEFIT THOSE WITH LESS EDUCATION

Two organizations worked to convince employers to redefine educational requirements for certain positions—requirements seen by the organizations as artificial barriers to employment for both their participants and other workers. Only one, Southern Good Faith Fund, made significant progress toward this goal during the course of the initiative.

PROGRESS

Southern Good Faith Fund succeeded in changing the employment requirements of two of its employer-partners, which agreed to hire Southern Good Faith Fund graduates who did not have a high school diploma or GED. However, this change applied only to Southern Good Faith Fund participants, for whom the employers allowed the skills obtained during training to make up for the lack of a formal education credential. Southern Good Faith Fund also aspired to convince employers to place greater value on the work of CNAs and thus increase their wages. While the starting hourly wages of the CNAs placed by Southern Good Faith Fund increased by about a dollar during the initiative, this likely reflects employers' response to the regional shortage of nursing assistants during the demonstration rather than recognition of the skills required to perform the job well. Employers interviewed for the study continued to recruit untrained workers and did not pay a wage differential for workers with training.

POSITIONING THE ORGANIZATION TO WORK WITH SECTOR EMPLOYERS

In addition to providing trained workers, several organizations sought to retain good jobs for area residents by offering other services to employers. QUEST, Southern Good Faith Fund and Training, Inc. created advisory boards for their training programs made up of employers from the targeted sectors. The organizations anticipated that the boards' value would lie in providing a direct forum for employers to speak to the organization about updating curricula to reflect changes in hiring or certification requirements or to discuss issues concerning program graduates they had hired. The organizations foresaw that their boards would also prove useful to the employers and would help develop buy-in to the organizations' goals for systemic change.

In addition, some organizations sought to develop relationships with industry associations and involve employers in program delivery—a strategy that would familiarize employers with program participants and encourage them to hire from that pool. QUEST, Southern Good Faith Fund and WIRE-Net, programs who emphasized employer relationships, seemed to have the highest percentages of participants who worked in training-related jobs during the two years after training. The box below presents some of the ways in which the SEI sites involved employers in their programs.

Employer Involvement in the SEI Training Programs

The SEI training programs that had the most success in placing participants in training-related jobs developed trust and buy-in among employers by involving them in their programs in several ways.

- ◆ Creating employer advisory boards that served multiple functions, including:
 - ◆ Talking with staff about advancements in the field to keep training curricula current with employers' needs;
 - ◆ Informing staff of hiring practices and certification requirements to ensure that graduates were able to compete in the job market; and
 - ◆ Discussing issues related to employee turnover and helping programs develop ways to address these issues either in training or in one-on-one counseling.
- ◆ Using employers as guest speakers in informational sessions to help participants understand the targeted occupation and the environment at potential work sites. These guests played many roles, including:
 - ◆ Participating in practice interview sessions with participants;
 - ◆ Tutoring students;
 - ◆ Serving as mentors;
 - ◆ Participating in job fairs; and
 - ◆ Hosting trainee internships or providing clinical rotation sites for training.

PROGRESS

By the end of the initiative, the boards created by QUEST, Southern Good Faith Fund and Training, Inc. were not meeting often and did not prove useful. One difficulty the organizations noted was turnover among staff members at the companies, which led to a need to continually orient new board members to their roles. A second issue was competition among employers, which impeded efforts to get them to share best practices concerning recruitment and compensation. QUEST's key employer-partners were not amenable to putting resources toward a career mobility strategy beyond the limited tuition assistance they already provided. Only WIRE-Net made progress in positioning itself to work with employers in ways different from those typically employed by skills-training programs. While it did not achieve all its goals with regard to providing services to individual employers during the initiative, WIRE-Net had some success in this area; the organization assisted one company in developing an apprenticeship program, prepared training plans for two firms and worked with companies to convince the local adult-education center to offer skills-upgrading classes for incumbent workers. It also helped to build a coalition of industry employers that worked together on issues regarding the recruitment and advancement of workers, and it played an important role in helping that coalition develop a plan to address workforce development needs in the Cleveland area. Members of the coalition recognized the importance of the role WIRE-Net played in identifying key issues, players and strategies for action. While the group had not yet implemented strategies during the initiative, the infrastructure was put in place to effect change in the future. One outcome of the effort was the establishment of the Technology, Engineering and Advanced Manufacturing Academy at Max S. Hayes Career and Technical High School.

SYSTEMS-CHANGE GOAL 2: TO INFLUENCE POLICY AND PRACTICE IN HIGHER EDUCATION

Several organizations pursued systemic change by working with colleges and other training providers to alter their policies and practices pertaining to recruitment and training. Project QUEST, Southern Good Faith Fund and Training, Inc. tried to improve the remediation process at community colleges to increase access for less-educated, minority residents. PhAME, Southern Good Faith Fund and Training, Inc. also strove to partner with community colleges to create career-advancement pathways for low-income residents, a goal that included providing opportunities for continuing education after the completion of certificate programs. In order to better tailor college curricula to meet the need for skilled workers, organizations worked to bring together employers and educators. In addition, Project Quest and WIRE-Net encouraged sector employers and training providers to adhere to a standard set of occupational skills and competencies.

PROGRESS

During the initiative, WIRE-Net was the only organization to achieve change that has the potential to impact workers throughout a sector. It convinced local educational institutions to adopt industry skills standards into their curricula and to test their graduates so they could obtain industry-recognized certifications. This achievement had the potential to benefit both the low-income students that WIRE-Net recruited into the training programs and others seeking employment in the sector by ensuring that they would gain the skills and competencies that employers needed as well as the credentials they required.

In addition, WIRE-Net helped to fill the slots of several machining programs with nontraditional students, including minorities and women receiving welfare. When the site's resources to support these recruitment efforts dwindled, however, the schools did not continue them on their own. Fortunately, there is still potential for this work to bring about wider changes—the National Institute of Metalworking Standards began to promote WIRE-Net's model of recruitment and support of nontraditional workers to manufacturers around the country.

Southern Good Faith Fund worked to establish partnerships with two community-college systems to facilitate low-income individuals' access to career pathways in healthcare. The organization developed a relationship with one college that referred people to its CNA training program and issued college credits for its completion; the accumulation of these credits could facilitate participants' entry into other programs. Because this relationship benefited only Southern Good Faith Fund's participants, it does not constitute systemic change. Still, the organization's efforts did lay the groundwork for a future partnership with several of the state's community college systems to improve remedial education for individuals who were not academically prepared to attend the colleges' degree programs.

Two other SEI organizations got involved in education-related activities by working with local colleges and training centers to increase enrollment, particularly of candidates from the targeted minority populations. Neither was successful in creating change at these institutions that would last beyond the organizations' efforts. QUEST operated a basic education program targeting adults with 6th- to 10th-grade reading levels but did not carry out its plan to persuade local literacy centers to adopt the program. Training, Inc.'s primary activity during the initiative centered on forging relationships with college administrators and departments at Essex County College by serving on committees. Staff members also attended open houses to present information to potential students about career opportunities in information technology (IT) and advised students to help connect them to IT programs at the school. While these efforts increased the program's visibility within the school, the organization did not make progress in pushing an agenda for change and did not pursue systemic change once the initiative ended. The inherent political nature of educational institutions along with continual staff and structural changes within the college during the initiative presented significant challenges to Training, Inc.'s efforts.

SYSTEMS-CHANGE GOAL 3: TO INFLUENCE LEGISLATION AND POLICY AROUND PUBLIC FUNDING FOR SKILLS TRAINING

To increase access and funding for skills training, several organizations sought to influence the public system; these efforts included increasing public-sector investment in training and ensuring that TANF recipients were allowed to attend skills training.

