



# TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21st CENTURY

## EDITORS

**Carl Van Horn**, John J. Heldrich Center for Workforce Development at Rutgers University

**Tammy Edwards**, Federal Reserve Bank of Kansas City

**Todd Greene**, Federal Reserve Bank of Atlanta

# **Transforming U.S. Workforce Development Policies for the 21st Century**

Carl Van Horn  
Tammy Edwards  
Todd Greene  
*Editors*

2015

W.E. Upjohn Institute for Employment Research  
Kalamazoo, Michigan

## **Part 4**

# **Targeted Strategies**

## 29

# Platform to Employment

## Putting Long-Term Unemployed Back to Work

Joseph Carbone  
*The WorkPlace*

Our experience operating an American Job Center through the recent recession has taught us that long-term unemployment militates against one's chances of finding new employment. It is a barrier preventing workers from competing on an even playing field for open positions. When hiring in today's labor market, employers are in a position to select from a bounty of highly skilled, well-educated, and cost-effective applicants. Those currently employed or those with short periods of unemployment have an advantage in a competitive marketplace.

Bringing the long-term unemployed (LTU) to a platform of readiness, emotionally and professionally, is critical as the job market recovers. As society becomes more comfortable with a slowly improving economy, which demands a smaller workforce, the LTU could be forgotten. With a national unemployment rate of 6.7 percent—10.5 million out of work and 7.4 million employed part time for economic reasons (Bureau of Labor Statistics 2014)—it is clear that businesses are being more circumspect in their decisions to hire. Since 2008 we have seen unprecedented economic loss, record-high unemployment, and millions of people exhausting unemployment benefits without finding employment (U.S. Department of Labor 2014). Based on our work, life for the LTU has become increasingly difficult: they often feel disconnected from their careers, they watch their skills become less relevant, and many choose to isolate themselves, which often leads to feelings of hopelessness and despair.

Regional Workforce Investment Boards (WIBs) and the American Job Center Network are the nation's support system for unemployed workers, and until recently the system has not addressed this group or

their unique needs. Conventional workforce development programs are designed to respond to traditional, short-term unemployment in a steadily growing economy.

The Great Recession degraded the value of common workforce system tools, and established incentives for business to hire new workers will not work on their own. However, financial incentive programs, accompanied by wraparound supports that address a job candidate's ability to compete, can make a difference.

## **THE PLATFORM TO EMPLOYMENT PROGRAM**

Platform to Employment (P2E) begins with a preparatory program designed to address the social, emotional, and skill deficiencies caused by long-term employment. P2E incorporates a program of self-assessment, change management, effective communication, and current job search strategies. Multimedia tools reinforce instructor-led programs and cohort learning.

The first part of P2E is a preparatory program where participants take action to realize their personal and professional potential. They develop new strategies for solving problems and create positive change in themselves. Counseling and behavioral health services are provided to manage stress and build confidence. P2E subsidizes a work experience program and pays for the participant's first eight weeks in a new job. This provides employers a risk-free opportunity to evaluate job candidates and see if a good match exists. The average cost per participant in P2E, including the preparatory program and wage subsidy, is \$6,000.

### **Intensive Five-Week Preparatory Program**

Participants receive 100 hours of training in job readiness and skills building over five weeks. The WorkPlace partnered with a for-profit training provider, Career TEAM, to customize and incorporate their Career Edge program into P2E. Participants learn how to identify their transferable talents, build effective networking and communication skills, and develop goals and a career action plan. Career Edge training

also helps rebuild confidence and sense of self-worth, which plummets during long periods of unemployment. During the preparatory program, participants also receive a behavioral health assessment and have access to counseling from behavioral health consultants. These services help participants recover from damaging psychological issues and repair relationships strained by unemployment. Consultations are made available to P2E participants and members of their households. P2E participants also receive financial counseling and guidance on rebuilding their credit so that they and their families are better equipped to face the significant financial challenges that arise during extended periods of unemployment. This training is essential at a time when many are financially overextended and have endured a reduction in regular income, or have no income at all.

### **Work Experience Program**

P2E helps participants who have completed the preparatory program find positions with local employers that are hiring. Employers are offered the opportunity to have a P2E participant work on a trial basis for up to eight weeks prior to making a final decision on whether to hire. During this work experience, participants can be placed on the payroll of The WorkPlace, and employers can opt to have up to 100 percent of the employee's wages subsidized by the P2E program. This arrangement enables employers to test a P2E participant without risk for eight weeks and helps overcome any prejudice employers might hold.

