

IMPACTS OF SOFT SKILLS DEVELOPMENT
ON THE EMPLOYMENT AND EARNINGS
OF THE DIFFICULT-TO-EMPLOY

by

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ABSTRACT OF THE THESIS

Impacts of Soft Skills Development on the Employment and

Earnings of the Difficult-to-Employ

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The purpose of this study was to assess the overall effectiveness of the Welfare-to-Work (WtW) program, STRIVE Central Jersey, by analyzing the wages of low-skilled high school dropouts and Welfare recipients. WtW programs are widely practiced to improve the lives of the underprivileged by attempting to remove them from Welfare and transition them into employment. Such individuals typically lack Human Capital which is comprised of Personal Capital, consisting of hard skills like education, and Social Capital, consisting of soft skills like self-confidence. WtW programs, like STRIVE, focus mainly on Social Capital by attempting to instill self-esteem and human empowerment with the expectation that this will transform them into employable individuals.

The STRIVE program is a process model in which successful individuals progress from one stage of the program to the next. The biographical characteristics specific to the individuals in each stage of the program were assessed to determine what characteristics

allow some individuals to succeed and others to not. OLS and Probit models were utilized to make this assessment. Likewise, because of this systematic processing, there is potential for endogeneity in the form of outcomes which are a function of previous stages of the program. Heckman Selection models were applied to determine whether a selection process is occurring.

Findings of this study are consistent with previous evaluations of such programs. It was found that STRIVE Central Jersey employed 32 percent of its participants and 56 percent of its graduates. The characteristics, age and being single, had a negative influence on the progression of a participant through the STRIVE process. The wages of STRIVE graduates decreased from \$11.40 to \$9.92 an hour. Of the \$9.92 an hour wage earned, \$4.45 is the STRIVE effect on wages for all participants. It was found that, compared to White individuals, Black individuals earned \$2.31 less in wages, therefore the STRIVE effect for Black individuals was \$2.14.

The overall impact of STRIVE Central Jersey was not an encouraging one. The financial well-being of these underprivileged individuals was not improved as a result of participating in the program as individuals were left earning only \$715.20 above the poverty threshold.

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Chapter 1

PROBLEM CONCEPTUALIZATION

Problem Statement: The Low-Skilled and Unemployed

The United States economy has seen a thriving period since the 1990s represented by increases in wages and productivity, low inflation and low unemployment rates (Heldrich Center, 1999). While productivity and growth in wages continued, 2001 unveiled a downturn in the economy with a small increase in the unemployment rate. Low-skilled workers were affected most adversely. Indeed, real wages increased since 1991, however this refers to the real wages for moderate to high income workers. The real wages of low-skilled, low-income workers, however, have remained stable or even declined.¹ Nationally, the average low-income worker earned \$15,974.80 in 2005.

The low-skilled subgroup of the labor market is characterized by unstable employment. Some individuals in this group are fortunate enough to secure steady employment and see some wage growth, however a majority simply move from one low-paying job to another or experience employment instability, falling in and out of employment (Balik et. al, 2002). The percentage of individuals searching but unable to find work in February 2006 was 4.5 percent of the workforce. That amounts to 6.9 million Americans who could not obtain employment.

¹ Since there is no consensus among economists as to how “low-income” workers should be defined, it is necessary to create a working definition of this term for the purposes of this thesis. “Low-income” will refer to those individuals whose wage is two-thirds below the median rate of pay as is defined by Bernstein J. and Gittleman M. (2003). The median hourly wage reported by the Social Security Administration for 2005 was \$23,962.20 (of which two-thirds is \$15,974.80).

Not only has obtaining employment proven to be difficult, but the wages the low-income subgroup earns, if they do become employed, are insufficient to sustain a decent living. The poverty threshold for a family of three in 2006 was quoted by the Census Bureau as \$13,896. In other words, a family of three whose income is less than this amount is considered poor or incapable of providing material needs for survival. As can be seen from the average wage of low-income workers, the typical low-income individual makes \$715.20 above the poverty line.

Educational attainment is an important cause of employment variations. High school dropouts tend to have greater difficulty obtaining employment as opposed to individuals with higher levels of education. A comparison of employment-population ratios will yield sound evidence to support this premise. The employment-population ratios for individuals with education attainment below the high school level is much lower than any other subgroup in this category (Department of Labor, 2007). Since the 1980s, high school dropout rates have decreased very little, dropping from 14.1 percent to 10.3 percent in 2004. However, this small decrease does not diminish our concern for this subgroup because 10.3 percent of all the persons aged from 16-24 dropping out and not completing high school is still very disturbing. In 2005, high school dropouts earned only 64.2 percent² of the income earned by high school graduates. Race differentials are apparent in this subgroup as well, with Blacks having a higher dropout rate than Whites and Hispanics with the highest dropout rate (Infoplease website).