PROGRESS

QUEST and Southern Good Faith Fund played important roles in advocacy efforts to increase public funding for basic education, training and supportive services. While the focus of these efforts extended beyond the organizations' targeted sectors, they did constitute work toward systemic changes that had the potential to benefit low-income workers beyond their own program participants. These efforts also had the potential to aid the organizations' primary work by providing greater resources for training and supports.

QUEST and its founders, Communities Organized for Public Service and Metro Alliance, helped create and support Texas' Better Jobs Act, which established a municipal development corporation to fund workforce activities. Later, they supported legislation to create a Human Development Fund that would funnel city sales tax to area educational and job training programs. As a member of Texas Workforce Advocates, QUEST played a role in engaging employers, job seekers and staff members at workforce development agencies in a series of focus groups that culminated in a report to the Alamo Workforce Development Board with recommendations for strengthening the workforce development system. While the report had not yet had an impact on the local workforce development system, QUEST's involvement in this effort positioned the organization to influence future public policy.

Southern Good Faith Fund was able to get the local adult education provider to place teachers on site. Southern Good Faith Fund's policy staff members led a lobbying effort to amend the state's welfare reform laws so vocational education would count as an allowable work activity, potentially enabling welfare recipients throughout the state to obtain skills training. Working within a multiagency collaboration, Southern Good Faith Fund successfully advocated for an increase in child care funding to eliminate the waiting list for the working poor. The coalition also succeeded in securing an extension of the period of subsidized child care from one to three years. While it is impossible to separate the impact of Southern Good Faith Fund's efforts from those of other advocates, key stakeholders in Arkansas believed Southern Good Faith Fund played an important role in these efforts.

THE SOCIAL ENTERPRISES' AND MEMBERSHIP ORGANIZATION'S PROGRESS TOWARD SYSTEMIC CHANGE

As it did for the skills-training organizations, progress toward systemic change varied for the two social enterprises and the membership organization. All three organizations made strides by influencing legislation that contributed to improving the conditions of workers employed in their targeted sectors. Compared with progress made by other organizations toward their systems-change goals, New Hampshire Community Loan Fund and Primavera made fewer inroads toward their common goal of influencing other firms by competing for their business clients, but it is worth noting that this was a decidedly difficult undertaking.

SYSTEMS-CHANGE GOAL 4: TO INFLUENCE LEGISLATION OR POLICIES/REGULATIONS THAT AFFECT WORKING CONDITIONS

By operating as social enterprises and a membership association, New Hampshire Community Loan Fund, Primavera and DARE positioned themselves to influence state-level policies that applied to all workers in their targeted occupations.

PROGRESS

Through its Direct Care Workforce Initiative, created to advocate for the interests of healthcare workers statewide, the New Hampshire Community Loan Fund and Quality Care Partners worked to build a reputation as a resource on paraprofessional labor market issues while simultaneously cultivating relationships with state policymakers. By engaging New Hampshire's Department of Health and Human Services, it worked toward creating a regional consortium that would focus on retention strategies for direct-care workers. New Hampshire Community Loan Fund hosted focus groups and published reports to raise public awareness about the state's paraprofessional worker shortage, how this shortage resulted from working conditions that contributed to turnover and how public investment was needed to improve the quality of jobs in the sector. These steps were instrumental in enabling New Hampshire Community Loan Fund to convene a statewide taskforce on paraprofessional labor and to obtain funding for programs and nursing homes to improve the recruitment and retention of paraprofessional workers. In addition, Quality Care Partners played an important role in advocating for one of its business customers to be appointed to the Work Opportunity Council, the state's Workforce Investment Board, as part of its effort to convince the state to view healthcare as an industry whose services are in high demand by state residents.

In its effort to improve the working conditions and income of day laborers throughout Arizona, Primavera Services turned to the legislative arena. Its organizing efforts among a wide-ranging coalition of advocates for the homeless, small-business owners, contractors, manufacturers and trade groups resulted in the passage of legislation that made it illegal for day-labor firms in Arizona to charge fees for transportation or supplies that would

reduce workers' pay to below the minimum wage or to charge fees for cashing their paychecks. The legislation also prohibits day-labor firms from restricting the right of day laborers to accept permanent positions. This was a significant systemic achievement that can positively affect all day laborers in Arizona.

DARE's Day Care Justice Co-op carried out targeted advocacy efforts as well as a long-term campaign to expand its membership and to shape public opinion—and lawmaker perceptions—about the value of family child care services. Co-op members also took on leadership roles in state policy forums. During the study period, the Day Care Justice Co-op accomplished important victories and was able to continue to grow and organize its membership. The Co-op and its allies defended hard-won turf as state finances turned from surplus to deficit, and defeated attempts by the legislature to rescind rate increases for family child care providers. The Co-op became increasingly recognized as the central voice of advocacy for providers, and its leaders were invited to join child care committees and advisory councils.

Despite these victories, the Co-op did not succeed in achieving the goals of its Cost of Care Campaign to secure a contract system and a collective bargaining agreement with the state, nor did it succeed in its attempt to affect public policy through new legislation. The Co-op also faced numerous challenges in seeking to become a sustainable professional organization while staying true to its grassroots, participatory origins. Still, the Day Care Justice Co-op experienced tremendous growth in membership and an increase in its share of the family child care sector in Providence, RI, at a time when this sector was expanding rapidly. After the period under study, Co-op members joined forces with a union to lead the effort to secure a collective bargaining agreement with the state, and its former board chair, lead organizer and members continued to play prominent roles in activities aimed at improving working conditions for family child care providers.

SYSTEMS-CHANGE GOAL 5:

TO INFLUENCE THE POLICIES AND PRACTICES OF COMPETING BUSINESSES

Through their social enterprises, New Hampshire Community Loan Fund and Primavera Services attempted to gain a great enough market share to compel other businesses in their targeted sectors to adopt the enterprises' practices in order to remain competitive.

New Hampshire Community Loan Fund's Quality Care Partners tried to improve how low-income women were recruited, trained, supervised and promoted in the regional healthcare labor market by creating a staffing agency that provided CNAs to employers such as home-care agencies, nursing homes and healthcare networks. By offering support and better wages to its employee-participants, a strategy aimed at increasing the quality of care and reducing turnover, Quality Care Partners intended to inspire a high level of satisfaction among its customers. The organization expected to expand its business and gain a large enough market share to compel other paraprofessional staffing agencies in the sector to offer similar benefits to their employees.

Primavera Works aimed to establish itself as a competitor to local for-profit day-labor halls by offering their employee-participants greater support, higher hourly wages and relief from the fees charged by the other day-labor halls for tools, lunch and transportation. Primavera planned to provide better-quality workers than its competitors, eventually starving them of both employees and business customers. When forced to compete for both workers and customers, Primavera predicted that the for-profit firms would be compelled to improve the working conditions of their laborers.

PROGRESS

New Hampshire Community Loan Fund successfully launched Quality Care Partners, but the organization did not grow large enough during the initiative to have a systemwide impact on employers. Primavera discovered that the local for-profit day-labor halls were actually operated by statewide businesses and in some cases multinational firms that were too vast for Primavera to influence on a grand scale. Also, low unemployment rates during the 1990s meant that the day-labor halls were already experiencing difficulty attracting workers and as a result were not engaging in some of the exploitative labor practices that Primavera intended to highlight. Although Primavera did expand its reach by working with Central Arizona Shelter Services, a community-based organization in Phoenix, to replicate the Primavera Works model of competing within the sector to improve working conditions, Primavera turned to other strategies to improve the low-wage jobs they targeted.

