



IN BRIEF: PHILLIPS SECTORAL EMPLOYMENT INITIATIVE (PSEI) EVALUATION

The Phillips Sectoral Employment Initiative (PSEI) was launched by the Phillips Family Foundation of Minnesota in 2011, in partnership with the Minnesota office of the Corporation for National and Community Service. The initiative was created in response to the ongoing unemployment and underemployment crisis, especially for those at an economic disadvantage. PSEI offered resources to non-profit workforce development providers in the Twin Cities who were already offering industry-focused job training programs to low income adults. Grantees pursued one or more of four general capacity building goals:

- Increase capacity to serve more participants;
- Achieve better participant outcomes in existing job training programs;
- Improve supports and outcomes for program applicants and participants with high barriers (e.g., African-Americans, who face significant disparities to employment in the Twin Cities);
- Intensify efforts to influence key systems such as higher education or diversity hiring policies.

PSEI providers created or improved programs in healthcare (International Institute of Minnesota (IIMN), RESOURCE, PPL, and Summit), construction (Summit), and transportation (HIRED). The table on the following page provides a brief overview of each of the five providers, their project goals, highlights of their participant profile, and their program size for the two-year grant period.

This brief summarizes the evaluation of PSEI's first two years conducted for the Foundation by Workforce Results.

Organization	Targeted Sectors	Main Project Goals	Participant Profile	Program Size (2 years)
HIRED	Transportation	Develop strong industry advisory board	78 % Male 52.7% Caucasian	55
International Institute of Minnesota (IIMN)	Healthcare	Strengthen certified nursing assistant and medical career pathways program	77.7 % African 17.6% Asian	278
Project for Pride in Living (PPL)	Healthcare	Sustain Pharmacy Technician program and deepen relationships with employers and Higher Ed institutions	47.2% African-American 78.5% Female	233
RESOURCE	Healthcare	Strengthen Healthcare Information Technician program and build relationships with MnSCU	98.5% Female 65.7% African-American	67
Summit Academy OIC	Construction Healthcare	Increase completion for construction training programs and advocate for diversity hiring on public projects.	66.2% African-American 63.3% Male	1031

In addition to providing grants of \$75,000 - \$90,000 per year to the five sites, the PSEI initiative also included several capacity building elements to support program improvement and growth. These included: 1) nine peer learning sessions for the five grantees, including sessions on using data for

program improvement, advocacy and systems change, and placement and retention; 2) a field trip to Boston to learn from workforce program best practices; 3) technical support from a workforce consultancy (Workforce Results); and 4) the assignment of fourteen full-time AmeriCorps*VISTA members to the programs to provide the staffing capacity necessary to implement the program changes.

Summary

Signs of Progress

- Programs improved their performance over Year One on almost all key indicators, including program completion and placement. The majority of participants who completed were placed in employment, with 58.6% securing full-time jobs.
- Using multiple methods and tools proved an effective strategy to grow program capacity. AmeriCorps*VISTAs made significant contributions to program enhancements, creating lasting systems change.
- Program completion makes a difference for placement in employment, and narrows employment disparities uncovered for men and African-Americans.
- PSEI offers hope to the unemployed, who were almost equally likely to be placed in employment once they complete training programs.
- Intense focus on a key performance indicator (e.g., program completion), including ongoing data review and analysis, resulted in improved performance on that indicator.

Remaining Challenges

- While overall completion and placement rates improved from Year One to Year Two, they remain lower than anticipated.
- Employment disparities persist for African-Americans, especially for young black males. There is also a gender impact on disparities: women are more likely to complete programs, but they earn lower wages.
- Over one-third of PSEI participants are in a direct care training track, and most of these are women. These jobs, which have low wages and part-time hours coupled with limited advancement opportunities, do not provide a pathway out of poverty.
- In general, the wages PSEI participants earn at placement is not sufficient to lift individuals out of poverty. The median wage at placement is \$11.55 per hour, which is not high enough for self-sufficiency in the Twin Cities (\$14.78 for 2 parents and 2 children).

PSEI Outcomes

The following table displays the outcomes for key employment indicators. The data shown are aggregated across the five sites (there is considerable variation on these outcomes between the sites).

	<u>Year 1 - as of</u> <u>6/30/2012</u>		<u>Year 2 - as of</u> <u>6/30/2013</u>		<u>Increase</u> <u>from Year 1</u>
	N	%	n	%	
<i>Enrollment</i>	773	--	1664	--	891
<i>Completion - as a % of enrolled</i>	355	46%	991	59.6%	13.6%
<i>Placement - as a % of completion</i>	195	25%	581	58.6%	33.6%
<i>Hourly wage at placement (median)</i>	185	\$11.50	601	\$11.55	\$0.05
<i>Six-month retention</i>	N/A	N/A	242	88.0%	N/A

Completion and Placement. All told, 1664 participants enrolled in in the five PSEI workforce programs. 120 participants were still enrolled as of the end of the second year; 33.3% (553) dropped out of the program before completion. Over half of all enrollees, 59.6% (991) completed their training programs. Almost half of these completers – 44.4% – earned at least one credential. Of those who completed, 58.6% (581) were placed in employment. Most of the job placements (77.4%) were in industry-related jobs, as expected for a sectoral program.