² Based on the mean income, reported by the U.S. Census Bureau, for high school dropouts (\$17,299) and the mean income reported for high school graduates (\$26,933).

It is also clear that there are large wage differentials among different races and ethnic backgrounds. Black men typically earn 73.6 percent of the income White men earn³ while Black women earn 86.5 percent of the income of White women.⁴

Women on Welfare with children, many of whom are high school dropouts, face especially difficult circumstances. Welfare mothers have significant barriers to employment such as childcare, transportation, as well as a severe lack of education and training. Such barriers prevent employment or advancement in a career as does the geographical and financial barriers to a good job or education. In 2006, 23.2 percent of the families in the U.S. were headed by the mother only.⁵ Of these female-headed families, 65 percent of them were on public assistance. Such women can be expected to earn less than \$12,000 per year (U.S. Census Bureau, 2006).

A Troublesome Solution: Welfare

Traditionally, public assistance programs such as Aid to Families with Dependent Children (AFDC), General Assistance, Medicaid and food stamps exist to assist low-income individuals and their families. A national Welfare system, AFDC, was created in 1935 to aid those families who were in need of assistance right after the Great Depression. Providing basic living necessities became arduous, leaving families and children without proper food, shelter and medical care. AFDC was put in place to assist these individuals and thus from then on, the underprivileged of America became

³ Based on the reported income of \$46,807 for White men and \$34,443 for Black men in 2005 (U.S. Census Bureau).

⁴ Based on the reported income \$34,190 for White women and \$29,588 for Black women in 2005 (U.S. Census Bureau).

⁵ Based on the number of families whose children are living with their mother only, 17,161 families, and the total number of families, 73,664 families, reported by the U.S. Census Bureau.

the responsibility of the government. After 61 years, the Personal Responsibility and Work Opportunity Act (PRWOA) replaced the AFDC with the Temporary Assistance for Needy Families (TANF) which mandated that these underprivileged individuals should end their dependence on the government for their basic living necessities and begin to become more self-sufficient. Each state was responsible for setting a system in place which would take individuals off Welfare and put them to work. The program was successful in taking most individuals off Welfare however a majority of the Welfare recipients have trouble finding employment because they possess low levels of skills.

Transition from Welfare and Unemployment to Work

One highly popular and widely practiced method to improve the lives of low or no income individuals are Welfare-to-Work (WtW) programs. WtW programs provide services such as job search assistance, some basic level education, and training to help Welfare recipients prepare for and find jobs (Freedman et. al, 1998). Education is important in building individual stocks of two types of Human Capital: Personal Capital and Social Capital. Personal Capital includes so-called hard skills like education, accumulated past work experiences and various other quantifiable and measurable skills such as computer and machine operation. Whereas, Social Capital refers to soft skills or “people skills” such as communicating, cooperating as a team member, self-confidence, motivation, trustworthiness and dependability. The focus of most WtW programs is to build both Personal and Social Capital by providing motivation, confidence and hard skills.

This thesis provides an evaluation of one such WtW program: STRIVE (Support and Training Result in Valuable Employees) Central Jersey, which was based in Middlesex and Somerset counties. Specifically, I attempt to determine if participation in STRIVE increases the employment and wages of low-skilled high school dropouts and former public Welfare users. To help in this determination, I look closely at:

1. Who participates in STRIVE
2. Who graduates from STRIVE
3. Who becomes employed
4. What wages the employed earn

The main purpose of STRIVE Central Jersey was to teach participants foundation skills and help them overcome barriers to gaining long-term employment (Jagannathan et. al, 2002). Hence, their focus was the development of so-called soft skills like dependability and perseverance as opposed to hard skills like knowledge and technical capacity.

In Chapter 2, I will put STRIVE in the context of other WtW programs to facilitate assessment of this program's similarities and differences. Chapter 3 provides a thorough background to the STRIVE model and explains its approach to developing Social Capital in its participants to make them employable individuals. STRIVE National's history, objective, success rates and participant profile are discussed along with the STRIVE programs' process in full detail. STRIVE Central Jersey, the focus of this study, is then presented in a similar manner. A week by week program description is given, detailing each event and activity a STRIVE participant underwent. The chapter concludes with questions about success of the STRIVE model due to lack of

empirical assessments by credible sources as well as lack of literature documented and publicly available from STRIVE itself.

