

**AN ANALYSIS OF WORK AND EARNINGS
OF SELECTED EBMC PARTICIPANTS**

Prepared By:

Brandon Roberts, Brandon Roberts + Associates
David Stevens, The Jacob France Center, University of Baltimore

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Executive Summary

This study examines the overall employment status of Empower Baltimore Management Corporation residents who have sought workforce assistance. It focuses on whether participants are effectively prepared to succeed in the labor market as measured by their work and earnings.

The study covers a time period when more than 3,094 persons were recorded as having sought some type of EBMC-sponsored workforce development assistance. Information was gathered on participants through both a quantitative analysis of participant employment or wage record files and a set of focus groups. This information was gathered to gain insights into participants past and current experience with the labor market. The quantitative analysis specifically looked at an individual's level of work experience in the two years prior to seeking assistance and their employment status following their contact with EBMC.

The core question underlying this study is: Are participants who receive EBMC-sponsored workforce development assistance effectively positioned to work their way out of poverty? Based on the available evidence, the most reasonable answer at this time is not yet. The vast majority of participants who have sought assistance have annual average earnings of less than \$8,000 a year which is below the annual earnings generated by working a full-time minimum wage job (\$10,300). These earnings are also significantly less than the poverty threshold for a family of three (\$13,874). EBMC efforts have produced positive results given that annual earnings have increased from \$5,000 to just under \$8,000 a participant, an increase of almost 40 percent, and an increase achieved with less than 1 percent of participants receiving training assistance. These earnings, however, are not sufficient to achieve the empowerment zone goal of reducing poverty.

The conclusion raises questions about whether current employment and training services are both appropriate and sufficient to help residents achieve economic self-sufficiency. Several key points that may warrant further consideration include:

- ◆ **EBMC is serving a divergent population with varying needs and motivations, thus perhaps requiring a more diverse set of strategies.**
- ◆ **Lack of consistent work is a major factor influencing low earnings outcomes, which may suggest the need for better job preparation, matching and retention efforts.**
- ◆ **Customized skills training may offer the best chance for helping participants reach economic self-sufficiency as those participants achieved the highest earnings.**

Overall this study offers insights into who has sought EBMC employment and training assistance and what work and earnings outcomes have been achieved. Clearly, EBMC's employment and training assistance has produced positive results. Even more clearly, however, is the realization that greater outcomes are needed if EBMC residents are going to work their way out of poverty.

Chapter 1: Introduction

Work is now believed to be the most viable approach for eliminating poverty. This philosophy is embedded in national public policy such as the country's welfare reform legislation. It is also the foundation for many of the economic and social actions of state and local governments.

Strong and unprecedented economic growth has created substantial opportunities for connecting the economically disadvantaged to work. More than perhaps any time in the past, businesses are expressing an explicit need for qualified labor, including workers for entry level positions. Although a downturn in the economy may relieve some of the intense pressure for workers today, the demographic makeup of the current and future workforce suggests a tight labor market for the next twenty plus years.

The convergence of social policy and economic need has coincided with the efforts of the Empower Baltimore Management Corporation (EBMC) to fulfill its mandate of improving the economic and social well-being of Baltimore's poor and their communities. For the past four years, EBMC has invested significant resources to help Empowerment Zone residents prepare for and access employment. The overall idea is that work will enable residents to obtain a level of economic self-sufficiency that will help diminish the exorbitant levels of poverty found in too many of Baltimore's inner-city neighborhoods.

This study examines the overall employment status of EBMC residents who have sought workforce assistance. It focuses on the issue of whether participants are effectively prepared to succeed in the labor market as measured by their work and earnings. At the core of this study is the basic question:

Are participants who receive EBMC-sponsored workforce development assistance effectively positioned to work their way out of poverty?

This report is intended to provide information that can assist EBMC in assessing whether its current workforce policies and practices are sufficient for helping residents achieve economic self-sufficiency.

Study Approach

This report is based on analyses that focused on Empowerment Zone residents who enrolled in EBMC-sponsored workforce development actions from 1997 through mid-2000. Residents were identified as a result of having been reported as *placed* in a job by a Career Center, having completed an *intake* form at one of the Zone's six Career Centers, or having engaged in a *customized training* program.

The study covers a time period when more than 3,000 persons were recorded as having sought some type of EBMC-sponsored workforce development assistance. Three general categories of participants were examined.

- ◆ *Placed:* EBMC maintains a list of individuals who have obtained full-time employment through the efforts of a Career Center.
- ◆ *Intake:* EBMC maintains a list of individuals who have completed an intake form at each Career Center, but has yet to obtain employment. The individual presumably is engaged in some type of assistance preparatory to employment (e.g., job readiness counseling, drug rehabilitation, etc.).
- ◆ *Trained:* EBMC has supported customized skills training for Empowerment Zone residents.

Information was gathered on participants through 1) an analysis of participant employment records and 2) a set of focus groups. The overall intent of gathering this information was to gain insights into participants past and current experience with the labor market.

The employment records of 3,094 people who sought EBMC- sponsored assistance was analyzed to determine an individual's level of work experience in the two years prior to seeking assistance and their employment status following their contact with EBMC. The data analysis particularly focused on an individual's a) frequency of work, b) the level of earnings generated by work, c) number of employers, d) type of industry work, e) use of public assistance, and f) experience with prior job training programs.

The analysis was organized to look at participants from several perspectives.

- ◆ First, the data for all participants were analyzed as a whole to obtain overall outcomes for the total population. This data set consisted of 3,094 persons.
- ◆ Second, the total population was divided into three time cohorts in order to see if the characteristics and outcomes varied by the time period participants sought service. The first time cohort covered the period October 1, 1997 - December 31, 1998; the second time cohort was January 1, 1999 to September 30, 1999; and October 1, 1999 to June 30, 2000.
- ◆ Third, the total population was divided into three groups according to their status seeking service: a) placed (1,290), b) intake only (1,750), and c) customized training (53).

The analysis was conducted by the Jacob France Center of the University of Baltimore. Participant employment information was gathered from the quarterly reports filed by, or on behalf of, Maryland employers who are covered by the State's unemployment compensation law. These wage record files are compiled on a quarterly basis (i.e., every three months) and provide data on an individual's work and earnings during that quarter. Typically more than 90 percent of all workers are included in these files; the self-employed, federal government civilian and military workers, and limited others are not represented in these files. Information on an individual's history with public assistance, training and higher education was gathered from other data bases that are maintained by the Jacob France Center for various public agencies.