Since P2E seeks to leverage the job seekers' existing knowledge, skills, and abilities, employment is supported in a variety of industries, with work experience wage subsidies ranging between \$19,000 and \$73,000 annual equivalents. Position titles for participants that found employment through P2E include accountants, benefit advisors, paralegals, drivers, shipping clerks, tech support, and marketing managers.

Private funding plays an instrumental role in P2E and provides an advantage over publicly funded programs, which require employers to make a hire on the first day. Employers receive an immediate financial benefit, and The WorkPlace assumes liability for the program participant during the work experience by taking responsibility for unemployment insurance and workers' compensation.

## **Funding Sources**

For the initial Connecticut pilot project, more than three dozen companies, nonprofits, foundations, and individuals donated \$600,000 to fund P2E. In addition, Citi Community Development provided a substantial grant to support those experiencing long-term unemployment with financial counseling and credit rebuilding assistance. Subsequently, the AARP Foundation funded two additional Connecticut cohorts to assist jobless individuals over age 50. In 2013 and 2014, with additional support from the AARP Foundation, Citi Community Development, and the Walmart Foundation, P2E is being replicated in 10 cities across the nation.

## **Connecticut Pilot Program Results**

Our pilot program began in 2011. Between August 2011 and summer 2013, we conducted eight cohorts of approximately 20 participants in each cohort. Participants were selected from a diverse pool of candidates. Initially, letters informing job seekers of the opportunity to apply to P2E were sent from the Connecticut Department of Labor to 1,400 unemployed workers who had exhausted unemployment benefits. Through The WorkPlace Web site, we received 392 applications in response to this letter. Subsequent outreach generated another 390 online applications. After conducting interviews with candidates, 164 Connecticut residents enrolled in P2E and began the five-week preparatory program. As shown in Table 29.1, 81 percent of the graduates of the preparatory program entered an eight-week work experience. Of this population, 88 percent were hired by employers. The remaining individuals continued to work with program managers and the local American Job Center on their search for employment.

## **REPLICATION ACTIVITY**

In 2010, The WorkPlace began having roundtable discussions with LTU workers. Participants included leaders from business, government, and nonprofit agencies. The goal was to create a force in our community

**Table 29.1 Results of Connecticut P2E Pilot**

Connecticut cohorts 2011–2013	Enrolled in P2E	Preparatory program graduates	Number placed in work experience	Percent placed in work experience	Number hired after work experience	Percent hired after work experience
Totals	164	150	122	81	108	88

SOURCE: The WorkPlace, Platform to Employment program.

that will expand support and services for the LTU and gain widespread recognition about their specific challenges.

Together we realized that we needed to move beyond traditional remedies for the unemployed, not just in Connecticut but nationwide. In 2012, *60 Minutes* recognized P2E as a catalyst for change for the LTU. The show exposed the magnitude of being trapped in long-term unemployment and documented P2E's efforts to put the LTU back to work.

The *60 Minutes* episode generated significant interest in the program. Subsequently, The WorkPlace hosted 195 different organizations for a webinar, where P2E was explained and the requirements for replication were outlined. Several communities asked to continue the conversation and discuss how the program could be tailored to meet their specific needs. From this group of organizations we began to lay the foundation for 10 replication sites: Chicago, Cincinnati, Dallas, Denver, Detroit, Minneapolis, Newark, San Diego, San Francisco, and Tampa.

These sites were selected for geographical diversity, high rates of long-term unemployment, and institutional capacity. The objective was to enable each location to independently offer P2E and deliver services in a manner that best meet the needs of the local community. Funding for these 10 national replication sites was made possible by grants from the AARP Foundation, Citi Community Development, and the Walmart Foundation. The approximate cost to implement P2E in each community is \$120,000–\$130,000.

The WorkPlace gained the support of the local WIB in each of the identified locations. These WIBs oversee the operations of the local American Job Centers in their regions. The common experience and expertise of WIBs and the American Job Center network make P2E and the principles it is based on easily transferable to other locations. American Job Centers currently support special populations such as veterans and people with disabilities. These centers are ideally suited to examine

regional workforce dynamics, engage partners in crafting innovative solutions, and provide supports to the LTU. P2E can be a vehicle to help LTU Americans become job ready. Providing a more comprehensive array of programming through the nationwide job center infrastructure will create a streamlined, comprehensive, and effective approach to serving these workers.

