Work Readiness: Can It Lead to Better Employment and Earnings for Low-Income Adults?

By: Jacob Hartog, Sarah Wissel, Annalisa Mastri, and Kelley Borradaile

Work-readiness services are services other than education or training that prepare job seekers for work. They can include job clubs, workshops on issues related to employment, paid or unpaid work experiences, and job shadowing. Services also can include staff or caseworkers working with job seekers to identify their skills, personal interests, and barriers to finding a job; develop individualized service and career plans; create resumes and cover letters; and assist with interviewing and applying for jobs. Work-readiness services are sometimes called “pre-employment” or “job search assistance” services in the employment and training literature.¹

This brief discusses 19 interventions identified by the Employment Strategies for Low-Income Adults Evidence Review (ESER) that featured work-readiness services as their primary employment or training strategy.² This brief describes work-readiness interventions and their impact on employment and earnings. It also profiles six promising interventions and their impacts in more detail.

**INTERVENTION CLIENTS AND SETTINGS**

The 19 interventions that delivered work-readiness services as their primary strategy focused on three populations: public assistance recipients, non-custodial parents, and unemployment insurance (UI) claimants.

This brief describes work-readiness interventions and their impact on employment and earnings.

**THIS SERIES OF BRIEFS**

This series of briefs synthesizes ESER findings for policymakers, practitioners, and officials who seek to improve the employment and earnings outcomes of low-income adults through research-based interventions. This brief focuses on work-readiness interventions. Other briefs focus on financial incentives and sanctions interventions, gaps in the research base, primary service strategies, and a meta-analysis to examine which employment services are most effective.

**WHAT IS ESER?**

The Employment Strategies for Low-Income Adults Evidence Review (ESER) is a systematic review of the literature on the impacts of employment and training programs and policies for low-income people. Sponsored by the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families, ESER provides practitioners, policymakers, researchers, and the public with a transparent, systematic assessment of the quality of research evidence supporting approaches to improve the employment-related outcomes of low-income adults.

The ESER team searched the literature for relevant research published from 1990 to mid-2014 and then screened for eligible studies to review—those that used randomized controlled trials or comparison group designs.
Trained reviewers examined the strength of the causal evidence for each study—that is, they gauged how likely it was that any impacts reported in the study were caused by the intervention being studied, not by something else. They then rated each study based on its rigor (not on the effectiveness of the intervention):

- **High** ratings were for randomized controlled trials with low attrition—that is, few people were missing from follow-up data collection efforts—and with no reassignment of people or cases after the original random assignment.
- **Moderate** ratings were for two types of studies: (1) randomized controlled trials that, due to flaws in the study design or analysis (for example, high attrition), did not qualify for the high rating but satisfied other design criteria and (2) comparison group designs that were well executed and established equivalence between the two groups.
- **Low** ratings were assigned to studies that did not qualify for a high or moderate rating.

This is one in a series of briefs that highlights results from this review. The briefs describe high-quality research on several strategies that promote employment for low-income adults.

The ESER team identified a “primary strategy” for each intervention. This was the employment or training strategy used most in the intervention—the service most treatment group members received and most comparison group members did not. The primary strategy was also the one that appeared integral to the theory of change tested by the study of that intervention.

The team determined the primary strategy for each intervention by having two reviewers independently read the description of each intervention, identify a primary strategy, compare their assessments, and discuss until they reached agreement.

For more details, see *Assessing the Evidence Base: Strategies That Support Employment for Low-Income Adults*

Fifteen of the interventions tested services among public assistance recipients, typically single mothers applying for or already receiving cash assistance (welfare) benefits. One intervention, Non-Custodial Parent (NCP) Choices PEER Pilot, was tested among low-income, non-custodial fathers. The other three interventions, all part of the Job Search Assistance (JSA) Demonstration evaluated in the 1990s, targeted UI claimants who were not exclusively public assistance recipients. The JSA clients were fairly evenly balanced between men and women. The study samples across all 19 interventions varied in ethnic composition, age, and educational attainment.