Report Presentation

This report provides information on the employment experiences of residents that have sought EBMC-sponsored workforce assistance. After this introductory chapter, the report is organized as follows:

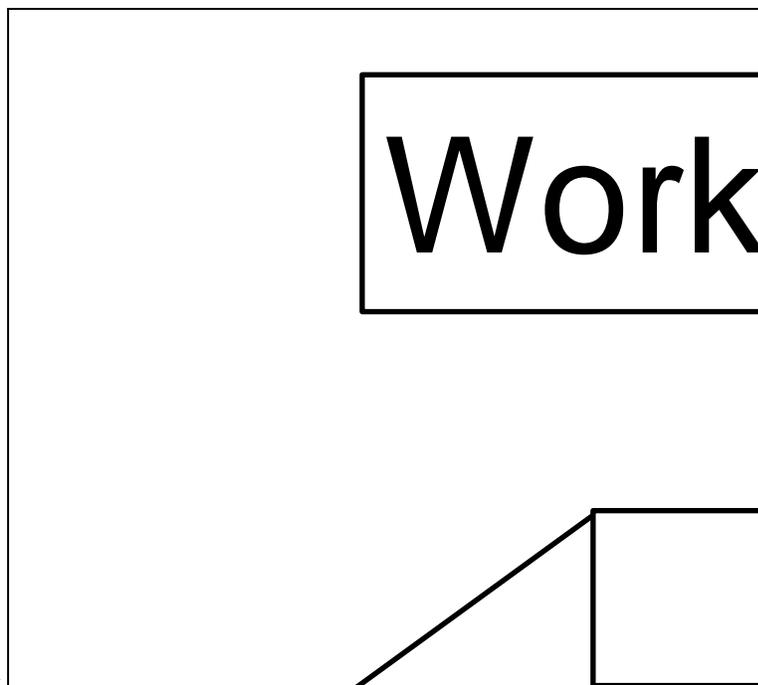
- ◆ a presentation on the characteristics of the people who have sought workforce assistance with a particular focus on their past employment and earnings history;
- ◆ a presentation on recent employment and earnings outcomes of those who have sought assistance;
- ◆ a presentation on the perspective and ideas about work communicated by the focus group participants; and
- ◆ overall findings about whether EBMC participants appear to be effectively prepared to succeed in the labor market.

An appendix provides detailed information on the data analysis.

Chapter 2: Work and Earnings Prior to Seeking EBMC Assistance

A major objective of this research is to understand the job experience characteristics of people seeking EBMC-sponsored employment and training assistance. The study analyzed

wage record files for 3,094 persons and focused on their work experience in the two years immediately preceding their entry into a program activity.



The analysis addressed four primary questions:

- ◆ What work and earnings experience did participants have prior to EBMC?
- ◆ Did the level of participant experience change over time with more hard-to-serve participants entering the program more recently?
- ◆ Did participants' level of experience vary depending on the program activities of placed, intake and customized training?
- ◆ Did participants have recent experience with the welfare or job training systems?

The following addresses each of these questions. Table A in the appendix provides overall data pertaining to most of these items.

Work and Earnings

Most participants had some work experience (77%) in the two years prior to seeking EBMC assistance as shown in Graph 1. These jobs were typically with eating and drinking establishments, business services, construction, health care, and social services.

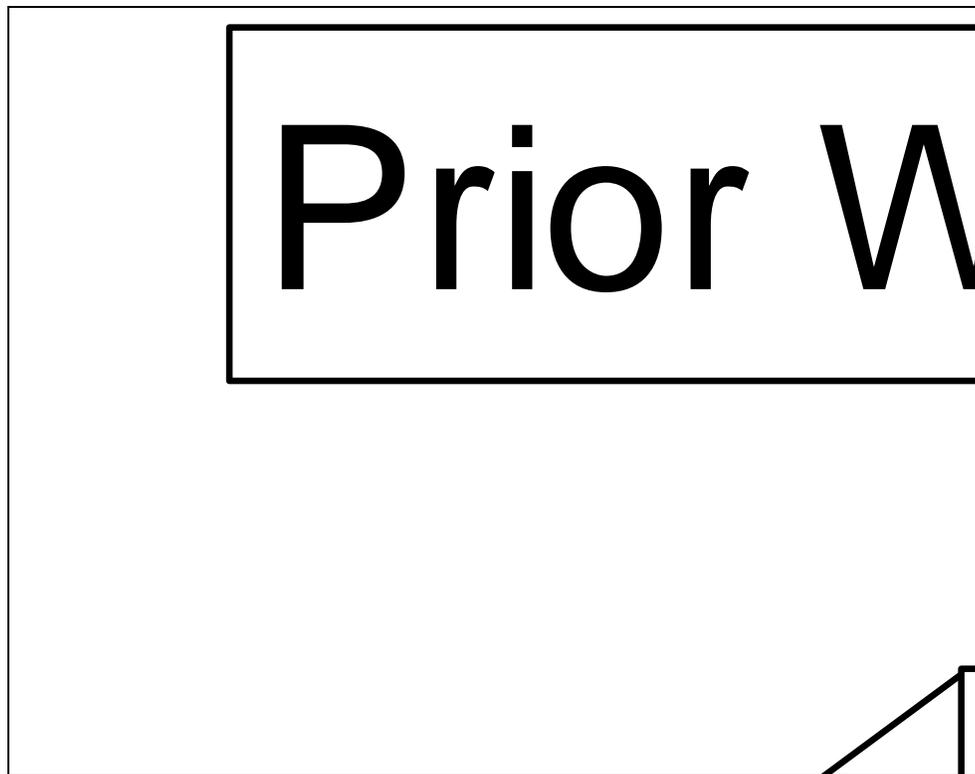
Less than one quarter of all participants had no earnings in the two years prior to seeking EBMC assistance. This group may arguably be considered as the hard-to-serve given their lack of recent work experience although there is no formally accepted definition of hard-to-serve.

Analysis was conducted to determine the number of jobs workers held in the two years prior to seeking assistance. Only 13% of those who worked had five or more jobs during the two-year period suggesting, perhaps, that most workers had a fairly stable work history. This outcome can be questioned given that most workers had very low wages. This raises the possibility that

their lack of numerous jobs is a product of possible spells of unemployment rather than job stability.

Although most participants had prior work experience, their earnings were low. The median earnings for all participants is \$1,375 a quarter. This amounts to \$5,500 annually when the median is computed for all four quarters of a year.

As shown in Graph 2, a full 70% of participants had earnings that did not equal what a person would earn working full-time at minimum wage for a year (\$10,300). Although the wage-record files do not reveal whether a participant works full-time or part-time, the quarterly earnings provide some insights into this matter. Clearly, the 70% were not engaged full-time consistently over a year and likely had some time of unemployment. Only 7% earned enough to constitute working full-time at minimum wage and even these participants earned only \$11,520 on an annual basis. This is slightly above full-time, minimum wage threshold of \$10,300. (The \$11,520 falls short of the poverty threshold for a family of three which is \$13,874 for the year 2000.)