Chapter 4 discusses the conceptual framework and program theory that is employed in this study. The concept central to this study is the notion of Human Capital development, particularly the soft skills (Social Capital) dimension of Human Capital. The focus of STRIVE Central Jersey was to build the Social Capital of its participants as a means to obtain and maintain steady employment. The chapter concludes with the analytic strategy that will be utilized to determine if soft skills have been developed and if these skills lead to increased employment and higher wages.

Chapter 5 identifies the variables used in the analysis and provides descriptive statistics. The STRIVE program is a process model in which successful individuals progress from one stage of the program to another and unsuccessful individuals are filtered out of the program. The biographical characteristics of the individuals that succeed or fail at each stage of the program are of utmost importance inasmuch as they provide signals of program selection. Thus, a descriptive profile of the individuals at each stage of the program is also provided.

Chapter 6 presents the results of the analytical strategy used to examine participant graduation, employment and earnings. Three regression models are utilized to test the process and outcome of the STRIVE program logic: Ordinary Least Squares, Probit and Heckman Selection models.

Chapter 7 presents my conclusions regarding the effectiveness of STRIVE Central Jersey and also gives my recommendations for program improvement.

Chapter 2

LITERATURE REVIEW

Chapter 2 examines the intent and success of WtW programs designed to improve the productivity of high school dropouts and Welfare mothers. The various WtW methods, specifically the education-based approach are examined followed by a discussion of the overall impacts of such programs. Characteristics of previously successful programs are defined followed by the effects of WtW programs on children. A comparison of past studies and their effects on earnings, Welfare payments and net income is illustrated at the end of the chapter.

Welfare-to-Work Programs Objectives

The Manpower Demonstration Research Corporation (MDRC) is an organization known for its high quality evaluations of programs pertaining to low-income individuals. MDRC is often cited as the definitive source on impacts of WtW programs. According to Daniel Friedlander and Gary Burtless, MDRC defined the three objectives WtW programs adhere to as: quick entry to employment, increased wages and decreased public assistance receipt along with less long-term joblessness. Friedlander and Burtless concluded that “the results of the current study lead us to the view that WtW policy is at a critical juncture. On one hand, we have some indicators of favorable prospects for WtW programs in the future...on the other hand, it is not certain that what worked in the 1980s will achieve results across the full range of labor markets served by JOBS programs.” This specific study conducted by Friedlander and Burtless

in 1995, examined the long-term effectiveness of WtW program strategies with five years of follow-up data, from 1982 to 1987. Eleven of the thirteen programs resulted in positive impacts for adult single women. It was shown that the programs increased employment, reduced government assistance receipt and made recipients more reliant on their own income rather than governmental income. The study found negative impacts for the programs as well. The financial position of recipients remained constant or saw very little improvement for all but one site. Earnings for the individuals in San Diego's Saturation Work Initiative Model (SWIM) program increased by \$2,076 while their Welfare payments decreased by \$1,930 leaving these individuals with a net income increase of \$146. On the other end of the spectrum, Baltimore's program showed higher wages for recipients when hired by \$2,119, however Baltimore's program resulted in public assistance receipt savings of only \$62. Of the objectives previously mentioned, the first objective was achieved however the achievement of the last two were unsuccessful. Those employed had low quality, low paying jobs and a majority of participants continued to remain on public assistance. The program did not seem to notably benefit the more disadvantaged subgroup, which makes up a bulk of the individuals in such programs (Friedlander & Burtless, 1995).

Strategies Employed in Welfare-to-Work Programs

In 1999, research on six separate WtW programs across the nation, each with 5 year results, was conducted by the U.S. General Accounting Office (GAO), a nonpartisan "investigative arm of [the] Congress," which administered numerous studies on various components of WtW programs. This analysis concentrated on the

two main approaches WtW programs operate under: the education-based approach, which emphasizes skill building by initially investing in education and occupational skills, and the rapid employment method which emphasizes skill building through actual work experience. The results of the study showed that neither strategy was very effective; in fact, the strategy that was the most successful was a combination of the two methods mentioned above. Both of the programs individually provided modest results by slightly increasing employment and earnings and reducing Welfare dependency. The rapid employment approach achieved this at nearly half the cost of the education-based approach and produced immediate results whereas the education-based approach produced more delayed results. The most successful program out of those studied, one which combined both education-based and rapid employment approaches, was in Riverside, California. However, even the most successful program did not end dependence on Welfare for these individuals, nor did it help them earn wages above the poverty level. Of the individuals in this program, 41 percent continued to receive Welfare and 81 percent earned income at or below the poverty line. Thus, the report concludes by indicating that it is still not clear which approach is better than the others (GAO, 1999).