SUMMARY

Traditionally, workforce development organizations support, train and place their participants in jobs. The SEI organizations' strategies were atypical in that they aimed to improve not just their participants' employability but the perception, attitudes and practices of educators and employers toward low-income, less-educated individuals. Although their progress at systemic change was uneven, their experiences point to additional strategies that could increase overall access to quality jobs and upgrade working conditions. Chapter 6 offers insight into the difficulties faced by SEI organizations as they worked toward their goals of improving employment opportunities through skills training for individuals as well as systemic intervention.

Challenges for the Sectoral Employment Initiative Organizations

Chapter 6 describes the challenges faced by SEI organizations in their efforts to offer occupation-specific skills training to low-income, less-educated individuals and improve working conditions of those employed in targeted sectors.

A

s with any new initiative, challenges arose and needed to be addressed. Our research illuminated the difficulties faced by the SEI organizations and the plans and actions taken by some organizations to meet the challenges.

THE SKILLS-TRAINING ORGANIZATIONS' CHALLENGES

CHALLENGES IN RECRUITING AND ENROLLING PARTICIPANTS

Many of the challenges confronted by the skills-training organizations occurred at the start-up of their training. These challenges included recruiting sufficient numbers of qualified participants, dealing with preconceived ideas about the organizations' work and negative perceptions of their targeted sectors—as well as public policies that restricted support for participants.

RECRUITING SUFFICIENT NUMBERS OF PARTICIPANTS

One of the major challenges sectoral programs face is recruiting sufficient numbers of participants who meet the qualifications that employers, colleges or the sectoral training programs themselves require. To identify suitable candidates, programs typically must recruit from multiple sources over a wide geographic area. During the initiative, organizations' recruitment strategies included distributing brochures to community-based organizations, churches and schools; developing relationships with unemployment offices and adult-learning centers; recruiting at job fairs and community events; distributing flyers door-to-door or at busy commercial locations; providing incentives to program participants for referrals; and marketing the program through newspaper and television advertisements. Overall, the six training sites enrolled 1,253 people during the study period (see Table 4 on page 11). Three organizations—QUEST, Southern Good Faith Fund and Training, Inc.—met or exceeded their enrollment goals; the other three organizations did not.

RECRUITMENT OF QUALIFIED PARTICIPANTS

The advanced-skills training programs required that participants score at the 8th- to 10th-grade level on tests of basic reading and math skills. Training, Inc., PhAME and QUEST recruited hundreds of applicants, but only about 20 to 30 percent scored at the required levels. A similar problem, faced by both entry-level and advanced training programs, was deciding whether to require participants to have a high school diploma or GED upon program enrollment. While this credential may not have been necessary to succeed in the training, programs had to consider their targeted employers' preferences. These requirements limited the pool of low-income individuals that the SEI programs were able to serve. Some SEI organizations implemented strategies to address this issue during the initiative, as highlighted in the box below.

Overcoming Basic Skills Deficits

Sectoral programs seeking to train low-income workers for well-paying jobs face a significant challenge in recruiting people who meet the basic skills requirements for their programs. The following are strategies the SEI programs employed to attempt to address this problem:

- ◆ For participants who did not meet their basic skills requirements, Project QUEST and the Alamo Community College District developed the 10-week Workforce Development Academy (WDA) to raise reading and math skills to the 9th-grade level. During the study period, 66 percent of the 64 WDA participants entered one of the Allied Health tracks at the college, and 27 percent completed this training during the study period.
- ◆ Upon realizing that hundreds of applicants had been turned away after scoring just below the required 8th-grade level, PhAME piloted an open-entry program for those who scored at the 6th- or 7th-grade level. Instructors worked one-on-one with those participants to improve math and reading skills until they were ready to test again. Data are not available on the outcomes of these applicants, but staff members indicated that about half of the participants who started training near the end of the initiative had come through these classes.
- ◆ Toward the end of the initiative, Training, Inc. started to provide remediation and basic skills coaching to recruits who did not meet the required 10th-grade math and reading levels and then allowed those participants to retest for entry into their skills-training program in three to six months. The organization also began to offer these applicants alternatives for getting started in the field, such as a software applications program.

PREEXISTING IDEAS ABOUT THE ORGANIZATION'S ROLE

The three organizations that struggled with recruitment faced challenges stemming from established perceptions of their work and of the population they aimed to serve. ARCH, a neighborhood-based organization known for addressing the needs of community residents, could not recruit enough eligible people from its own neighborhood to bring the program to scale and struggled to recruit from other areas. Additionally, potential referral sources and the community itself were skeptical of the program's ability to deliver long-term, rigorous training for adults, a role it had not previously played. PhAME, also located in a low-income, urban neighborhood, earned a reputation as a workforce development program for poor African American

residents rather than as a regional training provider for the manufacturing sector. Conversely, WIRE-Net was known for serving the needs of businesses in the sector and traditionally served an area where few members of its target population—low-income, minority individuals—lived. The new roles assumed by some organizations also created difficulties for staff members because it required them to reach out through new channels for recruits; not all were able to make the necessary adjustments.

NEGATIVE PERCEPTIONS OF THE TARGETED SECTOR

WIRE-Net and PhAME faced negative perceptions of machine-shop work as dirty and of the manufacturing industry as one that is in decline. In addition, both organizations sought to recruit more women into a field traditionally dominated by men. Potential participants were not predisposed to work in manufacturing, often because they were employed in different sectors targeted by other organizations. Based on data from the baseline survey of program participants, only 33 percent of participants entering manufacturing training said they had always wanted to work in this field, compared with 79 percent of those entering healthcare training. The programs in this sector, more so than others, had to conduct marketing and career-awareness activities to convince potential applicants that the training would help them secure employment in a well-paying, stable industry.

RESTRICTIVE POLICIES AND PRACTICES OF PUBLIC AGENCIES THAT LIMITED SUPPORT FOR PARTICIPANTS

The organizations had mixed results with obtaining referrals from the public systems that could support participants while in training. At one site, TANF case managers erroneously told recipients that they would lose their benefits if they participated in training. The organization worked with regional and local officials to ensure that staff members recognized training as an allowable activity under TANF. Although the policy issues were resolved, TANF case managers still had an incentive under the performance contracts to place people directly into jobs, particularly the more skilled and motivated participants that the training programs were seeking. Organizations also had varying results with the training voucher system under WIA, which allows a maximum of six months of training; this presented a barrier to programs targeting higher-skilled positions that required a longer training period. On the other hand, one SEI organization that offered a five-month training program and was on the approved list of WIA providers reported receiving many referrals through that system.

CHALLENGES IN RETAINING PARTICIPANTS THROUGH GRADUATION

Just as the SEI organizations needed to adjust their recruitment processes to attract participants, they also faced challenges in retaining participants for the duration of their training programs. Table 17 shows the graduation rates at the SEI skills-training sites. Across the six organizations, 64 percent of participants completed the SEI training programs. The completion rate increased in each year of the initiative, from 54 percent in Year One to 64 percent in Year Two and, finally, 72 percent in Year Three.

Table 17
 Graduation Rates
 (Skills-Training Programs)

Graduation Rate	
ARCH	32%
PhAME	50%
Project QUEST	68%
Southern Good Faith Fund	61%
Training, Inc.	78%
WIRE-Net	72%
All	64%

Source: P/PV analysis of site data submitted for participants who enrolled between August 1998 and March 2001.

PARTICIPANTS' NEED TO SUPPORT THEMSELVES, AND OTHER PERSONAL CIRCUMSTANCES

The most common reasons participants cited for leaving training programs were to obtain a job to support themselves and their families (23 percent of those who left training) and to deal with personal issues (22 percent).

Of participants who left training, 14 percent did so because the training did not meet their needs; others were asked to leave by program staff members (8 percent). In follow-up surveys, most participants (89 percent) said they had received support from staff members to help them stay in training. The majority of those who received support (86 percent) said it was important in helping them persevere, although not all of those who said this ultimately completed training. Most participants (85 percent) agreed that the training had prepared them well for work in the targeted sector, including some participants who did not complete training. This varied somewhat by sector, with 75 percent of participants in manufacturing programs and 94 percent of those in healthcare programs believing they were well prepared for work in the field.