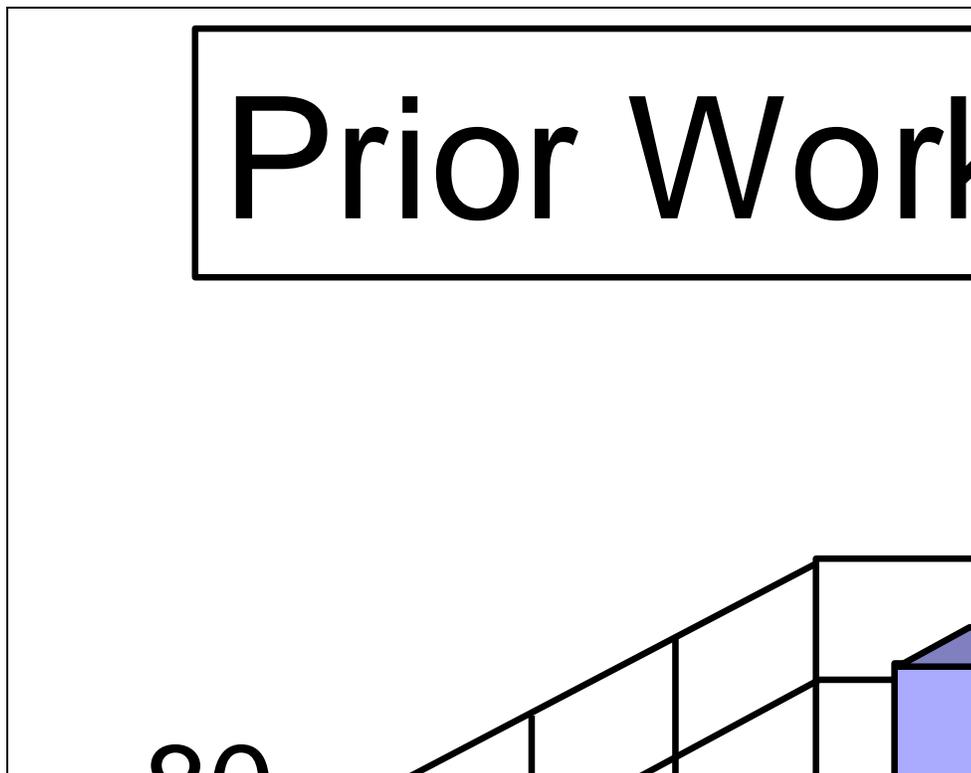


Given that participants had work experience, a valid question is why did people seek assistance from EBMC? Clearly they already had connections to the labor market on their own or through some other mechanism. Based on this, one could suppose that simply getting a job or any job was not the reason. The data, however, does not specifically address this question. This issue was addressed in the focus groups and is discussed more fully later.

Change in Participant Characteristics Over Time

A key objective of this study was to determine if the characteristics of participants seeking EBMC services changed over time. Or put another way, is there evidence to support the hypothesis that more of the harder-to-serve have sought EBMC assistance in recent years as compared to when services were first made available?

The analysis found that the work characteristics of people being served did not change from 1997 to midyear 2000. Graph 3 shows that on three measures -- work experience, no work experience, and strong work experience (worked in all 8 quarters) -- that there is very little difference in the characteristics over time. Looking specifically at the measure of no work experience, and using this measure as a criterion for hard-to-serve (rather than other criteria such as drug abuse, domestic violence, etc.), the percentage of the hard-to-serve population seeking assistance went from 24 percent to 22 percent to 25 percent over the three time cohorts, thus virtually remaining unchanged. The data, using no work experience as the definition of hard-to-serve, does not support the hypothesis that more of this population sought assistance over time.

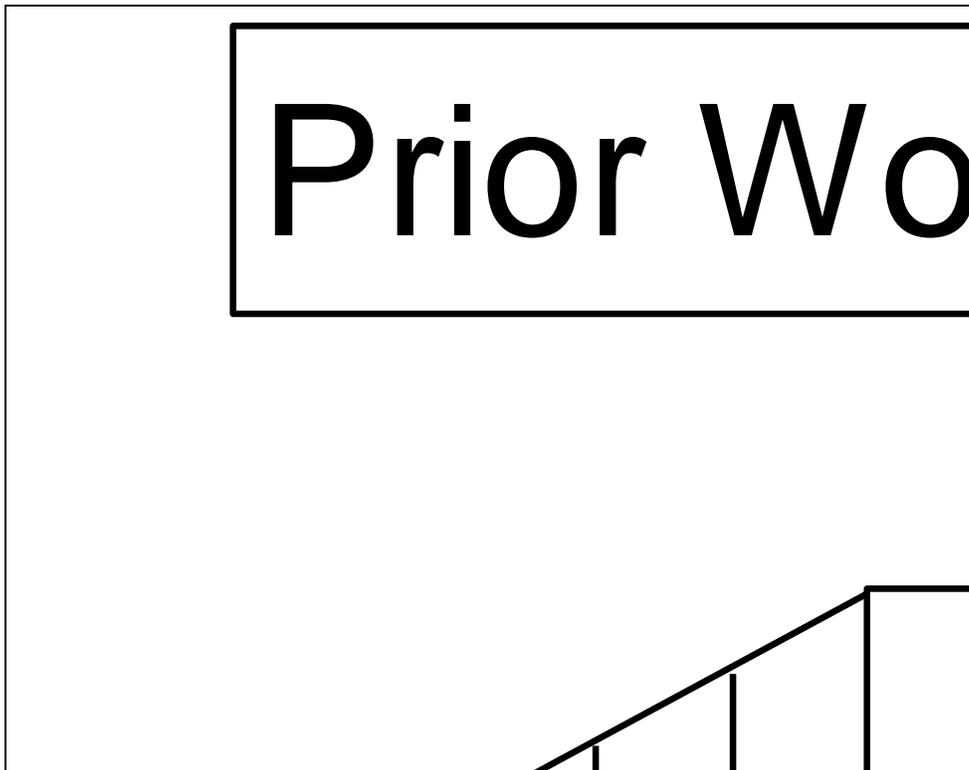


Characteristics of Participants Based on Program Activity

As indicated earlier, participants were categorized into three groups. The first group is participants placed in jobs by the Career Centers. The second group is participants who

completed an intake form at the Career Center, but have not been placed (they may be receiving special services, etc.). The third group is participants who completed customized training.