An article by Jagannathan and Camasso also examined the various strategies used by WtW programs: Labor Force Attachment (LFA), which emphasizes rapid employment, Human Capital Investment (HCI), which is an education-based approach, and a mixed strategy, which combines both the LFA and HCI strategies (2005). This was done through an analysis of data of participants in New Jersey's Family Development Program, which was established to allow states to experiment with

different projects in hopes of reducing Welfare dependency. They found that WtW programs really do not have the intended effect of making Welfare recipients self-sufficient. The LFA method was shown to increase the probability of employment of its graduates by 3 percent, however, the type of employment the graduates usually obtain are very low paying and short-term, which eventually bring these individuals back to their initial situation. The HCI method, on the other hand, provided even more disturbing results. Not only is this method more expensive to administer, it actually delivers almost no positive results. In fact, it was found that each additional year of HCI training decreased the income of the recipients by \$163. The mixed strategy was said to be a better choice, however the data could not demonstrate this (Jagannathan & Camasso, 2005).

Testimony by the U.S. GAO asserted that while the two methods used by WtW programs, education-based and rapid employment, did show some success, neither approach was better than the other (1999). However, the rapid employment approach is much cheaper than the education-based approach. This study also concluded that the method that was proven to be most effective is a combination of the education-based and rapid employment approaches. However, even with this slightly more successful method, the outcome is not very bright. For example, a site in Santa Clara, California confirmed that in 1997, about 25 percent of its recipients were able to become employed and self-sufficient, however, the remaining 75 percent still were not prepared enough to become completely self-sufficient (GAO, 1999).

An article by Riccio and Orenstein written in 1996 examined the WtW program practices and its impacts on earnings and Welfare payments across multiple sites in

California. By analyzing numerous approaches used to determine the effectiveness of WtW programs, several conclusions were made. Firstly, it was found that investing in basic education and vocational training was not only expensive, but it also resulted in lower earnings and Welfare savings. Also, it appeared that while personalized attention to each Welfare recipient did not result in higher earnings, it did result in greater Welfare savings. It was also found that neither larger impacts on participation in job search activities nor an emphasis in quickly entering the job market had any positive effects (Riccio & Orenstein, 1996).

A report by the Next Generation Project in 2001, conducted by the MDRC, integrated 29 Welfare reform studies (Bloom & Michalopoulos). Although not successful each time it was implemented, the most effective approach was a mixture of LFA and HCD methods. Programs that provided earnings supplements to individuals with low wages were the only ones which increased incomes significantly. Nevertheless, the results were not all positive. Employment levels did increase, however those who got employed were only working part-time or were earning low wages. Families who were moved from Welfare saw no improvements financially and some who were moved off Welfare did not even find employment. There were also negative effects on adolescent children in terms of their academic performance (Bloom & Michalopoulos, 2001).

Human Capital Development Approach

A considerable amount of research has been conducted on the education-based or HCI approach. The MDRC performed a study in 2002 on the impacts of education provided by WtW programs on Welfare recipients (Bos et. al). It was found that the individuals that benefited most from the education services were those who already had some prior knowledge and education. However, overall the education-based approach provided by these programs did not have very significant results in terms of education. A follow-up analysis of the individuals that received the educational services showed that there were some positive results, however, they were limited. This study concludes by expressing support toward WtW programs, suggesting that they do have a positive impact overall (Bos et. al, 2002).

In 1997, the MDRC analyzed California's WtW program, Greater Avenues for Independence (GAIN), which had made basic education a requirement for its participants (Boudett & Friedlander). It has been found that those who did well on Test of Applied Literacy Skills (TALS), a test by Educational Testing Services (ETS), exhibited higher earnings. The purpose of this study was to reanalyze the results of a previous study which found that basic education in this program had no effect on its recipients. This study was not able to disprove this finding, however the effect of education for those who received it was larger than the "rescaled effectiveness estimates." The results also suggested that those with lower skills did, in fact, benefit from education, contrary to previous beliefs (Boudett & Friedlander, 1997).

An article by Friedlander et. al in the Journal of Economic Literature also discussed several important findings about the effects of training programs on the

economically disadvantaged (1997). It was found that such programs provide statistically significant positive effects on earnings for women and not as encouraging results for men. The minimal increase in earnings for women was offset by a corresponding decrease in benefits, which typically left them with the same income as they started with. Thus, even though the effects of WtW programs seem significant, the combined effect proves to be moderate because of decreasing returns. Also, the largest Welfare payment reductions were by a 10 to 15 percent decrease initially and this effect would also decrease over time. There were no effective programs found that were beneficial for the youth. This study concludes that the goal of reducing poverty through WtW programs has not even come close to being met. It also has not been proven that activities that are meant to build skills actually provide skills that are valuable to employers (Friedlander et. al, 1997).