The study contexts also varied by intervention. Most of the interventions were implemented by states in the 1990s to examine how best to reform their welfare systems. This was during the time in which the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. Three interventions (Personal Roads to Individual Development and Employment, Valuing Individual Success and Increasing Opportunities Now, and Minnesota Tier 2) operated during the early 2000s. NCP PEER operated during 2010 and 2011 in one state, Texas. In total, the interventions were administered in 9 U.S. states; Washington, DC; and Canada.

All 19 interventions offered other services in addition to work-readiness services. All but five also included explicit financial incentives for work—either bonuses for finding a job or earnings disregards so that a reduction in cash benefits would not offset an increase in earnings. Most included supportive services (12 interventions), such as financial assistance for child care or transportation, case management (13), and some form of training (13). In some cases this training was occupational or sectoral (5), and in others it focused on soft-skills training (2). Many interventions also included education (9).

**IMPACTS ON EMPLOYMENT AND EARNINGS**

*Across the interventions examined, the impacts on short- and long-term employment and earnings were either favorable (positive and statistically significant, p < 0.05) or null (not statistically significant).*

In the studies ESER reviewed, evaluators examined the interventions’ short- and long-term impacts on employment and earnings. Across the interventions examined, the impacts on short- and long-term employment and earnings were either favorable
(positive and statistically significant, p < 0.05) or null (not statistically significant). None of the interventions had unfavorable (negative and statistically significant) impacts on short- or long-term employment or earnings (Table 1).

Eleven interventions increased at least one short-term employment outcome (Table 1). Eight of these 11 interventions also had favorable long-term impacts on employment (Table 1). In addition, although the Self-Sufficiency Project (SSP) Plus did not have a statistically significant impact on employment in the short term relative to SSP alone, it did boost employment in the long term.5

Ten interventions increased at least one short-term earnings outcome (Table 1). For six interventions—Jobs First Greater Avenues for Independence (GAIN) (for single-parent households), Minnesota Family Investment Project (MFIP) (for single-parent, urban, long-term AFDC recipients), all three National Evaluation of Welfare-to-Work Strategies (NEWWS) Labor Force Attachment (LFA) sites, and the JSA Structured Job Search Assistance—the increased earnings persisted into the long term. In addition, although there were no statistically significant impacts on short-term earnings for Portland Job Opportunities and Basic Skills (JOBS), Jobs First GAIN (for two-parent households), SSP Plus (relative to SSP), and the Welfare Restructuring Project (WRP) intervention for single-parent families, these all boosted earnings in the long term.

Table 1. Impacts across interventions on employment and earnings

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Impacts on employment</th>
<th>Impacts on earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short term</td>
<td>Long term</td>
</tr>
<tr>
<td>Delaware’s A Better Chance Welfare Reform Program</td>
<td>Favorable: 1, Null: 0</td>
<td>Favorable: 0, Null: 1</td>
</tr>
<tr>
<td>Enhanced Job Club—Los Angeles</td>
<td>Favorable: 0, Null: 5</td>
<td>Favorable: 0, Null: 2</td>
</tr>
<tr>
<td>Jobs First—Greater Avenues for Independence (GAIN)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-parent households</td>
<td>Favorable: 2, Null: 0</td>
<td>Favorable: 2, Null: 0</td>
</tr>
<tr>
<td>Two-parent households</td>
<td>Favorable: 2, Null: 0</td>
<td>Favorable: 2, Null: 0</td>
</tr>
<tr>
<td>Job Search Assistance (JSA) Demonstration—Individualized Job Search Assistance</td>
<td>Favorable: 1, Null: 3</td>
<td>Favorable: 0, Null: 2</td>
</tr>
<tr>
<td>JSA Demonstration—Individualized Job Search Assistance with Training</td>
<td>Favorable: 0, Null: 4</td>
<td>Favorable: 0, Null: 2</td>
</tr>
<tr>
<td>JSA Demonstration—Structured Job Search Assistance</td>
<td>Favorable: 0, Null: 4</td>
<td>Favorable: 0, Null: 2</td>
</tr>
<tr>
<td>Minnesota Family Investment Project (full MFIP vs. incentives only MFIP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single parent, urban, long-term AFDC recipients</td>
<td>Favorable: 1, Null: 0</td>
<td>Favorable: 1, Null: 0</td>
</tr>
<tr>
<td>Single parent, urban, recent AFDC applicants</td>
<td>Favorable: 1, Null: 0</td>
<td>Favorable: 0, Null: 1</td>
</tr>
<tr>
<td>Minnesota Tier 2</td>
<td>Favorable: 0, Null: 2</td>
<td>Favorable: 0, Null: 2</td>
</tr>
<tr>
<td>NEWWS Labor Force Attachment—Grand Rapids*</td>
<td>Favorable: 2, Null: 0</td>
<td>Favorable: 4, Null: 4</td>
</tr>
<tr>
<td>NEWWS Labor Force Attachment—Riverside*</td>
<td>Favorable: 2, Null: 0</td>
<td>Favorable: 8, Null: 0</td>
</tr>
<tr>
<td>Non-Custodial Parent Choices PEER Pilot</td>
<td>Favorable: 0, Null: 2</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