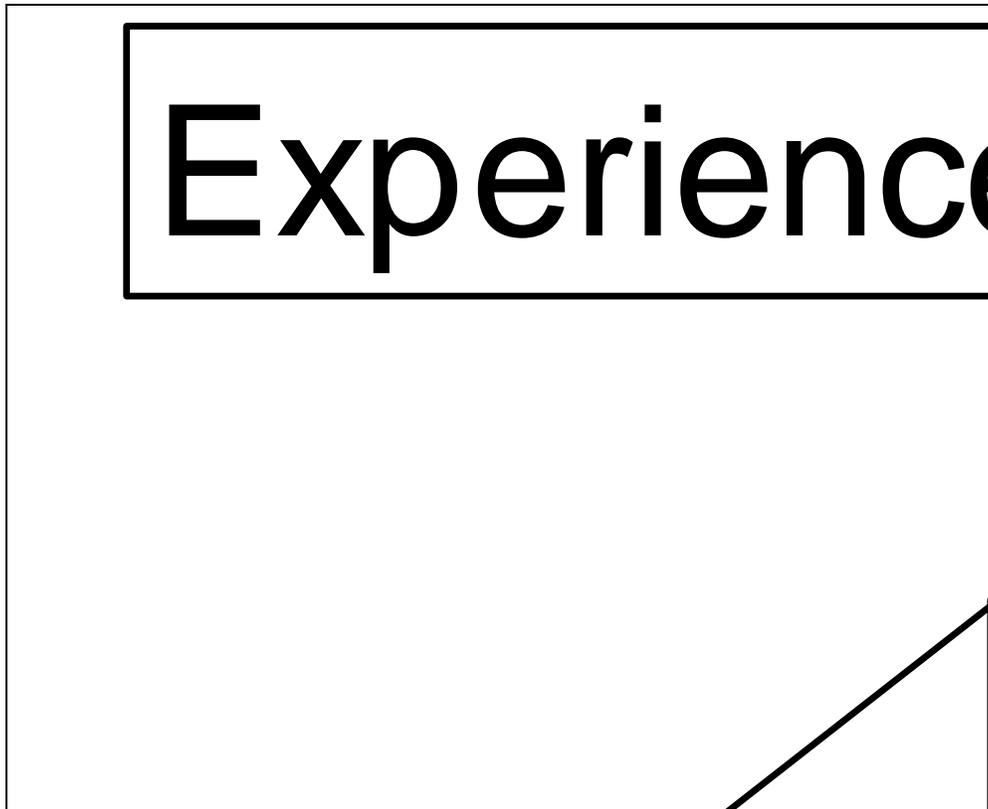
An analysis of the work characteristics of these participants by the program activity did not reveal any difference relative to their general prior work experience. Graph 4 shows that the percentage of participants with past work experience was almost the same for each category of participant as even 74% of those categorized as intake had worked within two years of seeking assistance. The differences relative to no work and strong work were minimal.



The one caveat to this finding is that the quarterly earnings for the groups did differ. Although the difference between placed (\$1,430) and intake (\$1,310) was not substantial, the customized training group quarterly earnings of \$2,022 were significantly higher. It is difficult to sort out this difference, one possibility is that although the groups had similar past work experiences, those applying and being selected for the customized training had a higher motivation to earn more. In fact, their interest in customized training may be indicative of their desire to increase their earnings. The issue of motivation to earn more did surface during the focus group discussions. In fact, as noted in that section, most of the focus group participants were not aware of the customized training opportunities. Upon learning about the program, several expressed an immediate interest to participate. (Subsequent analysis by EBMC staff, however, found that these participants did not follow through and enroll in a customized training program.)

Past Participation in Welfare and JTPA

Few of the participants were on welfare and, according to data from the Maryland Department of Labor, Licensing and Regulation, few had enrolled in JTPA in the two years prior to seeking assistance. Most of those on welfare (64%) were in the intake category. The data does not reveal whether welfare recipients categorized as intake were served or referred to the other public agencies for employment and training assistance. Other agencies in Baltimore have specific programs and resources to explicitly serve welfare recipients.



Summary

Overall, the analyses on pre-assistance work and earnings experiences leads to the following three important observations:

- ◆ Most participants had a recent connection to the labor market although that work did not lead to significant earnings,
- ◆ The characteristics of participants did not change over time, meaning that at least up until mid-2000, the number of hard-to-serve participants (as defined by no prior work experience) did not increase, and
- ◆ The participants seeking employment and training assistance from EBMC were quite

divergent with some exhibiting strong work experiences and earnings potential while others had no contact with the labor market in recent years.

Chapter 3: Work and Earnings After Seeking EBMC Assistance

Detailed analyses were conducted to determine the work and earning experiences of participants after they sought EBMC assistance. For two sets of participants, EBMC had recorded information that they had been placed in a job or engaged in a customized training program leading to a job. No specific outcome information existed for the group categorized as intake.

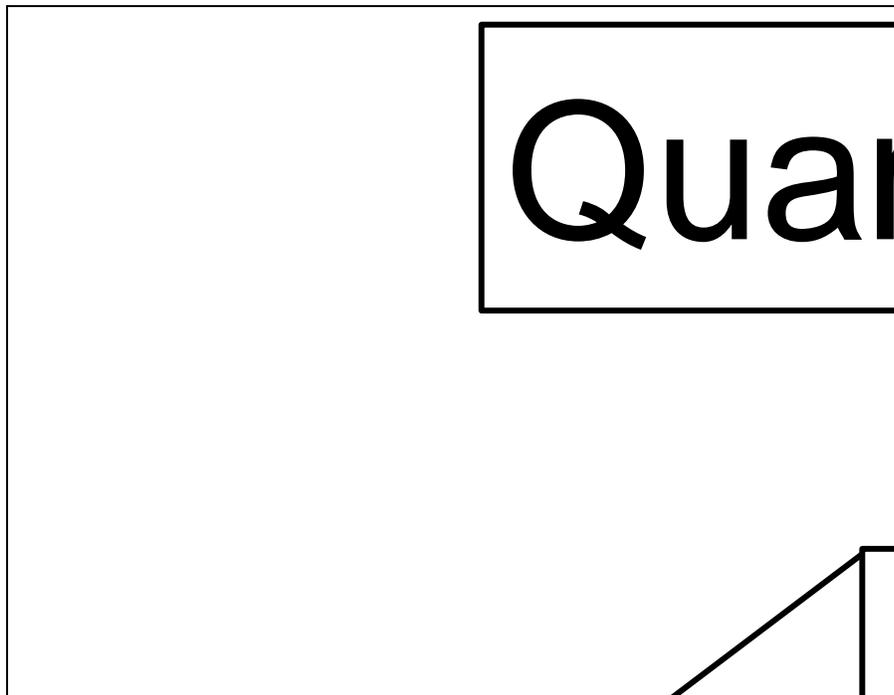
The analysis sought to answer two key questions:

- ◆ Did changes occur in work and earning experiences after seeking EBMC assistance?
- ◆ Do participants with varying work characteristics or engaged in distinct program activities have different post-assistance work and earning outcomes?

Table A in the appendix provides overall data pertaining to most of these items.