Leveraging the affiliations that exist within this network of partners is essential because they are committed to similar goals, and minimal operational restrictions are required. Management of program content is centralized and coordinated by The WorkPlace but delivered through local vendors. Including local vendors to deliver common services improves receptivity of the program and enhances transferability of P2E.

In January 2014, Connecticut Governor Dan Malloy announced his support of a statewide Platform to Employment program to help Connecticut's unemployed get back to work. The project will target 500 of Connecticut's LTU and dedicates \$3.6 million for the effort. Program partners will include all five of Connecticut's WIBs and the Connecticut Department of Labor. Connecticut had the first statewide P2E program in the nation and became the first state to introduce public dollars in the program.

In January 2014, during his State of the Union address, President Obama discussed the alarmingly high number of LTU who remain ready and able to work but have been unsuccessful in finding employment. Days after his address, the president invited business leaders to the White House, where they pledged, "We are committed to inclusive hiring practices and pledge to remove barriers that may prevent qualified LTU job seekers from applying or being fully considered for jobs" (Executive Office of the President 2014). During this event, The WorkPlace's Platform to Employment program was cited by President Obama for our achievements and showing success in helping the LTU (National Cable Satellite Corporation 2014). Results from the replication sites closely mirror the Connecticut experience as indicated in Table 29.2.

Looking forward, The WorkPlace plans to revisit and expand the projects in these cities. Additionally, we are exploring options to expand the number of pilot projects during 2015.

**Table 29.2 Results of P2E National Replication Sites**

National replication	Enrolled in P2E	Preparatory program graduates	Number placed in work experience	Percent placed in work experience	Number hired after work experience	Percent hired after work experience
Totals	218	176	134	76	120	90

NOTE: Results are for seven locations that completed the program: Dallas, Denver, Chicago, Cincinnati, Minneapolis, Newark, and San Diego. Detroit, San Francisco, and Tampa are still in progress.

SOURCE: The WorkPlace, Platform to Employment program.

## SOCIAL VALUE PROPOSITION

Through roundtable discussions at The WorkPlace we have witnessed that long-term unemployment has the ability to erode self-confidence and self-esteem. It separates people from their professions and their education, and it creates tremendous stress on the fabric of families. The future for the American Job Center Network is making our workforce smarter and ensuring that fundamentals are in place to empower people with basic values and skills to enhance personal effectiveness.

Beyond fundamental work readiness skills, the system needs to address the emotional and behavioral consequences associated with long-term unemployment. The workforce system has an obligation to provide the supports that enable the unemployed to ready themselves for work and convince employers they are worth keeping. In addition to creating a community resource center, the American Job Centers in southwest Connecticut have expanded services to offer financial and digital literacy and professional development seminars.

For the LTU we need to deal with the whole person by creating a systematic approach to overcoming their unique challenges. Confidence must be instilled and rebuilt. Emotional supports and stress management for the affected individual and immediate family members are essential elements of a responsive workforce system. Additionally, employer programs should incorporate options that are free of risk. Tax credits are not enough to incentivize employers when compared to the long-term risks associated with a hiring decision.

There are millions of Americans on involuntary, part-time work, and over two million more who are marginally attached to the labor force (Bureau of Labor Statistics 2014). This places the American workforce system at a crossroads, and we must accept this irreversible force and transform it into an opportunity through ingenuity and innovation. Transformations to the workforce system such as P2E can provide a valuable resource for employers and create a steady flow of LTU people back into the workforce with the knowledge that they are prepared to compete. P2E is generating community engagement and debate regarding systemic changes to help the LTU return to work and address the employer need to recruit skilled workers. P2E is an example of a working remedy that is fostering a discussion about the culture of workforce development.

## References

- Bureau of Labor Statistics. 2014. "The Employment Situation—March 2014." News release. Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics.
- Executive Office of the President. 2014. "Best Practices for Recruiting and Hiring the Long-Term Unemployed." Washington, DC: The White House. [http://www.whitehouse.gov/sites/default/files/docs/best\\_practices\\_recruiting\\_longterm\\_unemployed.pdf](http://www.whitehouse.gov/sites/default/files/docs/best_practices_recruiting_longterm_unemployed.pdf) (accessed February 14, 2014).
- National Cable Satellite Corporation. 2014. "President Obama on Long-Term Unemployed." Washington, DC: C-SPAN. <http://www.c-span.org/video/?317535-1/pres-obama-longterm-unemployed> (accessed January 31, 2014).
- U.S. Department of Labor, Office of Unemployment Insurance. 2014. *UI Data Summary for United States*. Quarterly reports, 2008–2014. Washington, DC: U.S. Department of Labor.