(continued)
HIGHLIGHTS OF PROMISING INTERVENTIONS

Six of the work-readiness interventions met ESER criteria for “promising” interventions (Table 1, bolded entries). This means they had as many or more favorable impacts as null impacts in at least three of the following four domains: short-term employment, long-term employment, short-term earnings, and long-term earnings. All of these interventions, focused on families receiving cash assistance, were initiatives that accompanied the transformation of AFDC into TANF in the 1990s. In this section, we highlight each of these promising interventions.

Jobs First—Greater Avenues for Independence (GAIN)

Evaluation setting: Jobs First—GAIN was a mandatory Welfare-to-Work program in Los Angeles County, California, that prioritized moving clients as rapidly as possible into employment. It was evaluated using a randomized controlled design from 1995 through 1998. The evaluation compared AFDC recipients who were randomly assigned to receive the intervention, Jobs First—GAIN, to a control group who received regular AFDC. The participants in the evaluation included 15,683 single parents and 5,048 members of two-parent families. Over 75 percent were African-American or Hispanic. The same intervention was offered to both single- and two-parent households, and study authors reported results separately by household type.

Intervention: The intervention included several components:

1. Providing work readiness services such as job search assistance. Staff at job-search centers throughout the county instructed clients on finding job openings, writing resumes and filling out job applications, and conducting interviews. As part of a job club, Jobs First—GAIN clients could conduct a supervised job search using agency phone banks and job listings, and receive help and encouragement from staff.

2. Communicating financial incentives and policy changes. Jobs First—GAIN clients were informed about new federal limits on cash assistance eligibility and received strong “Work First” messages in all dealings with agency staff and during an intensive program orientation.
3. **Increased earnings disregards.** A larger amount of earnings were “disregarded” when calculating cash assistance grants for Jobs First—GAIN clients than clients in AFDC. This increased the incentive to find employment. Agency staff helped enrollees understand how the earnings disregards would affect the amount of money they would take home if they obtained employment.

4. **Enforcing sanctions for noncompliance.** Agency staff used the threat of reduced cash assistance grants to encourage participation in work-readiness and job-placement activities. The vast majority of Jobs First—GAIN clients received at least one warning, and about 30 percent of single parents and about a quarter of adults in two-parent families were sanctioned for noncompliance with work requirements.

**Impacts:** For both single-parent and two-parent families, Jobs First—GAIN led to substantial increases in the proportion of clients employed and in the clients’ earnings two years after follow-up. For example, among single parents, Jobs First—GAIN increased employment by 10 percentage points and earnings by an average of $1,627 (26 percent) in the two years after random assignment, relative to AFDC. The impacts for two-parent families were somewhat larger than for single-parent families, increasing employment levels for study participants in two-parent families by 10 percentage points and two-year earnings by an average of $2,050 (31 percent) relative to the AFDC control group.