Work and Earnings

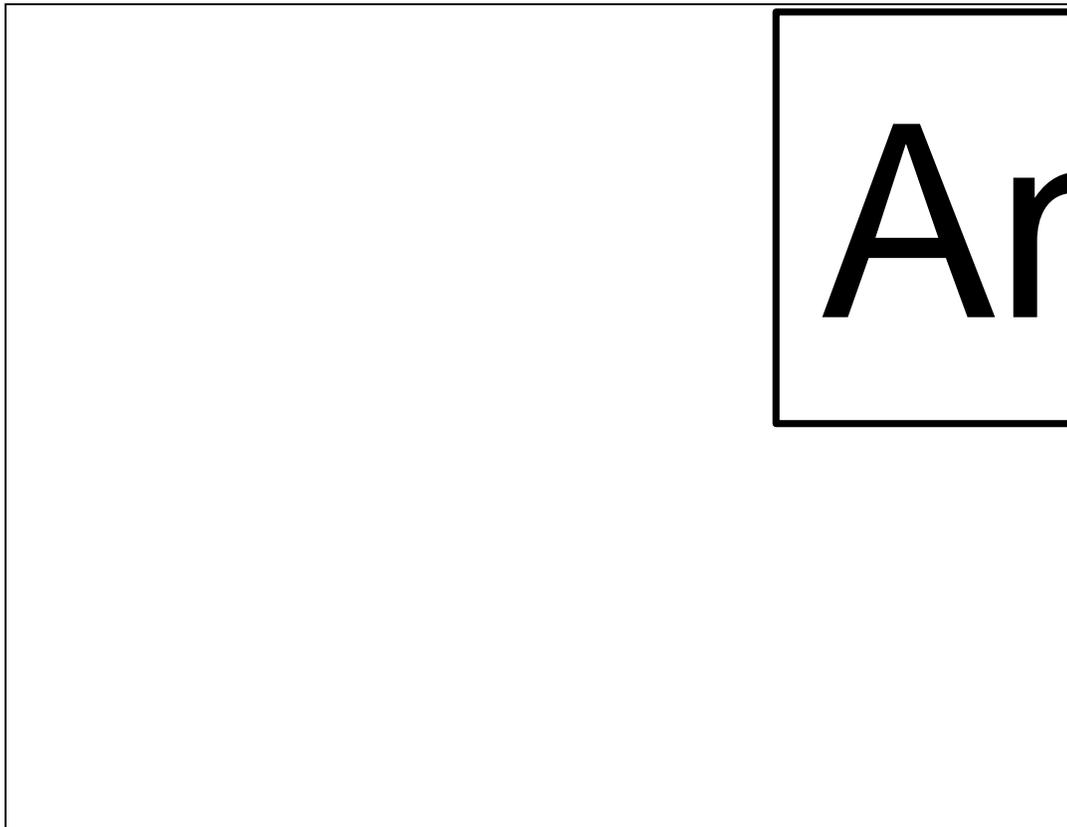
Participants increased their earnings after seeking EBMC assistance going from \$1,375 a quarter to \$1,911 a quarter in earnings as shown in Graph 6. This represents a 39% increase.



Approximately 16 percent of participants had no reported earnings after seeking EBMC assistance. This group is largely comprised of those categorized as intake. Importantly, those participants were not, as of the time of this analysis, necessarily receiving assistance to find employment.

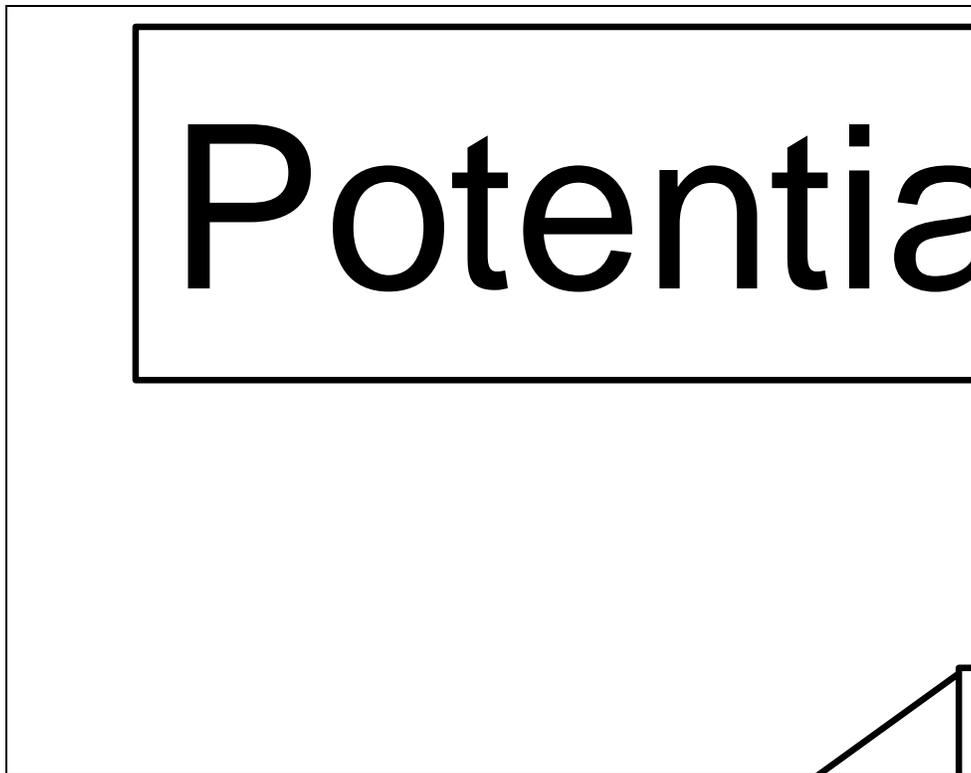
There was no significant change in the types of industry affiliations of those working after receiving assistance. Business services, eating and drinking places, construction, social services, and health services were the predominate types of work.

Despite the increase in earnings, participants still earn below a full-time, minimum wage equivalent and far below the poverty threshold. Graph 7 compares participant earnings, computed on an annual basis to be \$7,644, with earnings at minimum wage and poverty. The U.S. poverty threshold for the year 2000 is \$13,874 annually for a three-person family (single parent with two children). The threshold rises to \$17,524 for a four-person family.



Workers will need to raise their earnings by approximately one-third to reach the equivalent of working full-time at minimum wage. However, they would have to increase their earnings by over 80% to escape poverty. This type of increase would require a major shift in either the number of hours worked annually and/or the hourly wage rate. Earning \$13,874 annually requires someone who works full-time to be paid a wage of almost \$7.00 an hour. (The minimum placement wage of \$6.50 an hour set by EBMC in 1996 exceeded the wage needed to surpass the poverty threshold that year which was \$12,641. The threshold has increased by almost 10 percent since that time, raising the question of whether EBMC should reconsider its minimum placement wage.)