Given that most participants were satisfied with the training they received, the question remains why a third of participants did not complete their programs. We examined participants' responses to the follow-up survey about why they did not complete training and analyzed the resulting data to find out how participants' background characteristics were associated with training completion.⁹ The data analysis reveals that participants who cited family members' health problems as a barrier were less likely to graduate than those who did not, and those who had a GED or no degree when they entered the programs were less likely to graduate than were those who had a high school diploma.

We did find some patterns in training completion at two of the organizations with lower graduation rates.¹⁰ At PhAME, 42 percent of those who did not complete training said they left due to their need to earn income.

Our analysis confirms that having higher household income was associated with being more likely to complete training among PhAME participants. At Southern Good Faith Fund, 56 percent of those who left training said they dropped out to deal with personal issues. Indeed, our data analysis reveals that numerous personal characteristics were associated with training completion among Southern Good Faith Fund’s participants: Those who cited health problems for themselves or their family members, had drug or alcohol abuse issues, had no degree and had children under the age of six were less likely to complete training.

PARTICIPANTS’ NEED FOR SUPPORT SERVICES DURING TRAINING

We found that participants who said they received support from staff members while in training were more likely to have graduated than those who said they did not receive such support. Our analysis of individual programs found the positive relationship between receiving support and completing training to be significant among participants at PhAME and Southern Good Faith Fund.

Participants in longer training programs were less likely than those in shorter programs to graduate. Among the three training programs that lasted one year or more, Project QUEST had substantially higher completion rates than the other two organizations. While a number of factors may have contributed to this difference, it is worth noting that Project QUEST had the strongest support system in place to help participants remain in training from the beginning of the initiative, while both ARCH and PhAME struggled to provide those necessary services. QUEST students were also able to obtain educational loans to help cover their expenses because QUEST partnered with local community colleges that provided the training. This option was not available to ARCH and PhAME participants because these programs were not accredited—accreditation can take several years from the time a program begins operations. Project QUEST’s strategies to retain participants in training are highlighted in the box on page 49.

Retaining Participants in Long-Term Training and Education

Project QUEST has an intensive system in place to support participants through one- and two-year training programs at local community colleges. This system begins during the intake process.

Pre-Program Planning. QUEST employs an eight-step intake process that involves orientation, testing, assessment, certification of eligibility and interviews with staff members and a participant evaluation team prior to enrollment. Counselors assess whether applicants' career interests and work temperament are a good match for the industry. They also identify applicants' barriers to success, including their household and financial situations, and assess how QUEST can help them overcome these barriers. The process typically takes six to eight weeks.

Financial Assistance. QUEST's support-services staff help participants with everything from tuition assistance to income support. QUEST pays participants' tuition and facilitates applications for grants that students can use for their own expenses. Counselors coordinate income supports as needed, including assistance with rent, utility bills, child care, transportation costs and food. For those students who receive public assistance, the counselors work closely with the Texas Department of Social Services to make certain eligible students receive services and support and that their school schedules are accommodated.

Program Support and Retention. Throughout training, QUEST students participate in group "Vision, Initiative and Perseverance" (VIP) meetings. The purpose of these meetings is to teach participants life skills (such as time management and study habits) and to try to head off potential problems. VIP meetings also serve as a motivational and support tool. They take place once a week for an hour, and students are expected to attend all of them. VIP sessions allow counselors to (1) maintain their relationships with the participants, (2) carefully monitor students' progress in the training program and (3) keep tabs on issues participants face at home so they can help solve problems.

CHALLENGES IN GETTING PARTICIPANTS INTO TRAINING-RELATED JOBS

As discussed in Chapter 4, participants across the six SEI training organizations experienced substantial increases in earnings after enrolling in the programs. However, the change in participants' hourly wages and the percent working in training-related occupations varied across the six organizations. Figures 4 and 5 on page 50 compare the various wage and employment outcomes of the six skills-training programs. A number of factors, including the local economy, the targeted sector, local program implementation and the characteristics of participants, contributed to the differences across organizations. Our analyses indicate that participants who had higher levels of education and those who were employed in any job at the time of program enrollment experienced greater increases in hourly wages than did others. We also found that the change in hourly wages increased with the length of training provided, even after controlling for differences in the characteristics of participants across programs.

The data reveal that participants at all of the advanced training programs, including those that struggled to retain participants, experienced substantial increases in hourly wages. However, at the programs with the lowest graduation rates—ARCH and PhAME—fewer participants worked in training-related occupations after training. At ARCH, the data suggest that participants who dropped out prior to completing training may have gained skills that enabled them to obtain better-paying jobs than they

had previously held; many participants obtained secretarial positions, although not necessarily in the legal field, which ARCH targeted. At PhAME, where the program was divided into four phases, participants who completed either the third or fourth phase were much more likely to obtain training-related jobs than were those who left the program earlier (56 percent versus 18 percent), and these participants experienced greater increases in hourly wages than did others.

Figure 4

**Change in Participants' Hourly Wages
(Skills-Training Programs)**

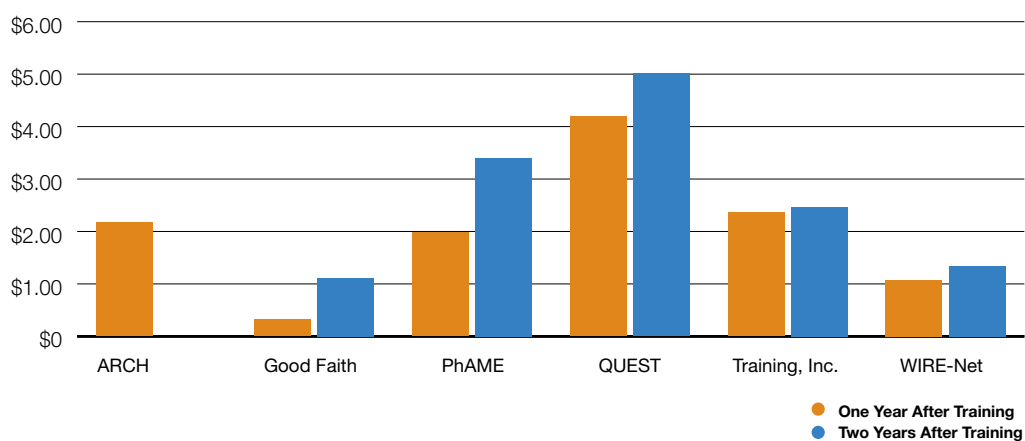
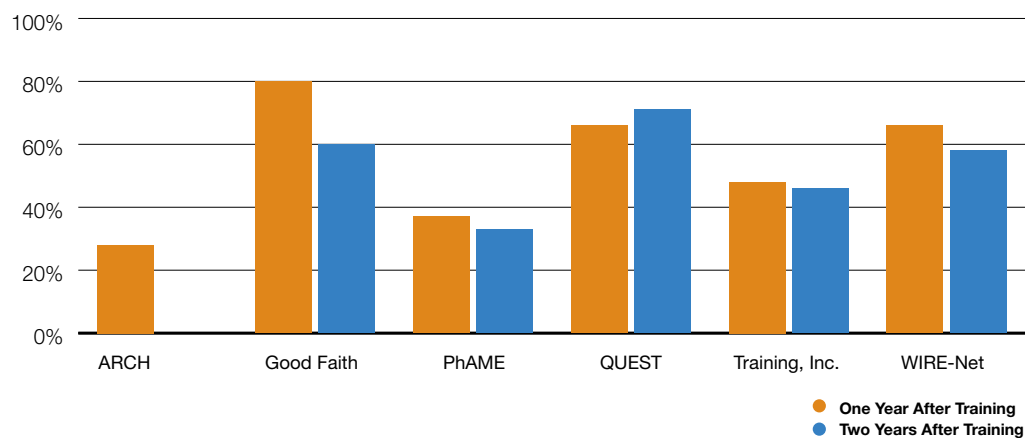