**National Evaluation of Welfare-to-Work Strategies (NEWWS) Labor Force Attachment (Grand Rapids and Riverside)**

**Evaluation setting:** The three NEWWS Labor Force Attachment (LFA) programs, evaluated using a randomized controlled trial from 1991 through 1999, were located in Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California. The evaluations were part of the National Evaluation of Welfare-to-Work Strategies and included 18,644 people across the three sites. The interventions in Grand Rapids and Riverside met ESER’s “promising intervention” criterion and are the subject of the remainder of this section. Study participants were randomly assigned to one of two treatment groups: LFA or Human Capital Development (HCD), which focused on providing education and training to support future employment, or to a control group that received a business-as-usual cash assistance program. The brief includes the comparison of LFA to HCD and LFA to the regular control group. Study participants in these sites were predominantly women. In Grand Rapids and Riverside, 50 percent were white and the other 50 percent were mostly black (Grand Rapids) or Hispanic (Riverside).

**Interventions:** The LFA interventions focused on moving public benefits recipients quickly into employment. The interventions began with intensive work readiness activities, including a job club focused on networking, support, and job-search activities such as developing resumes. Participants then spent several weeks applying for jobs and were required to make a minimum number of job inquiries per week. The number of weeks of job club and job search participation, as well as the number of required job inquiries, varied by site (Table 2). Supportive services and financial sanctions were also an important part of the LFA intervention. Participants were eligible for child care and transportation support.

Case management was integrated into the work-readiness services, and case managers encouraged participants to accept a job even if it was not ideal. If participants did not find jobs, case managers could decide whether to place them in unpaid work experience or allow them to participate in vocational training or education. Across the two sites, case managers in Riverside were less likely to allow people to participate in education or training programs. Case managers could reduce the AFDC or TANF grants of people who did not participate in required activities. However, case managers

**Table 2. LFA job club and job search activities, by site**

<table>
<thead>
<tr>
<th>Site</th>
<th>Length of job club</th>
<th>Length of job search</th>
<th>Number of job inquiries per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>LFA-Atlanta</td>
<td>3 weeks</td>
<td>2 weeks</td>
<td>6 in-person or 15 letters</td>
</tr>
<tr>
<td>LFA-Grand Rapids</td>
<td>2 weeks</td>
<td>3 weeks</td>
<td>6 in-person or 15 letters</td>
</tr>
<tr>
<td>LFA-Riverside</td>
<td>1 week</td>
<td>2 weeks</td>
<td>25 contacts</td>
</tr>
</tbody>
</table>

Note: Bolded interventions are designated as “promising.” ESER defined an intervention as promising if it had as many favorable outcomes as null outcomes in at least three of the four domains, with no unfavorable outcomes in those domains.
Minnesota Family Investment Project (MFIP) for single-parent, urban, long-term AFDC recipients

Evaluation setting: MFIP was a state program introduced to test changes in welfare policy in seven Minnesota counties. The program was evaluated using a randomized controlled trial from 1994 through 1997. Long-term AFDC recipients and new AFDC applicants were separately randomly assigned to one of two MFIP treatment groups, full MFIP or MFIP with incentives only (described further below), or to receive AFDC as usual. MFIP used several strategies to encourage work among long-term AFDC recipients and new AFDC applicants. The comparison that highlighted work-readiness activities was between full MFIP and MFIP incentives only. All of the outcomes for this comparison were measured for only single-parents in urban settings. However, the intervention was only promising for the urban single parents who were long-term AFDC recipients; 3,208 single parents were categorized as single parent urban long-term recipients for the purpose of the evaluation. Roughly half of the long-term recipients were white, and 35 percent were black. 98 percent of the long-term recipients were women, and most had never been married.

Intervention: MFIP included several components:

1. Work-readiness activities. Clients were required to participate in work-readiness employment and training activities unless they met certain exemption criteria. These activities were short in duration and included developing an employment plan and identifying immediate work opportunities.

2. Supportive services. MFIP paid child care costs directly to providers so that parents did not have to pay out of pocket and await reimbursement.

3. Incentives and sanctions. MFIP encouraged work by increasing the basic AFDC grant by 20 percent if recipients worked more than a minimal amount, reducing benefits for working clients by only 62 percent for every earned dollar (rather than a dollar-for-dollar reduction), and reducing benefits by 11 percent for clients who failed to do the required employment and training activities.

