

Chicago Neighborhood JobStart Evaluation Summary:

A Transitional Jobs Response to the Great Recession

Chicago Neighborhood JobStart sought to place 2,200 low-income residents of historically high unemployment neighborhoods into transitional jobs.

Funding

After Chicago lost its bid for the 2016 Olympic Games in late 2009, the 2016 Fund for Chicago Neighborhoods decided to devote up to \$2 million of its remaining funds to a transitional jobs program for residents of its “priority communities.” This, along with the in-kind contribution of supervision from employers, would enable the 2016 Fund to draw down nearly \$20 million for the program from the TANF Emergency Fund which was authorized by the federal American Recovery and Reinvestment Act funding.

Program Design

JobStart subsidized the wage and payroll costs for the participants it placed into time-limited jobs and provided services to help participants maintain employment. The program included at least 30 hours of job readiness training covering workplace behavior and other skills, up to 16 weeks of subsidized employment of 30 to 40 hours per week, case management in one-on-one meetings with program staff and group sessions with other participants, and supportive services such as transportation and childcare.

Key Players

- **2016 Fund:** A fund created by eight private donors to help residents of several south- and west-side neighborhoods, areas with historically high unemployment and high proportions of low-income residents, benefit from a 2016 Olympic Games.
- **12 grantees:** Workforce development providers selected to operate JobStart.
- **Illinois Department of Human Services:** Applicant for the ARRA funding. IDHS applied for the TANF Emergency Fund, distributed the funds to the 2016 Fund, and helped them understand and comply with federal rules for using the funds.

JOBSTART OBJECTIVES

1. Help participants weather the lingering effects of the 2007 recession by providing employment and income.
2. Improve the employability of participants by providing them with work opportunities to “learn how to work” in supportive environments.
3. Help participants gain permanent employment.

January 2012

This evaluation, conducted by the Social IMPACT Research Center at Heartland Alliance, was commissioned by the 2016 Fund for Chicago Neighborhoods.

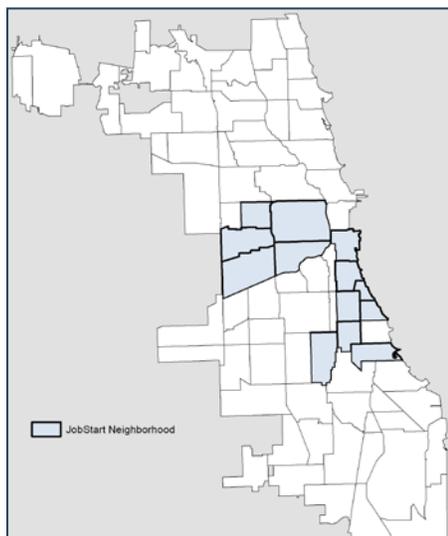
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JobStart Snapshot

Timing: Operated from **June – September 2010**

Geography

13 Chicago Community Areas on the City's south and west sides



Transitional Job Participants

1,518

- ◆ 1,030 adult participants
- ◆ 488 youth participants

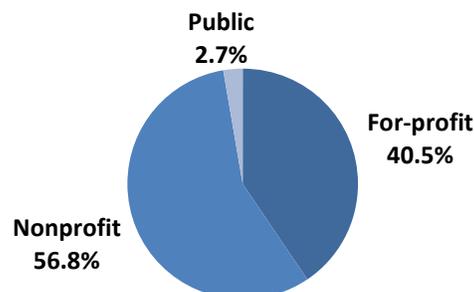
JobStart Employers

268: Number of Employers

Sample of Businesses

child care centers, churches, schools, salons, property management and landscaping companies, for-profit and nonprofit retail stores, fast food, and restaurants

Business Type*



Average Size*

- ◆ 39.3% 5 or fewer employees
- ◆ 54.1% 10 or fewer employees
- ◆ 85.2% 50 or fewer employees

Participant Demographics

Gender

34.6% Male
65.4% **Female**

Race

95.8% **African American**
0.9% White
3.3% Other

Average Age

Adult participants: **28**
Youth participants: **17**

Household Composition

Average family size: **3.7**

Caring for a minor child in the home:

- ◆ **62.2%** of adult participants
- ◆ 5.3% of youth participants

Noncustodial parent of a minor child: **18.1%**
(adult participants)

Education, Income, and Work History

Educational Attainment

	Adults	Youth
Less than a high school degree or GED	27.7%	78.9%
High school degree or GED	55.3%	13.9%
Some college	14.7%	7.0%
Associate's or bachelor's degree	2.4%	0.2%

\$760: Average Monthly Household Income
(Pre-Program)

Work History*

86.7% had worked in the past

Average unemployment spell pre-JobStart: **1.3 years**

* Data from survey findings are marked with an asterisk. Due to a relatively low percent of overall employers and participants responding to the surveys, caution should be used in generalizing survey findings to the entire employer or participant population. For more detail on survey response rates, see the full evaluation report.