Figure 5

**Participants Who Worked in Training-Related Jobs
(Skills-Training Programs)**



THE SOCIAL ENTERPRISES' AND MEMBERSHIP ASSOCIATION'S CHALLENGES

ALIGNING STRATEGY WITH MARKET CONDITIONS: A CHALLENGE FOR PRIMAVERA

Primavera encountered a different market environment from the one its strategy was designed to target. Because of low unemployment during the time of the initiative, Tucson's for-profit day-labor halls were competing for workers and were not so often engaging in the unfair or exploitive practices that Primavera intended to change through its social enterprise. In addition, the day-labor halls were owned by statewide or international corporations whose profits did not depend solely upon a local operation. However, informed by practical experience, Primavera redirected its efforts and successfully advocated for legislation that produced permanent positive changes for the state's day laborers.

RETAINING EMPLOYEE-PARTICIPANTS AT A STAFFING AGENCY: A CHALLENGE FOR QUALITY CARE PARTNERS

A question that looms over New Hampshire Community Loan Fund's Quality Care Partners is why employee-participants left the company relatively quickly. Staff members at the organization speculated that participants left because of the temporary nature of the jobs the agency took on, particularly after the cancellation of a contract with an assisted-living facility where many employee-participants had worked. Staff believed that their employees wanted to work at long-term-care facilities where they could establish relationships with their patients and derive greater satisfaction from the job, even if the pay and benefits were only comparable to those of jobs offered by Quality Care Partners.

An analysis of the survey data suggests that Quality Care Partners participants were actually able to obtain CNA jobs elsewhere that paid higher hourly wages. During the first year after enrollment, participants who worked as CNAs or in similar health-care occupations outside of Quality Care Partners earned a median hourly wage of \$10.84, whereas employees of Quality Care Partners reported a median hourly wage of \$8.50. During the second year after enrollment, the earnings of employees who stayed with Quality Care Partners were more similar to those who obtained healthcare jobs elsewhere—a median of \$10.32 for Quality Care Partners employees, compared with \$10.66 for non-Quality Care Partners healthcare workers. Health insurance was available at similar rates for the two groups in the first year after enrollment (78 percent to 79 percent of workers had this benefit), while Quality Care Partners employees were more likely to have health insurance available in the second year after enrollment (94 percent did, compared with 77 percent of those working in healthcare elsewhere).

In a survey sponsored by Quality Care Partners and administered to 15 former employees, 58 percent of respondents reported that higher pay might have influenced them to stay with Quality Care Partners. They were also interested in working more hours and being scheduled at fewer sites.¹¹ A few of those surveyed noted that Quality Care Partners was a good way to get started in the field.

New Hampshire Community Loan Fund started Quality Care Partners with the goal of providing quality employment opportunities in the healthcare field and eventually gaining a great enough market share to influence the practices of other firms so that workers throughout the sector would benefit. Although Quality Care Partners successfully began operating during the study period, the organization remained relatively small, and its high turnover rate indicates that its employee-participants did not see greater value in the positions offered by Quality Care Partners than in other opportunities in the field. However, the organization did recruit new workers to the field, who realized significantly greater earnings after receiving training and after working for Quality Care Partners. Household poverty rates among participants dropped precipitously. We cannot assess the added value to participants of Quality Care Partners' operating a business in addition to providing training, but operating a paraprofessional firm helped position New Hampshire Community Loan Fund to carry out its systemic change work. (For a detailed description of the organization's systemic change goals, see Chapter 5.)

CONTINUED FUNDING FOR SERVICES: A CHALLENGE FOR DAY CARE JUSTICE CO-OP

In follow-up surveys with providers, 92 percent agreed that membership in the Co-op provided access to programs and services that strengthened their family child care businesses. However, many of these programs and services were available through one-time grants, and even those that required members to pay fees were not fully self-sustaining. The Co-op faced great challenges in securing public and private funds to continue offering services to its members; it was not able to identify sufficient funding to sustain operations after the initiative ended, and the state cut funding that supported day care services in response to projected budget deficits.

SUMMARY

Many of the challenges faced by the SEI organizations—for example, filling training slots and retaining participants through graduation—are familiar to organizations taking traditional approaches. Unique challenges arose for SEI organizations because they were treading new ground in (1) trying to effect systemic change by targeting more highly skilled positions in sectors previously reserved for better-educated individuals and/or (2) competing with sector businesses to demonstrate the benefits of better working conditions. We further explore what facilitated or hindered the organizations' work toward positive changes in Chapter 7, where we outline lessons learned, implications for other organizations considering strategies aimed at specific sectors and, finally, conclusions concerning the efficacy of a sectoral approach to workforce development.

Lessons, Implications and Conclusions from the Sectoral Employment Initiative

Chapter 7 compiles lessons from the Sectoral Employment Initiative and explores their implications for the field. It cites factors that may enhance the pursuit of positive change by employment and training organizations and others that are considering a sectoral approach to their work.

Our purpose in launching the Sectoral Employment Initiative was to test whether workforce development organizations could successfully implement sectoral employment strategies with the potential to benefit both low-income individuals who participate in the programs and other workers in the sector. The experiences of the nine participating organizations demonstrate the variety of approaches and strategies and the range of occupations and industries that might be appropriate for intervention. While the efforts of SEI organizations to bring about change encountered many challenges, the combination of providing quality employment and training services for individuals and working to influence key institutions in the sector was often critical to their success—and holds considerable promise for other organizations.

Aside from their internal capacity and resolve, external circumstances presented opportunities for the organizations to develop a niche and address the needs of both the supply (workers) and demand (employers) sides of their local labor markets. Responding to these circumstances, all nine SEI organizations targeted sectors where there was either a shortage of workers—generally of skilled workers—or high turnover rates in communities populated by significant numbers of unemployed individuals and low-wage, less-skilled workers. The initiative offers lessons for other organizations wishing to launch sectoral workforce development strategies of their own. Here we compile lessons for fledgling occupation-specific training programs and then for those organizations pursuing change through a social enterprise or membership association.

LESSONS AND IMPLICATIONS FROM THE EXPERIENCES OF THE SKILLS-TRAINING ORGANIZATIONS

Overall, the SEI training participants realized substantial earnings gains during the two years following training. Our key findings suggest that skills-training programs have the potential to improve earnings among low-income job seekers. (See “Key Findings” on page ii.) The SEI training organizations’ experiences have several notable implications for policy and practice:

- ◆ Sectoral employment programs that seek to meet the needs of employers by preparing workers via college or intensive training programs face difficulties recruiting from disadvantaged populations. Many participants who would benefit from training

fail to meet programs' requirements. Strategies that include enrolling participants in college or intensive training must be accompanied by investments in adult basic education if they are to have a greater reach.