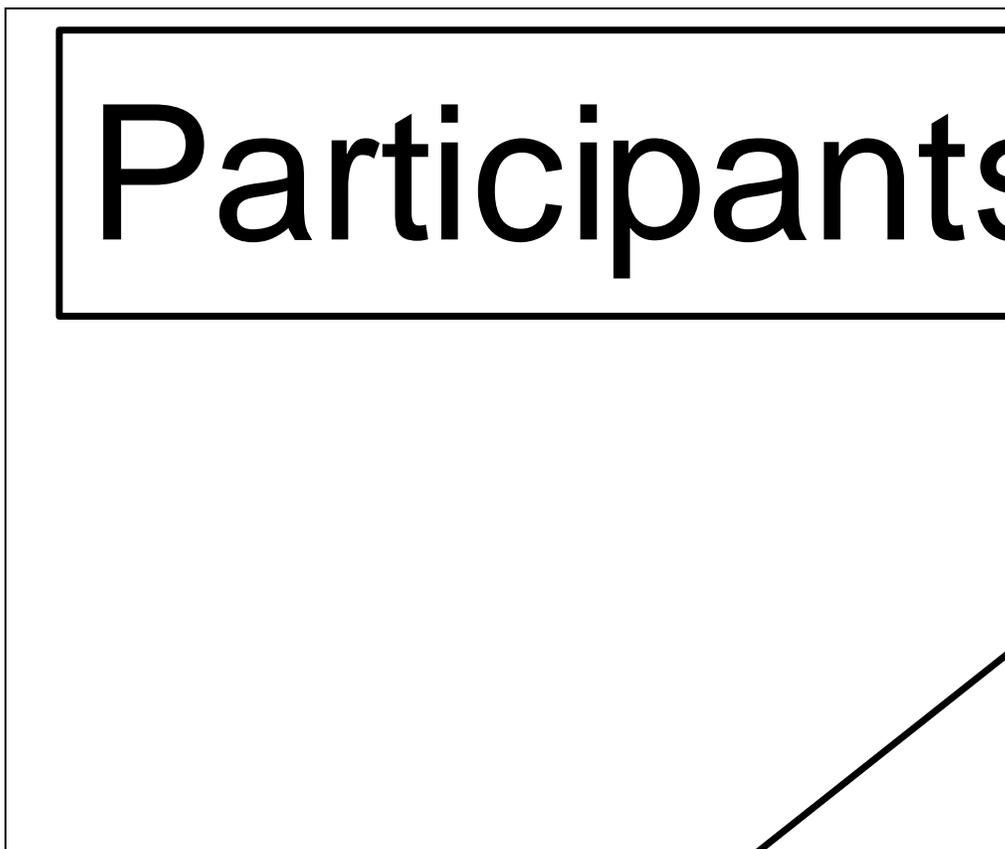
The data suggests that the amount of earnings is more influenced by the amount of time worked than the hourly wage. Graph 8 shows that participants did not work consistently after seeking assistance as they generally worked in only 55 percent of the available quarters after receiving assistance. This suggests that participants are still not firmly attached to the labor market and likely confirms the conjecture in Chapter 2 that the low earnings reported prior to seeking assistance were likely a product of lack of consistent work.



As is shown in the graph, the intake group worked less than the other groups as would be expected. The fact that the customized training group failed to work in one-third of the available quarters is notable, since this program activity was expected to result in participants working full-time and consistently.

Just what percentage of participants failed to work consistently is shown in Graph 9. The

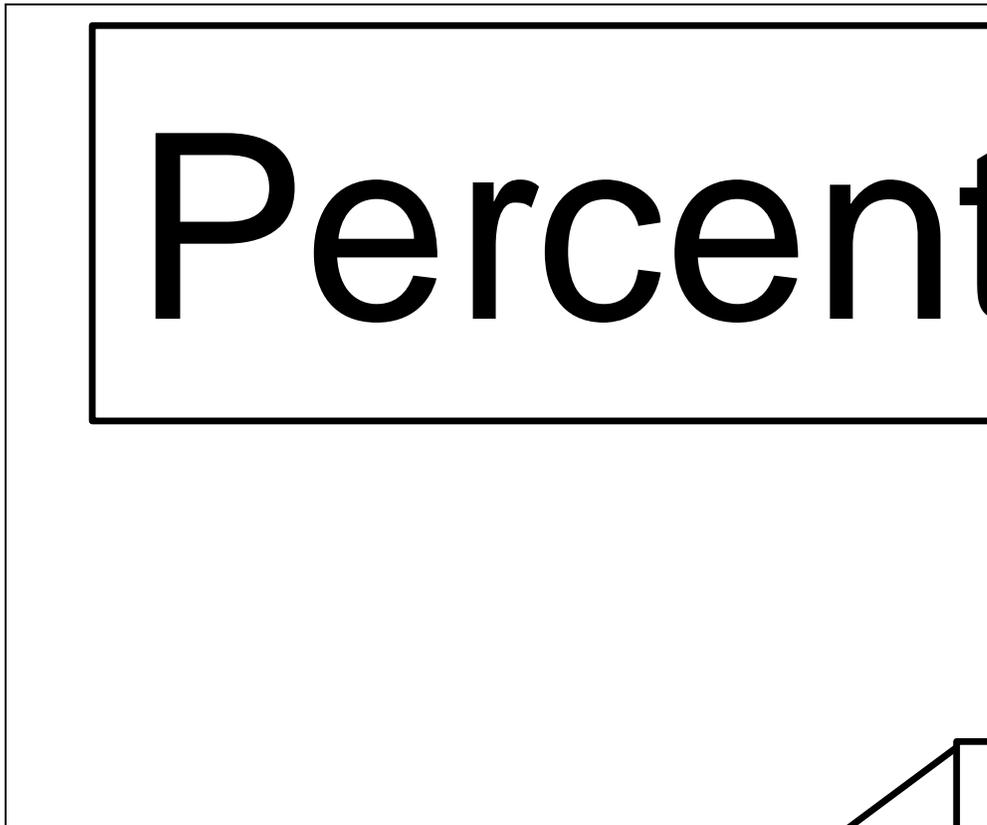
analysis found that overall only 32% of participants worked the full number of quarters available. Less than a majority (43%) of those who participated in customized training worked in every available quarter.



Overall, the findings as displayed in the last two graphs paint a troubling picture that a large number of participants are failing to work consistently. Even those who have participated in customized training do not work fully after assistance even though employers sign an “intent to hire agreement” that requires full-time work for all participants completing their training. Clearly the association with EBMC employment and training services has not resulted in a more stable connection to the labor market for a large number of participants. This raises questions about why participants who received this assistance are not now working full-time and/or consistently.

Furthermore, this data raises significant questions as to whether it is reasonable to expect that participants will be able to reach economic self-sufficiency in the future, or for that matter, whether they are even prepared to do so. One other analysis on post assistance earnings adds to the concerns about workers being able to reach economic self-sufficiency. As shown in Graph 10, a large number of participants – 38% – experienced a wage decrease after seeking assistance. That is they earned less after the assistance than they did prior to seeking assistance. Although obviously the majority did experience an increase, overall the assistance was designed

to help everyone do better. The fact that 38% did worse, and specifically that 33% of the placed and 12% of those in customized training had a decrease in earnings, raises further questions about what is happening to participants after they receive assistance.



The following subsection continues to focus on the results following employment and training services by examining the data to see if some participants had better outcomes than others.