Wages. Participants that were placed in employment earned a median wage of \$11.55 per hour, compared to their median wage at intake, \$10.00 per hour. The majority of participants placed in employment, 62.7%, secured full-time jobs – over 35 hours per week. This is in comparison to intake, whereas only a quarter of employed participants were working full-time, and 22.8% were working less than 20 hours a week.

Retention. Of those participants who reached the six-month milestone (eliminating those of unknown status) 88% (242) were retained in their jobs. The median wage at six months was \$11.50 per hour, an average increase of \$0.25 between placement and six-month retention.

Participants Served: Demographics and Status

The gender ratio of participants was almost evenly split, with slightly more than half (51.4%) of participants being female. The median age of participants was 31. PSEI served a diverse population, with over half of participants (52%) African-Americans, 35.7% other races and ethnicities, and 12.3% were White/Caucasian.

Most participants (69%) were unemployed at intake. Of the 412 who reported employment, only 25% reported working full time, defined as over 35 hours per week. In terms of wages, the median wage for those employed at intake was \$10.00 per hour.

Participants hail from neighborhoods all across the Twin Cities region, with the most (61.2%) coming from Hennepin County and Ramsey County (24.5%).

Key Outcomes by Demographics

There is considerable variation in program performance by demographic status, as indicated by the checkmark in the chart below.

	Gender	Race	Young African-American Males	Previous Higher Education	Employment Status
Completion	✓	✓	✓	✓	✓
Placement (Completers)			✓		
Wage at Placement	✓				
Placement in Industry Job	✓	✓	✓	✓	
Retention	✓	✓	N/A		✓

Completion status. Men are more likely to drop out of their program as compared to women: 41.3% of men who enroll leave the program as compared to 25.6% of women. African-Americans are more

likely to drop out of their programs, with 43.5% of all African-Americans enrolled dropping out. Most (71%) of Non-African-Americans complete their programs, compared to 48.5% of African-Americans. The disparity is even greater when examining young (18-24) African-American males: 60.2% leave their programs before completion compared to 30.9% of all other participants.

Not surprisingly, those with lower levels of education are less likely to complete their programs: 70% of those with vocational degree or higher completed, compared to those with some college (59%), or a high school degree (56.2%). Those that are employed at intake had a higher likelihood of completing their programs (68.9%) as compared to those that were unemployed at intake (57.8%).

Placement. Men are less likely to be placed in employment (35%) compared to women (40%), although this difference narrows once completion status is taken into account. African-Americans and Non-African-Americans program completers are about equally likely to be placed in employment (57% v. 59.8%).

Wages. Men earn more at placement compared to women (median of \$12.36 v. \$11.38). There is not a significant wage disparity between Non-African-Americans and African-Americans; however a disparity does exist between the wages of young African-American males and other participants (median of \$10.45 v. \$11.56).

Industry Placement. Women were more likely to be placed in industry-specific jobs, with 84% of women placed compared to 70% of men. Non-African-Americans are more likely to achieve employment in training related jobs compared to African-Americans (85.4% v. 67.8%). Only 51.6% of young African-American males are placed in industry or training related employment, compared to 79.2% of all other participants.

Not surprisingly, those placed in industry-related job were more likely to earn a credential, 81% v. 70%. They earned a higher wage at placement (median of \$12.00 v. \$10.00) and saw higher wage gains (average of \$2.71 v. \$0.44). Prior higher education experience increases the likelihood of being placed in an industry-related job (85.6% of those with a vocational degree or higher were placed in an industry-related job, v. 77.4% with some college v. 74.6% with a HS diploma). Those who were employed at intake were more likely to be placed in an industry-related job (83.3% v. 76%).

Six-Month Retention Status. Women are more likely to be retained (92%) as compared to men (78%) at the six month employment milestone. Non-African-Americans are more likely to be retained (91.4%) as compared to their African-American counterparts (81.4%).

Direct Care Analysis

In order to explore the impact of occupation on the wages, we looked at those enrolled in healthcare direct care programs compared to all other programs. 607 of all participants were enrolled in direct care programs, over one-third of all participants. Direct care workers take longer to get placed (59 v. 19

days) but they earn a lower wage overall (median of \$11.21 v. \$13.00). They also work fewer hours at placement (median of 25 v. 40); in fact almost half those who go through other training programs work 40 hours per week. **Thus, a typical PSEI participant who completes a direct care training track would earn \$14,573 annually whereas a typical PSEI participant who attends a different track would earn \$27,040 annually.** Participants in direct care jobs are more likely to retain their jobs at six-months, 95.7% v. 79.4%.

Activities and Accomplishments

Listed below are highlights of the progress that PSEI grantees are making towards the four main goals of the initiative: Increased capacity, better participant outcomes, improving supports and outcomes for participants with high barriers to employment, and progress towards systems change.