4. Streamlined benefit payments. MFIP combined families’ AFDC, food stamps, and Family General Assistance (a state-funded cash assistance program) benefits into a single program with one monthly cash payment (food stamp coupons were replaced by cash).

The two treatment groups were full MFIP, which encompassed all four features, and incentives only, which included only features 2 through 4. Specifically, evaluators contrasted the full MFIP to a group that was eligible for the MFIP work incentives, but who did not have to participate in work-readiness activities. Because both groups received the same incentives, supportive services, and combined cash benefit—but only one group could participate in work-readiness services—the evaluators could assess the impact of requiring work-readiness services through this contrast.

Impacts: Urban, single-parent, long-term AFDC recipients who were randomly assigned to the full MFIP were 11 percentage points more likely to be employed in the short term and 6 percentage points more likely to be employed in the long term, compared with those randomly assigned to the incentives only group. Also, those in the full MFIP group earned $113 more per quarter in the short term and $191 per quarter more in the long term than those in the incentives only group. However, the effects of the full MFIP compared with incentives only were only promising for urban single parents who were long-term AFDC recipients and not for those who were recent AFDC applicants.
assigned to either participate in Portland JOBS or receive AFDC as usual. More than 93 percent of the study participants were women, nearly 70 percent were white, and the average age at study start was 30.

**Intervention:** Case managers first assessed clients’ employability during a one-on-one meeting and then assigned them to work-readiness services such as job clubs, structured job searches with assistance from program staff, and resume workshops. These work-readiness services were combined with a wide variety of other services according to client needs, including short-term training that focused on employability, classroom education, and job development in close cooperation with employers. Portland JOBS provided supportive services in the form of funding for child care, transportation, and assistance securing health insurance.

**Impacts:** AFDC clients who were randomized into Portland JOBS were 9 percentage points more likely to be employed in the short term. They were 11 percentage points more likely to be employed in the four years after random assignment and 3 percentage points more likely ever to be employed in the four years after random assignment. Clients in Portland JOBS also earned $343 more per year in the short term and roughly $4,000 cumulatively more over the four years of the evaluation, which ended in 1997.

**Welfare Restructuring Project (WRP) for single-parent families**

**Evaluation setting:** The Welfare Restructuring Program (WRP) began in 1994 throughout the state of Vermont under a waiver of some federal welfare rules, before the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The evaluation of WRP’s employment and earnings impacts focused on six districts: Burlington, Barre, Newport, Rutland, St. Albans, and Springfield. Eligible single parents and two-parent households in these districts were randomly assigned to one of two treatment groups (described below), or to receive Aid to Needy Families with Children (ANFC), Vermont’s state-administered cash assistance program, as usual. Most of the 5,463 study participants (93 percent) were women, and the majority were white. This profile focuses on WRP as delivered to single-parent families. The intervention delivered to two-parent families had a shorter time limit, and was not a “promising intervention” according to the ESER criteria.

**Intervention.** The full WRP intervention for single-parent families included several components:

1. **Case management focused on work readiness.** Case managers worked with participants to complete work-readiness activities and develop an individual employment plan. Case managers also encouraged participants to enroll in education or training. Clients were required to participate in job-search activities for up to two months if they were still unemployed after 28 cumulative months of cash assistance.

2. **Subsidized employment.** People who did not find jobs after two months of searching were assigned to subsidized, minimum-wage Community Service Employment jobs that lasted up to 10 months. People who did not find paid employment by the end of one Community Service Employment job could be placed in another one.

3. **Time limits on finding work.** WRP required participants to find paid work by the time they had received cash assistance for 30 cumulative months.

4. **Substantial supportive services and financial incentives and sanctions.** WRP encouraged work by offering participants up to three years of Medicaid coverage and transitional child care assistance and by reducing the amount of earnings that were considered when calculating benefit payments, if they complied with the program requirements. WRP also withheld people’s cash assistance payments if they did not participate in required activities and used the funds to pay the clients’ household bills.

The two treatment groups were full WRP, which received all the services described, and WRP incentives only, which did not require that people participate in job search activities or community service employment. Both were compared with ANFC and each other. The comparison of full WRP to WRP incentives only provides a test of the effectiveness of the work-readiness activities and community service employment specifically, while the comparison of full WRP to ANFC provides a test of the effectiveness of the bundled intervention including work readiness services and community service employment, along with additional financial incentives and supplementary services.