Differences in Work and Earnings Between Participants

The analyses on differences in post-assistance outcomes between participants uncovered two striking findings. First, an analysis was conducted of the pre- and post earnings of participants with strong work histories, that is, for those who worked all 8 quarters prior to seeking EBMC employment and training assistance. As shown in Graph 11, the analysis found no difference in pre- and post earnings. Prior to seeking EBMC assistance, these participants had a median quarterly earning of \$2,880. After seeking assistance, their median quarterly earnings was \$2,792, virtually unchanged.



This finding reinforces the need to examine the type and value of services being delivered. It also raises the issue, once again, that participants enter with different levels of experience and needs of assistance. In this instance, it can be argued that this group of participants may not need assistance finding a job, but perhaps assistance finding a better job. As will be noted in the next chapter on the focus groups, this was a common theme expressed by those participants.

The second finding concerns participant earnings in different program activities (i.e., placed, intake, and customized training). An analysis of the increase in earnings by program activity found, as shown in Graph 12, that the increase for customized training was significant although each program had an increase (as would be expected from the past analyses). The earnings for those in customized training increased substantially going from \$2,022 a quarter to \$3,490, an impressive increase of 73%.

The increase for the placed participants was also high at 57%. Importantly, however, the annualized wage for customized training amounted to \$13,960, meaning that the earnings for a family of three exceeded the poverty threshold of \$13,874. As noted earlier, one-third do not work all the available quarters. The data do not provide any insights into this matter.

Earnings

Summary

Overall, the analyses on post assistance work and earnings outcomes leads to the following three observations:

- ◆ First, most participants do not have earnings that are sufficient to achieve economic self-sufficiency any time soon.
- ◆ Second, low earnings appear to be more a product of the lack of full time or consistent work rather than the wage received for work.
- ◆ Third, customized training appears to lead to earnings that exceed poverty and provide a foundation for achieving economic self-sufficiency.

PERCEPTIONS OF FOCUS GROUP PARTICIPANTS

Six focus groups, involving 43 persons, were conducted during the summer and fall of 2000. Participants in these sessions were identified from among those who had sought assistance (intake) and had obtained a job (placed). Individuals who entered a customized training program were not included in the focus groups.

Individuals volunteered to take part in the focus groups by responding to a written invitation sent to almost 800 randomly identified participants. Approximately five percent of those invited self-selected to attend one of the focus group sessions. Each attendee received \$20 for their participation. Although no analysis was conducted on the personal characteristics of the focus group participants, the vast majority had work experience prior to seeking EBMC-sponsored assistance and only a few noted personal issues that affected their ability to obtain or maintain employment. Generally, focus group participants appeared motivated to succeed in the labor market.

The topics presented below represent common perceptions expressed across the six focus group sessions. Although each group brought different experiences and perspectives about work into the discussion, there were a number of similar points that surfaced frequently throughout the sessions. These points constitute the key topics that emerged from the focus group discussions.

Focus Group Perceptions

Six key topics were identified from the discussions.

- ◆ **Opportunities for Good Jobs Do Exist in Baltimore Today.** In contrast to past economic times, most participants agreed that anyone wanting and willing to work could find a job in Baltimore today. Although it was noted that many of these jobs were of a poor quality – a low wage, part-time and no benefits, there did appear to be more good jobs available than ever before. Good jobs were typically defined as those paying \$8 to \$10 an hour and offering full-time work, benefits, and opportunities for advancement. Many participants noted that their primary employment objective today, and the reason they sought assistance, was to obtain a good job. Some participants, although a distinct minority, talked about good jobs in the context of having a career.
- ◆ **Limited Ability to Access Good Jobs.** Most participants indicated that they believed good jobs were obtained through personal contacts; knowing the right person was the key to gaining access to a good job. Most also indicated that they did not have such contacts and thus sought assistance through public agencies with the expectation that agency staff could help them gain access to those jobs. Most participants agreed that a good job match was one of the most important workforce services an agency could provide. Participants were mixed, however, on the results of such services with about one-half noting that agency staff helped them access jobs they could not get on their own and the other half expressing disappointment with their job connection experience. Those who did not have a positive job connection experience expressed little concern about leaving or losing their

job. They noted that there was little motivation to do well or stay in a job that did not pay good wages or did not seem to offer a future. Participants, when asked, did agree that work experience and skills were important to obtaining a good job. This was not an issue that was self apparent to the groups.

- ◆ **Responsibility and Hard Work Are Key to Staying Employed and Getting Promoted.** Almost all participants agreed that work attitude and good habits played the most important role in succeeding at work. Participants discussed the need to come to work regularly and on-time, respect supervisors, and work well with other employees. They further noted that opportunities for training and promotion most often went to those persons who got along with their supervisors. A large number noted, however, that many firms had poor work environments where front-line supervisors did not appear interested or able to help workers succeed. Many of those who left work either on their own or through a termination cited an important reason as being a conflict with a supervisor. As noted in the above section, many participants noted that there was little motivation to stay in a job that did not pay good wages or did not seem to offer a future; in such jobs participants had a minimal desire to effectively address conflicts with supervisors.
- ◆ **Skill Training of Interest; Limited Knowledge of How to Get It.** When asked, most participants indicated an interest in skill training, particularly when such training was short-term and had a connection to a specific job. Most, however, had minimal knowledge of how to obtain skill training and indicated that this was not an issue that was discussed in any detail at agencies offering employment and training assistance. Few also had any particular knowledge of community colleges. Of particular note was the fact that most participants were unaware of the customized training opportunities offered by EBMC and many were very interested to learn more. Participants also noted that they had little understanding of what career opportunities existed in Baltimore and what is needed to prepare for and obtain a particular career.
- ◆ **Positive View on Workforce Services.** In general, participants spoke positively of their experience seeking workforce services. They noted that staff in most public agencies offered personalized assistance and seemed genuinely concerned about helping them obtain a job. Several people noted that staff has taken a strong and active role in helping them get and keep a job. These participants, and others upon hearing their comments, strongly supported staff serving as their advocate with an employer both while seeking a job and after becoming employed.
- ◆ **Ideas for Additional Services and Support.** Each participant was given an opportunity to make a final comment about any idea they wanted to communicate about workforce services in Baltimore. Although most were clear to indicate that they had no complaints with current services, they did have some ideas that might improve matters in the future. Four key themes predominated the suggestions: 1) give greater attention to connecting participants to good jobs; 2) provide more information on and opportunities for skill training; 3) encourage staff to be strong advocates for participants, and 4) improve the workplace environment of local firms. Other ideas less frequently mentioned, but

arguably still important, included better transportation and child care services as well as opportunities to establish community support groups among participants.

Overall Observations from the Focus Groups

It is important to keep in mind that the vast majority of the focus group participants appear interested and motivated to succeed in the labor market. These participants clearly have expectations and needs that are quite different from participants who may seek assistance with many unresolved personal barriers. As noted in the data analysis, there is a wide variance in work experience among those seeking assistance through the Career Centers.