- *Engaged employers.* HIRED created an employer advisory council (nine employers) for its new transportation program. PPL engaged five new employer partners in healthcare; including Walgreens, who signed a partnership contract to provide internships for program participants across 15 locations. IIMN developed stronger relationships with six employers; which helped increase the number of employers placing graduates and contributed to the development of the new universal worker program.
- *Developed new program.* IIMN designed a combined Nurse Aid/Home Care Associate and Universal Worker curriculum, to help graduates be more competitive in the job search process; RESOURCE designed and implemented a new HIT program which exceeded recruitment targets. Summit launched a 20-week Pharmacy Technician program (in partnership with MCTC). PPL developed and launched Long Term Care Certification co-instructed by MCTC. HIRED developed and launched a new program in transportation.
- *Supported existing programs.* IIMN now has three staff members dedicated to providing more intensive 1-1 job search assistance. Summit also added academic support services manager to staff, who manages student recruitment and retention efforts, including the identification and remediation of barriers. Summit developed a comprehensive job readiness assessment, the *Barrier Reduction Assessment Plan*, and established a plan to address these barriers.
- *Drove change in the industry.* Summit, as a leading member of an advocacy campaign called the HIRE Minnesota, supported the Minnesota Department of Human Rights' to dramatically increase women and minority participation goals for all state funded construction projects. These targets rose from 11% to 32% in the Twin Cities region. Summit also launched the Twin Cities Construction Consortium, an effort build an efficient talent pipeline in the construction sector.
- *Created articulation agreements.* IIMN created an articulation agreement Saint Paul College.
- *Developed marketing and outreach materials.* HIRED developed a recruiting video, upgraded their website, and increased their social media presence. IIMN created marketing and recruitment materials, with a focus on articulating the benefits of their program.

- *Developed online tools.* RESOURCE developed seven on-line career planning tools. IIMN developed a Google fusion table of all the contact info of local long-term care facilities (including skills required, the HR contact, its hiring history, and proximity to public transportation). HIRED created a similar online mapping system.
- *Analyzed data to improve programs.* IIMN focused on improving the lag time between completion and placement. Summit focused on improving program completion. PPL evaluated their pharmacy technician program and revised it according to their findings. RESOURCE surveyed former successful RESOURCE participants and used the results to enhance curriculum and methods.

Participants reported that the AmeriCorps*VISTAs were especially helpful in implementing program innovations. They also found the peer learning sessions and the field trip to Boston valuable, and appreciated the technical assistance provided.

Recommendations

For Programs

- Carefully review and compare training tracks to better understand differences in outcomes. A focus on data review drives continuous improvement. In some cases it may make sense to discard a training track, depending on labor market conditions. This is often difficult, given sunk costs in equipment and program development, but could make more sense in the long term if employment outcomes are lacking.
- More closely examine those who did not complete their program yet secured employment. It is important to explore the large number of non-completers who gained employment to determine why this is occurring, the type of jobs obtained, and to determine what “counts” as a placement from the standpoint of the programmatic intervention.
- Increase emphasis on populations with barriers to support in order to increase completion. Consider creating peer support groups or special mentorship programs. These supports should continue post-placement to ensure job success and retention.
- Take steps to reduce the wage gap: highlight concerns about gender wage disparities with employer partners to encourage them to more carefully analyze their wage practices. Place more emphasis on teaching women and participants of color to negotiate wages.

Data and Analysis

- Capture a more fine-grained employment status data at intake. Given the challenges of the long-term unemployed, it would be helpful to gather the precise number of days unemployed to determine its effect on program outcomes.

- Define and standardize the reasons for program termination across sites. By doing this, a more detailed analysis could be conducted on the reasons for program drop-outs, potentially helping programs implement strategies to increase program retention.
- Capture more details on previous college experience, to better understand how the type and quality of previous higher education experience impacts program completion and placement.
- Explore the relationship between credentials and job placement. Measure the timing of credentials (during or after job placement) and whether that makes a difference in job placement, retention, and wage advancement. Also, determine in which industries credentials really make a difference in employment outcomes.

For Funders

- Provide assistance with the creation of articulation agreements that grant college credit to those who complete high quality community-based training programs and then enroll in post-secondary institutions. Philanthropy and policymakers a larger role in helping to establish these agreements between workforce providers and systems such as the Minnesota State Colleges and Universities (MnSCU), rather than making it a one-off task for non-profit providers.
- Continue to support career pathways and advancement strategies such as FastTRAC. These initiatives are essential to help individuals continue along the path to self-sufficiency.
- Place more emphasis on the quality of entry-level jobs. Work with employers to improve jobs (e.g., increasing the number of hours worked, providing opportunities for advancement) so that placement is a better path out of poverty. In particular, the Skills@Work Healthcare Industry Skills Panel should coordinate with workforce providers with a direct care training track to determine how to improve job opportunities for direct care workers. Also, the funding community should review programs targeting direct care workers and make sure they are supporting those with high outcomes.
- Require more specific systems change goals linked to the goals of the sector initiatives. Most sites are engaged in related advocacy efforts (e.g., serving on community-wide task forces), but it is important to set targets relative to specific systems barriers, and to track progress toward resolution.

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