- ◆ Because sectoral programs must cast a wide net to recruit enough candidates whose interests and skills match the needs of the targeted sector, organizations must build their reputations region wide for serving both the targeted workers and employers.
- ◆ Programs should spend time up front determining whether an applicant is a good match for the targeted occupation. This can be accomplished through career assessments and testing, interviews with instructors, tours of potential work sites and workshops in which instructors, employers and alumni describe the nature of the work.
- ◆ Participants in full-time, long-term training must be able to financially support themselves and their families throughout the duration of the training program. It is unrealistic to expect that individuals with no source of income will be able to complete intensive training programs. Programs must either select applicants who have a source of support to meet basic needs—e.g., help from family members or public assistance—or consider ways to help them afford to participate. Possibilities include using flexible funding to provide a stipend to meet participants' needs and working with accredited educational institutions to help individuals obtain student loans.
- ◆ Sectoral programs must be able to connect participants to services that can help them resolve personal issues and enable them to complete training. Services may be provided in-house or by a partner agency; the SEI experience does not suggest that one model is more effective than the other. The key is that organizations assess their capacity and determine the best strategy for providing the necessary supports.
- ◆ Programs should involve employers in program design and implementation; doing so increases employer confidence in the skills training that participants receive and in the individuals themselves. SEI programs that involved employers were the most successful in placing participants in training-related occupations.

In addition, the initiative demonstrates that not all organizations will succeed in implementing sectoral training programs. Two of the programs—ARCH's paralegal training and PhAME's machinist training—closed prior to the end of the study period. Both organizations had sought to operate long-term advanced training programs outside of the higher education system. This required a substantial investment in training facilities and equipment, which drained resources that might otherwise have been invested in services to support participants through outside training or job placement or to further the organizations' systems-change goals. Operating outside of accredited higher education systems meant that participants did not qualify for student loans and had to support themselves while being trained. Another common characteristic of these two programs was a reputation for serving poor communities in their respective areas. This hindered their ability to recruit regionally for participants whose interests and skills matched the needs of their targeted sectors.

This is not to say that organizations should forego considering in-house training programs. Such programs may be necessary if programs at local educational institutions are of poor quality or if those programs are inaccessible to low-income workers. For example, Southern Good Faith Fund demonstrated that the low-income residents it

targeted could successfully complete CNA training and obtain CNA jobs by operating its own CNA training program. The credibility and experience Southern Good Faith Fund gained likely facilitated its later partnerships with local community colleges.

LESSONS AND IMPLICATIONS FROM THE EXPERIENCES OF THE SOCIAL ENTERPRISES AND THE MEMBERSHIP ASSOCIATION

Though working in disparate sectors, the experiences of New Hampshire Community Loan Fund, Primavera Services and DARE's Day Care Justice Co-op lead to a shared set of lessons about operating a social enterprise or membership association aimed at improving conditions for participants and effecting systemic change for workers in low-wage occupations.

- ◆ All three organizations developed a niche for themselves in the sectors in which they were operating.

For New Hampshire Community Loan Fund, finding its niche entailed identifying how to work with other healthcare firms rather than trying to compete with them. Quality Care Partners initially sought long-term subcontracts through which it would help healthcare agencies recruit, train and deliver paraprofessional care, but the prevailing labor market dictated providing temporary placements at short-staffed nursing homes. While this had negative implications on its ability to retain workers, Quality Care Partners persevered and was able to pursue its policy agenda. After the initiative ended, Quality Care Partners adapted to labor market needs once again, becoming a home health agency with its own direct-care clients.

For Primavera, developing a niche meant targeting the construction industry, where the largest day-labor halls were most active. Primavera built a base of satisfied customers in this industry due to the support its workers received, and when the time came, contractors and builders came out to support the legislation Primavera advocated because they believed it would benefit their bottom line.

Day Care Justice Co-op's niche emerged from DARE's history of organizing minority, low-income family child care providers to advocate for economic justice issues.

- ◆ While the "leading by example" approach to altering employer practices embodied in Quality Care Partners and Primavera Works proved to be unrealistic given the size of the competition and changing labor market dynamics, the operation of these social enterprises gave both organizations credibility in the targeted sectors and enabled them to pursue their goals through other means.
- ◆ Key to the legislative and policy successes of all three organizations was their ability to frame issues in ways that would garner support from a wide range of constituencies.

New Hampshire Community Loan Fund gained support for improving the working conditions of paraprofessional healthcare workers by highlighting how poor conditions can lead to staffing shortages in nursing homes, an issue that potentially affects a broad constituency.

Similarly, the Day Care Justice Co-op and other advocates focused attention on the State of Rhode Island's reputation for low spending on child care and its high child poverty rates, and argued that better compensation for child care providers equaled higher-quality care for the states' children.

Primavera was careful not to portray the day-labor legislation as a "workers' rights" issue due to concerns that it would be dismissed in a conservative state as a pro-labor or liberal cause. While homeless advocates were a critical piece of the effort, Primavera nurtured the business community's support for the legislation by appealing to its need for reliable workers and its desire not to be associated with bad labor practices, such as paying workers less than the minimum wage.

- ◆ Another key to the success of organizations pursuing both the operation of a business or professional association and advocacy strategies was finding the right balance between business activities and advocating for low-income workers, including making adjustments as the organization's position in the sector changes.

Concerned about the effect of its advocacy efforts on its ability to market and grow its business, New Hampshire Community Loan Fund hired a policy director to focus on the advocacy work while Quality Care Partners started up operations. Only after becoming a respected paraprofessional staffing firm did Quality Care Partners join industry associations and lobby for better compensation for healthcare workers.

Primavera did not initially pursue a legislative-advocacy strategy. By first gaining credibility in the market, the organization was able to build a coalition (including the business community) in support of the day-labor legislation.

DARE's Day Care Justice Co-op struggled to balance its traditional grassroots organizing culture with its role as a provider of services to its members and a representative of low-income family child care providers in policy circles and in negotiations with the state. The Co-op used organizing tactics that were successful in inciting members to join in fighting against perceived injustices but were problematic for strengthening its position in political circles. The Co-op was unable to adjust its strategies and goals in response to changes in the sector, particularly when the state legislature enacted the increases in reimbursement rates that the advocacy community had fought hard to achieve. The organization's inability to adjust strategies may have hurt its efforts to establish a contract system with collective bargaining status with the state.

FACTORS TO CONSIDER FOR ORGANIZATIONS CONTEMPLATING WORKING TOWARD SYSTEMIC CHANGE

Based on our research, we have identified several factors and associated actions that may enhance the pursuit of systemic change by organizations concentrating on specific sectors. These factors come from the experiences of both the skills-training organizations and the social enterprises and membership association.

PURSUIT OF A SYSTEMS-CHANGE STRATEGY REQUIRES SUPPORT WITHIN THE ORGANIZATION'S LEADERSHIP

The leadership of the social enterprises and the membership association, which were seeking to broadly improve the conditions of low-wage work, recognized that influencing the systems that set wages and working conditions was essential to achieving their goals. On the other hand, support for becoming involved in systems-change work was not uniform across the six SEI training sites. WIRE-Net had a business-driven board that was frustrated with the educational system for not producing the programs the sector needed and, therefore, saw value in working to change the system. However, at other training organizations where programs existed to train and support sector workers, such as QUEST and Training, Inc., there was no internal force among the board or program leaders to promote a systems-change strategy.

STRATEGIES NEED TO BE ALIGNED WITH SYSTEMS-CHANGE GOALS

WIRE-Net believed that working with existing training providers was the best use of resources for achieving the sector's goals and, thus, its strategies were in line with its agenda for systemic change. Day Care Justice Co-op developed its own training services for child care providers, but also worked to make mainstream institutions more accessible to low-income providers of color, a strategy that became more critical when the Co-op no longer had funding to offer its training. Other organizations chose to provide services themselves, which inhibited a focus on systemic change. QUEST and Southern Good Faith Fund put resources into their own adult education classes rather than seeking to change the practices of local educators, and Training, Inc. used its own staff to advise students enrolling in college training programs. While potentially effective for their own participants, these strategies did not align with their goals for systematic change.