An important issue is whether or not motivated participants receive sufficient support to achieve their labor market aspirations. It would appear from the focus groups that these participants would like a higher level of services than currently available. It would also appear that many have limited knowledge of what it takes to succeed. These individuals, while desiring to do better, have little awareness of the growing premium that the New Economy places on workers relative to skills and knowledge as even so-called old economy jobs – warehouse/distribution, manufacturing, clerical/office – want entry level workers that have technology-based skills and competencies to learn more.

Furthermore, the fact that approximately one-half of the participants did not believe they had a positive job match suggests that they did not obtain the type of job they desired, or their idea of a good job. Participants felt little obligation to stay employed in these positions, which may help explain the lack of consistent work found in the data analysis.

Overall, the focus group participants appear interested in doing better in the labor market and are open to taking steps that might help them obtain higher paying jobs.

Chapter 4: Conclusion

This study utilized data analysis and focus groups to address one core question about EBMC's recent employment and training services: Are participants who receive EBMC-sponsored workforce development assistance effectively positioned to work their way out of poverty?

Based on the available evidence, the most reasonable answer at this time is not yet. While clearly EBMC efforts have produced positive results, they do not appear significant enough at this time to achieve the overall empowerment zone goal of reducing poverty.

The conclusion raises questions about whether current employment and training services are both appropriate and sufficient to help residents achieve economic self-sufficiency. Although this study did not examine or assess the services being provided, the conclusion is based on the idea that the value of the services is reflective in the work and earning outcomes achieved by participants. There is little doubt that current participant outcomes provide a frail foundation for residents to work their way out of poverty.

Several key points from both the data analysis and the focus groups underlie this conclusion.

👉 **EBMC is serving a divergent population with varying needs and motivations:** The analysis clearly shows that EBMC is attempting to serve a population with divergent work and earnings experiences. Less than one quarter of the participants seeking EBMC assistance might be considered hard-to-serve (based on the criterion of prior work experience) while others have strong work histories. The focus groups revealed participants who want help obtaining and keeping good jobs and some who even think of work in terms of a career.

Employment and training strategies to help the hard-to-serve can differ substantially from those designed to help people with solid work histories and a strong motivation to do better. Significant differences in social service and support strategies also exist for different groups. Simply finding a job may not suffice for some participants. There are several questions that EBMC might want to consider in this regard:

- ◆ Does EBMC want to serve a divergent population or focus its attention on the needs of a particular group?
- ◆ Do current services effectively address the variety of participant needs?
- ◆ Can services be developed and/or strengthened to better serve some groups?

👉 **Lack of consistent work is a major factor influencing earnings outcomes:** Most participants worked prior to and after seeking EBMC assistance. Getting a job is not difficult. The analysis raises troubling questions about the amount of work participants do, particularly for those who have received placement and customized training services from EBMC. Most participants do not work enough to earn above poverty wages.

The data does not reveal why people are not working more. An important question is whether this is a choice being made by participants or is the amount of work influenced by the employer and related to problems of workforce culture? It is likely that a number of factors, both participant and employer based, influence the lack of consistent work. The focus groups suggest that for some participants the failure to obtain a good job or foresee one in the near future influences a participant's lack of motivation to stay employed and do better. While developing more insights into this issue is important, it is also related to a broader issue of what EBMC wants to achieve with its employment and training efforts. There are several questions that EBMC might want to consider in this regard:

- ◆ What are the work and earnings outcomes EBMC wants to achieve and do they differ depending on the group being served?
- ◆ Should the minimum placement wage be adjusted to compensate for changes in the poverty threshold?
- ◆ What is the time period for achieving outcomes?
- ◆ Are additional resources and/or new strategies needed to achieve these outcomes?



Customized skills training may offer the best chance for reaching economic self-sufficiency: Participants in customized training had higher earning outcomes and increases than any other group served by EBMC. Although the number of participants served is small and more detailed analysis is needed of this program activity, this investment appears to provide participants a foundation (e.g., skills) for working their way out of poverty.

Several factors about EBMC's customized training program likely influence this outcome. These include: obtaining occupational skills, linking with specific employers who need workers, and providing strong case management support. How all these factors work together and influence outcomes is certainly worthy of further examination. It is also important for EBMC to give more thought to the overall issue of skills building. Most labor market analyst now talk about a skills shortage rather than a shortage of labor. The findings around customized training and the interest expressed in the focus groups about skills training suggests that EBMC might want to explore this overall issue in greater depth. There are several questions that EBMC might want to consider in this regard:

- ◆ What is the potential return-on-investment for skills training and the differences between customized training and occupational skills training?
- ◆ Does EBMC want to upgrade the skills of existing workers?
- ◆ Does sufficient capacity exist locally to support an expanded skills training effort?

Overall this study offers insights into who has sought EBMC employment and training assistance and what work and earnings outcomes have been achieved. Clearly, EBMC's employment and training assistance has produced positive results. Even more clearly, however, is the realization that greater outcomes are needed if EBMC residents are going to work their way out of poverty.

Appendix B: Data Linkage Approach

EBMC provided electronic files of client sub-population information to The Jacob France Center. Three files were received—clients who had been reported as “placed” by a Village Center; clients who had been “served” but not placed (intake); and clients who had engaged in the Customized Training program.

Each record in a file contained a client’s social security number and a reference date. The Jacob France Center is authorized to receive social security numbers, and complies with all applicable Federal and State laws and regulations pertaining to the protection of the confidentiality of each client’s identity. The reference date in the “placed” file is the recorded date of client placement. The reference date in the “served” or “not placed” file is the recorded date of client registration at a Village Center. The reference date in the Customized Training Program file is the recorded date of entry into the program. These are recognized to be quite different statuses with respect to likelihood of workforce attachment, but no other basis for assignment of a client along a time continuum was available.

Client social security numbers were used to link the EBMC data with the database of Maryland UI wage records maintained by The Jacob France Center. This database is maintained under a data sharing agreement with the Maryland Department of Labor, Licensing and Regulation (DLLR) that was first signed in 1989 and renewed thereafter. Each proposed use of the UI wage records is approved by DLLR based on a careful review of its compliance with State confidentiality law and regulations.

Each EBMC client’s reference date was the starting point for defining pre- and post- time intervals. The calendar quarter in which each reference date lies is not included in either the pre- or post- periods. This decision was made because the UI wage record data do not provide any basis for time-dating a reported spell of employment within a quarter. This means that a particular employer affiliation could have preceded or come after a client’s reference date in that quarter; we have no way of knowing which is the case.

A common pre- time period of two years, or eight quarters, was specified for each person based on their own reference date. The number of quarters included in the post- period varies depending on the elapsed time between each reference date and the latest available UI wage record data obtained from DLLR, which was January-March 2000 when this analysis was completed.

The distribution of the number of available post- quarters presented analytical challenges. Findings are related to each client’s number of available quarters—such as the number of available post- quarters in which some earnings amount was found in the DLLR records, and the number of clients who were found to have some reported earnings in each of the available post- quarters.