Transitional Jobs by the Numbers

Total hours worked: **418,500**

Average hours worked per participant: **276**

Average **weeks worked** per participant: **8**

Average **hours per week** worked: **33**

Total wages earned: **\$3,936,423**

Average wages per participant: **\$2,593**

Average wage per hour: **\$9.41**

Business Outcomes

Many employers reported positive changes to their business*

Survey respondents reported performance increased or somewhat increased in the areas of **productivity, quality of work, number of customers or clients they were able to serve, customer or client satisfaction, and workforce satisfaction with workload.**

Percent of participant and employer survey respondents that would participate in JobStart or a similar program again*

- ◊ **91.7%** participants
- ◊ **85.1%** employers

44.6% of employers reported that they were more likely to hire low-income parents or youth than they were before participating in JobStart.*

Participant Outcomes

Income Earned Through JobStart

	Adults	Youth
Average monthly household income prior to JobStart	\$609	\$1,127
Average monthly wages per participant earned in transitional job	\$1,361	\$884
Average wages earned per month as a percentage of prior income	223.5%	78.5%

Entered Unsubsidized Employment, Education or Training, or Another Jobs Program

- ◊ 21.8% adult participants
- ◊ **91.8%** youth participants

Improvement in Employability*

amount of supervision needed, productivity, personal presentation, punctuality, communication about absences, and interpersonal skills

Economic Impact

JobStart participants likely spent much of their earned income in the retail sector, including grocery stores, clothing stores, and gas stations.

Estimated Economic Activity Associated With JobStart in Cook County

Increased demand	\$5,082,788
Increased household earnings	\$1,228,676
Increased employment	44 jobs

Increased demand includes initial demand from wages spent and subsequent demand from spending by businesses needed to support initial spending

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Successes ◊ Within its 4 months of operation, JobStart successfully employed very disadvantaged workers. In addition to providing earned income, the analyses in this report suggest that the program increased their employability, positively impacted businesses, and stimulated economic activity within Cook County.

Within a short period of time, JobStart recruited and trained a large number of participants, placed them into transitional jobs, and helped them access supportive services.

The individuals recruited, trained, and placed into transitional jobs had a pronounced need for earned income, as well as barriers that prevented them from earning income in a regular job.

The average participant worked the overwhelming majority of weeks available, suggesting that the services offered by JobStart helped participants overcome their barriers to employment during the in-program period.

Average monthly income earned through JobStart was sufficient to make a meaningful difference in the ability of participants to support themselves and their families.

The majority of employer survey respondents reported employing JobStart participants resulted in positive business changes in the areas of productivity, quality of work, number of customers /clients they were able to serve, customer or client satisfaction, and workforce satisfaction with workload.

In addition to its direct effects on the economic circumstances of participants and employers, JobStart most likely affected businesses and their employees throughout Cook County through an economic multiplier effect.

JobStart helped participants improve employability by helping them learn and practice soft skills.

Participant and employer survey respondents indicated a high level of satisfaction with JobStart.

Challenges ◊ JobStart provided participants with badly-needed earnings and appears to have benefited businesses directly and indirectly; however, based on program records JobStart fell short of its goals for transitional and unsubsidized job placements after the program ended. JobStart fell short of these goals for a number of reasons:

- 1 The federal funds used for JobStart had to be spent by September 30, 2010. This fact, combined with the relatively late timing of Illinois' application for the funds, left grantees with less than a month to set up programs in order to provide participants with the maximum 16 weeks of transitional employment possible.
- 2 The requirement that grantees recruit participants exclusively from 13 community areas impeded their ability to meet JobStart's transitional job placement goal.
- 3 Contemporaneous operation of JobStart and a larger scale subsidized employment program, Put Illinois to Work, appears to have caused some confusion and competition for employers.
- 4 JobStart relied heavily on relatively small for-profit and nonprofit employers for transitional jobs. Such employers were less likely to hire participants permanently due to their relatively small budgets and few job slots.
- 5 Absence of funding for job placement and retention after the transitional jobs ended appears to have impeded unsubsidized placement.
- 6 Economic conditions across Illinois and the United States may have impeded placement of JobStart participants into unsubsidized jobs.
- 7 Finally, placement data from program records likely under-represent the percentage of adult participants who found employment after JobStart ended.

Next Steps ◊ The full report provides recommendations for future subsidized and transitional jobs programs based on the successes and challenges of JobStart. The intent is for the evaluation to be ongoing. The Social IMPACT Research Center has requested records from Illinois' Unemployment Insurance system and other public programs to investigate the employment and earnings outcomes of participants and to estimate the impact of JobStart on their employment earnings, and public benefits receipt.