ESTABLISHING AN INFLUENTIAL POSITION WITHIN THE SECTOR FACILITATES CHANGE

Successful organizations were able to establish and leverage their positions in targeted sectors to work to their advantage. WIRE-Net's involvement with industry employers and trade associations helped leverage its work to effect change at educational and training institutions, since those institutions were more likely to respond to the business constituency than to a single community-based organization. Primavera focused its initial efforts on building up its customer base and developing allies within the business community and trade groups who eventually played key roles in supporting the passage of the day-labor legislation. Alternately, Training, Inc. sought to change the educational system of which it was a part—a difficult circumstance in which the organization had to balance promoting change with ensuring its own survival.

**CREDIBILITY IS BUILT BY DEMONSTRATING KNOWLEDGE OF
ISSUES THAT AFFECT SECTOR EMPLOYERS AND
TAKING ACTION TO ADDRESS THOSE ISSUES**

The initiative demonstrates that providing quality job-seeker services is critical to gaining respect among key stakeholders in a sector. For example, Southern Good Faith Fund’s ability to train and place low-income women as CNAs gave it credibility in its public policy work and in its development of partnerships with community colleges. WIRE-Net’s early work to recruit and support people in a NASA training program gave it credibility when speaking with industry employers. The operation of social enterprises that successfully employed workers gave New Hampshire Community Loan Fund and Primavera credibility in their targeted sectors that enabled them to pursue their goals for systematic change. ARCH and PhAME, on the other hand, struggled to demonstrate that they could succeed in the roles they had cut out for themselves in the sector, and those efforts hampered their pursuit of their systems-change goals.

**HIRE KNOWLEDGEABLE STAFF WITH RELEVANT EXPERIENCE
WHOSE JOB IS PRIMARILY, IF NOT EXCLUSIVELY,
TO ENGAGE EMPLOYERS AND ADVOCATE FOR CHANGE**

Organizations that made progress on their systems-change goals employed staff with relevant experience and whose time was dedicated to these goals. Both New Hampshire Community Loan Fund and Southern Good Faith Fund hired policy advocates to focus on state policy issues. WIRE-Net hired a director with experience in its targeted industry and a strong aptitude for developing relationships with employers. When organizations used staff whose skills and comfort levels centered on working with students and job seekers, they experienced more difficulty establishing lasting relationships with employers—and thus possibly impairing their credibility within the targeted sector.

CONCLUSIONS

The accomplishments of the Sectoral Employment Initiative organizations—both in serving individuals and in influencing the institutions and policies that affect workers within targeted occupations—suggest that sectoral approaches are both feasible and important for the workforce development field. Our research on the initiative also suggests that strategies combining employment and training services for individual job seekers with efforts to influence the practices of employers and educators or state policies have the potential to be more far-reaching than traditional workforce development programs.

This combination of strategies could impact workers across an entire sector. Identifying and securing funding to support these types of nontraditional workforce activities is, of course, a key challenge for all organizations interested in pursuing sectoral programs. The evidence from the Sectoral Employment Initiative suggests that sectoral approaches may indeed bring about positive changes and that greater private and public investment in these efforts (as well as further research) is warranted.

ENDNOTES

- 1 This is the fourth, and final, report of the Sectoral Employment Initiative. In the first report, *Labor Market Leverage*, we described how sectoral employment can effect systemic change in the labor market and introduced the efforts of the grantees involved in the initiative. In the second report, *Gearing Up*, we provided information about the strategies being pursued and the participants enrolled at the initiative's sites. In the third report, *Investing in Low-Wage Workers*, we described the efforts of the Day Care Justice Co-op to improve family child care in Rhode Island by seeking better wages and benefits for day care workers.
- 2 In 2002, based on the preliminary findings that were emerging from this study, P/PV launched a more rigorous evaluation of sectoral programs, the Sectoral Employment Impact Study (SEIS), which uses a random assignment design. SEIS organizations include Jewish Vocational Services in Boston, MA; Per Scholas in New York, NY; and the Wisconsin Regional Training Partnership in Milwaukee, WI. The three sites enrolled participants in treatment and control groups over a two-year period, with all study participants asked to complete baseline and two-year follow-up surveys. Results will be published in 2009. In addition, P/PV is working with Project QUEST on a separate but related sectoral employment random assignment study that began in 2006. Participants will complete two-year and four-year follow-up interviews.
- 3 Baseline data on work experience, comparable to that found in Table 8 for the skills-training programs, can be found in Table 14 for Quality Care Partners and Table 15 for Primavera, where we discuss findings for these social enterprise programs more fully. Comparable information was not collected for participants in the Day Care Justice Co-op.
- 4 DARE participants were not asked these questions.
- 5 Given that Primavera primarily recruited participants from its own shelter and other shelters in Tucson, it is likely that many reports of living in "public housing" in fact meant participants were living in shelters for the homeless. While we do not have data to confirm this, Primavera shelter residents must deposit part of their pay into an account held by Primavera to help them save money, and they may perceive this as a form of rent.
- 6 These figures are among all participants, including those who did not graduate from the sectoral training programs.
- 7 This includes those who said they rented a home, owned a home or lived rent-free with friends or relatives.
- 8 See P/PV's report *Investing in Low-Wage Workers* for more information.
- 9 The participant background factors tested in multivariate analyses include age, gender, race, highest degree earned, household income, whether there was another adult in the household, whether the participant had a resident child under age six, whether he or she was receiving food stamps or TANF and whether the participant cited each of the following barriers as very important: his or her own health; a family member with health problems; a lack of skills, child care, language or transportation; and substance abuse.
- 10 Due to the small number of participants, we could not conduct a multivariate analysis for ARCH participants alone.
- 11 This information comes from the report *Quality Care Partners Retention Survey Results* (Chandler 2002).
- 12 The Careers in Healthcare training program was 12 weeks long during the first two years of the Initiative.

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APPENDIX

PROFILES OF THE ORGANIZATIONS IN THE SECTORAL EMPLOYMENT INITIATIVE

THE SIX SKILLS-TRAINING ORGANIZATIONS

ACTION TO REHABILITATE COMMUNITY HOUSING (ARCH), WASHINGTON, DC

ARCH's leaders saw both a challenge and an opportunity in Washington, DC's legal profession, a sizable sector marked by the absence of African Americans, particularly those from low-income neighborhoods like the one that ARCH traditionally served. The organization sought to train and place people of color in the paralegal profession through its Thomas Adams Duckenfield Legal Assistant Program, which offered 10 months of classroom training and an eight-week employer-paid internship. Participants learned basic educational skills, business math, legal terminology, secretarial skills, legal research and writing techniques and document processing procedures in preparation for a national paralegal-certification test. ARCH's primary goal for systemic change was to alter the legal profession's hiring practices—the industry had traditionally relied exclusively on college graduates to fill openings, but ARCH sought to convince the sector to change this practice by demonstrating through its own graduates that low-skilled Washington, DC, residents could master the skills of the paralegal profession and become good long-term employees. In turn, the profession would achieve greater racial diversity.

PHAME, PHILADELPHIA, PA

PhAME was created in response to a shortage of workers with the skills and knowledge necessary for precision-manufacturing positions in the Greater Philadelphia area. Factors contributing to this shortage included increasing skill requirements, the failure of schools to steer students toward careers in manufacturing and the age of the existing workforce. At the same time, PhAME saw that relatively few minorities and women were employed in manufacturing and concluded that those communities lacked access to these well-paying jobs. PhAME's primary strategy to address the needs of the sector and of low-income workers was to offer a 61-week precision-machinist training program. The program provided eight weeks of basic verbal, math and computer skills training; a five-week introduction to manufacturing; and 48 weeks of technical-skills classes that included drawing and blueprint reading as well as hands-on experience working on machines. PhAME's systemic-change goal was to enable the region to retain and expand its manufacturing base by addressing employers' workforce needs. Its primary strategy to achieve this goal was to produce skilled machinists through its own training program. It

also planned to develop relationships with technical programs at local two- and four-year colleges so students could continue their education and aimed to create an employer consortium to address the needs of small-business owners.