**Impacts:** WRP had favorable impacts on short- and long-term employment and long-term earnings for single parents. Across all six years of the study, single parents assigned to WRP earned $90 more per quarter than single parents assigned to ANFC and $86 more than people assigned to WRP incentives only. People in the WRP group also had higher rates of employment during the fourth and sixth years after random assignment.
CONCLUSIONS

Work-readiness interventions had positive impacts on employment and earnings outcomes in more than half the interventions studied, and none of the interventions studied had significant negative impacts on employment or earnings. Although these types of interventions overall seem generally promising, the interventions examined are diverse in the types of clients they served, the context in which they operated, and the magnitudes of their impacts on participants’ employment and earnings. In addition, many of the interventions bundled a number of other employment and training strategies together with work readiness. This makes it difficult for policymakers or practitioners to draw firm conclusions on the effectiveness of incorporating work-readiness services alone into future employment and training programs. The evaluations that compared full versions of MFIP and WRP to an “incentives only” version of those same programs may do the best job, among those studies we examined, of isolating the effects of work-readiness services.

In addition, few interventions that emphasize work readiness and rate high or moderate on ESER’s criteria have been tested within the past several years. The promising interventions profiled in this brief were all conducted during the 1990s period surrounding the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and all targeted AFDC recipients before or during the transition of cash assistance programs to TANF. These promising interventions were also evaluated during a significant economic expansion, when a growing economy and a low unemployment rate helped many low-income Americans find jobs (see “Job Growth in the 1990s: A Retrospect,” Hatch and Clinton, BLS 2002.) Although our review suggests they are promising, more research is needed to determine whether similar work-readiness interventions continue to be equally effective in our current policy and economic context.

ENDNOTES

1 Work experience, job development, and job placement services were included as subcategories of work readiness activities on the ESER website but are not discussed separately in the text of the brief or the tables below.

2 This brief covers interventions tested in studies that received a moderate or high rating from ESER. This brief does not cover any low-rated studies; these are available in the searchable database on the ESER website.

3 This is distinct from the Office of Planning, Research and Evaluation’s Job Search Assistance Strategies Evaluation being conducted from 2013 through 2018.

4 ESER defines “short term” as less than 18 months. In addition, some studies of these interventions measured their impact on public benefits receipt. Those impacts are reported on the ESER website (http://employmentstrategies.acf.hhs.gov/).

5 SSP provided earnings supplements to study participants who met certain criteria. SSP Plus offered these supplements along with work-readiness activities. This brief focuses on the contrast between SSP and SSP Plus. To read about SSP compared with a control condition, see the brief on financial incentives and sanctions.

6 This brief includes both the full WRP vs. WRP incentives only and full WRP vs. ANFC comparisons, as both are tests of work readiness strategies. The companion brief to this one, on Financial Incentives and Sanctions, includes only the WRP incentives only vs. ANFC comparison.
ESER publications referenced in this brief


References for evaluations of interventions included in this brief

Delaware's A Better Chance Welfare Reform Program


Enhanced Job Club—Los Angeles


Job Search Assistance Demonstration


Jobs First—Greater Avenues for Independence


Minnesota Family Investment Program

Minnesota Tier 2


NEWWS Labor Force Attachment—Atlanta, Grand Rapids, and Riverside


Non-Custodial Parents Choices PEER Pilot


Personal Roads to Individual Development and Employment


Portland Job Opportunities and Basic Skills (JOBS)


Project Independence

• Kemple, James, and Joshua Haimson (1994). Florida’s Project Independence: Program implementation, participation patterns, and first-year impacts, New York: MDRC.


Self-Sufficiency Project Plus

• Lei, Ying, and Charles Michalopoulos (2001). SSP Plus at 36 months: Effects of adding employment services to financial work incentives, Ottawa, Ontario, Canada: SRDC.


**Valuing Individual Success and Increasing Opportunities Now (VISION)**


**Welfare Restructuring Project**


**Additional publications**