PROJECT QUEST, SAN ANTONIO, TX

Project QUEST, founded by Communities Organized for Public Service and Metro Alliance, two Industrial Areas Foundation organizations, served as a labor market broker by connecting San Antonio's economically disadvantaged residents to job training, placement and supportive services. During the initiative, QUEST sought to connect its participants to job training through the Alamo Community College District, the University of Texas Health Science Center and proprietary programs to prepare them for positions in healthcare such as registered nurses and surgical technicians. QUEST paid students' tuition and helped them apply for grants to cover their expenses. Counselors hosted group support meetings each week, helped students coordinate work and income supports, and prepared students for job searches. To benefit workers beyond its immediate participants, QUEST planned to pursue two strategies. First, it sought to create in-house mobility programs in which employers moved their own entry-level workers into higher-level nursing positions. Second, it aimed to establish core competencies for health care workers in all local hospital systems with the hope that these competencies would eventually replace some elements of the training curricula, shortening class time and helping workers move up the career ladder faster.

SOUTHERN GOOD FAITH FUND, PINE BLUFF, AR

Seeking to help poor, primarily minority women in the rural Arkansas Delta region achieve economic self-sufficiency, Southern Good Faith Fund implemented its Careers in Healthcare Program. Southern Good Faith Fund wanted to provide low-income women access to entry-level jobs as CNAs and create career-advancement opportunities in the healthcare sector. The organization worked to achieve these goals by offering skills training and pursuing two primary systemic-change goals: (1) increasing the value employers placed on well-trained CNAs who provided high-quality care, which Southern Good Faith Fund expected would result in better compensation rates, and (2) increasing mandated standards for CNA training and employment as well as public investment in training. Southern Good Faith Fund offered an eight-week hands-on training program that included four weeks in the classroom and four weeks in a clinical rotation at a local hospital or nursing home.¹² The organization also provided life-skills and basic educational training and supports such as counseling, transportation, child care and housing assistance, both during training and after placement. Southern

Good Faith Fund pursued its systemic-change goals by building relationships with key educational, employer and policy figures in the sector and by becoming an advocate in county and state welfare reform discussions.

TRAINING, INC., NEWARK, NJ

Training, Inc.'s primary goal was to help urban women and minority workers connect to jobs in the information technology sector, an industry that offered the potential for high wages and advancement opportunities. Training, Inc.'s Newark site is located within Essex County College's Department of Continuing Education. It offered a 20-week PC Troubleshooter training program that taught basic skills and hardware- and software-technology training and offered preparation for the A+ computer-certification test. In addition to preparing students for immediate job placement, the program offered three credit-bearing courses that could later serve as the foundation for a two- or four-year degree in computer science. Training, Inc. sought systemic change through two strategies to assist Essex County College in providing women and minority individuals with greater access to information technology careers. First, based on its own training model, the organization aimed to help the college develop course tracks that combined basic remediation with hands-on experience in computer science. Second, Training, Inc. sought to promote programs for incoming students by encouraging the college to provide better academic advising about what to expect and about the long-term value of a degree in information technology.

WIRE-NET, CLEVELAND, OH

Through its Machine Trades Sectoral Initiative, WIRE-Net's dual goals were to help low-income adults, high school students, women and minority residents of Cuyahoga County gain the skills necessary to access employment in precision machining while at the same time addressing the industry's shortage of entry-level and advanced machinists. WIRE-Net sought to help residents overcome both their skills deficit and their own perceptions that machine shops traditionally dominated by white males would not hire them. The organization's primary strategy was to work with local educational institutions and employers to build training programs that met industry needs, including both an 8- to 12-week course in basic manufacturing skills and a more advanced 6- to 9-month training program that prepared participants to operate sophisticated machine tools or to enter apprenticeship programs. WIRE-Net recruited the targeted population to enroll in these programs and offered the supportive services that were necessary to help participants complete training and obtain jobs in the sector. The organization also provided services to businesses, such as assessing companies' jobs and the skills of their workforce and developing training plans. WIRE-Net's

primary goals for systemic change were to convince local training providers to incorporate the achievement of standardized skills into their training curriculum and to urge employers to hire and promote workers based on those skill standards. A regional consortium of metalworking industry associations was organized to support these goals.

THE SOCIAL ENTERPRISES AND MEMBERSHIP ASSOCIATION

NEW HAMPSHIRE COMMUNITY LOAN FUND, QUALITY CARE PARTNERS, MANCHESTER, NH

New Hampshire Community Loan Fund created Quality Care Partners to redress the poor working conditions of the paraprofessional healthcare field while simultaneously taking advantage of its growth. The organization's goal was to create a paraprofessional-services firm that would provide high-quality CNAs to employers such as home-care agencies, nursing homes and healthcare networks. At the same time, Quality Care Partners would create employment bridges to low-income workers by providing high-quality training that exceeded the state's training minimums, employing graduates at competitive wages for a minimum 30-hour work week, offering health benefits as well as case-worker and peer-group support, and creating career pathways for advancement. Quality Care Partners' long-term goal was to create a worker-owned company. By producing high-quality healthcare workers and demonstrating that improved working conditions resulted in greater employee retention, Quality Care Partners' presence in the labor market was expected to result in systemic change by compelling other providers to improve working conditions. New Hampshire Community Loan Fund also employed a public policy strategy through the creation of the Direct Care Workforce Development Initiative, which sought to advocate for the interests of paraprofessional healthcare workers statewide.

PRIMAVERA SERVICES, TUCSON, AZ

As part of the initiative, Primavera sought to improve the lives of day laborers by operating its own social enterprise, Primavera Works. Because many of Primavera Services' participants were homeless and unemployed, and those who were able to work relied heavily on the temporary day-labor industry, the organization set out to operate a day-labor hall that paid higher wages than other firms. Primavera Works provided workers with free tools and free transportation to get to jobs rather than deducting the costs of these expenses from workers' paychecks, and helped employees obtain permanent employment, which other firms discouraged. Primavera's systemic-change goal involved positioning Primavera Works to compete with local for-profit day-labor

halls by offering employer-customers a superior product and offering laborers a worker-oriented program that provided safety training, fair wages and support services. Primavera believed that the increased competition would starve the for-profit day-labor halls on both the supply and demand sides, compelling them to improve employment conditions. Although Primavera later shifted its sectoral strategy to policy work and eventually to replicating its model of a nonprofit day-labor hall in Phoenix, the primary goal of having an impact on the lives of temporary day laborers across the region remained the focus of the organization's activities.

**DIRECT ACTION FOR RIGHTS AND EQUALITY (DARE),
DAY CARE JUSTICE CO-OP, PROVIDENCE, RI**

During the initiative, DARE created the Day Care Justice Co-op, a membership organization of family child care providers who cared for children in their homes. Because Co-op members served low-income families who were eligible for subsidized care, they received a large portion of their compensation from the state. The Co-op's primary goals were to enhance the lives of family child care providers by improving the conditions of their employment; to strengthen the businesses of members, and in so doing, raise the quality of care they provided; to establish a contracting system with the state in which Day Care Justice Co-op would become the recognized negotiating entity for low-income family child care providers; and to achieve a 50 percent increase in total compensation from the state. The Co-op pursued multiple strategies, including offering its members training, professional development and member advocacy as well as access to resources such as a toy-lending library, a technology-access program and a mini-grant program. The Co-op also pursued advocacy efforts to achieve specific goals and developed long-term campaigns to shape public opinion and expand its membership. Finally, Co-op members sought leadership roles in policy forums where they could represent the interests of low-income family child care providers.



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