Overall Impacts of Welfare-to-Work Programs

The most comprehensive evaluation of WtW programs to date, National Evaluation of Welfare-to-Work Strategies (NEWWS), was conducted by MDRC in 2002 (Hamilton). This study examined the effects of the programs on 40,000 families. The focus of the study was single parent families which account for a majority of Welfare recipients. This report provides conclusions on various aspects of such programs. One portion of the study related the two approaches WtW programs undertake: LFA, the rapid employment approach, and HCD, the education-based approach. It was found that the LFA method was cheaper and employed recipients much quicker than the HCD method. The HCD approach did not result in long-term

benefits such as higher earnings or better quality jobs. The LFA method was shown to have a larger effect on earnings and employment as well as greater Welfare and food stamp savings. Furthermore, the overall effectiveness of WtW programs was assessed. It was found that these programs led to an increase in earnings and a decrease in Welfare payments. Although these findings may seem encouraging, enthusiasm should be tempered because the overall income of most of the recipients remained the same and even decreased for some. In three of the programs examined, the five-year income of its participants was 3 to 5 percent higher than the five-year income for those in the control group, but these results were not statistically significant. Four of the programs decreased the five-year income of the participants by 2 to 6 percent. However, not everything about WtW programs was found to be discouraging. WtW programs actually did increase the earnings of the moderately disadvantaged and most disadvantaged groups. For the most disadvantaged group, the LFA method seemed to be the most effective. Although prospects for the most disadvantaged group look good, despite the wage increases they faced, they still experienced extremely low earnings – earnings that were half as much as the moderately disadvantaged. Furthermore, these small wage increases would have been expected even in the absence of the WtW program. In some select cases, the program actually decreased income for this subgroup. Program participation mandates were also analyzed in this report. It was found that programs that had participation mandates did not affect income levels, had few effects on young children and had slightly more unfavorable effects on adolescents. However, it was also noted that participation mandates did result in higher earnings and employment, reduction in Welfare dependence and few effects on domestic lifestyles.

This study concludes that all the programs examined did increase employment and earnings to some level thus decreasing Welfare dependency and promoting self-sufficiency. However, the programs did not make its recipients materially better off, increase their income nor reduce poverty (Hamilton, 2002).

The study conducted by MDRC in 2001 reported that of all the programs studied, the WtW program implemented in Portland was the most successful. However, even this program did not improve the financial positions of its recipients. In fact, individuals who did not have a high school diploma or GED were actually in worse condition after completing the program than they were before they began the program. It was also noted that a majority of the control group members obtained employment at some point within the five-year period and were off Welfare without the support of the WtW program. The “most disadvantaged” subgroup was shown to benefit from neither the LFA approach nor the HCD approach. A cost-benefit analysis concluded that most of the WtW programs resulted in financial losses, however, the LFA approach had a higher return to investment than did the HCD approach. By the end of the study, none of the WtW programs affected the health coverage of its recipients or their children, either positively or negatively (Hamilton et. al, 2001).

In 1998, a study of Welfare programs in seven states was conducted by the U.S. GAO, to examine the changes in the structure of the programs brought about by the implementation of the Temporary Assistance for Needy Families (TANF). It was found that states have shifted their efforts from determining Welfare eligibility to helping individuals find employment. As a result, Welfare dependence decreased by 30 percent between the years 1994 and 1997. The study reports that even though many families

left Welfare, their economic stability remains an issue of concern. This is because previous research indicated that those who leave Welfare find very low-paying jobs which face almost no potential of wage increases and therefore, a completely self-sufficient future (GAO, 1998).

Another evaluation by the MDRC in 1995 assessed the impacts of the Job Opportunities and Basic Skills (JOBS) training program (Freedman & Friedlander). The two different methods WtW programs utilize are examined by comparing the results of the experimental group to the control group. It was found that both approaches, LFA and HCD, could produce Welfare savings, however, neither showed any consistent increase in earnings. The LFA approach significantly increased the number of people employed within the two years and the HCD approach increased the number of people who received their GED or high school diploma. However, neither method translated into higher earnings. Both methods did result in AFDC (Aid to Families with Dependent Children) reductions: the LFA method resulted in an 11 percent reduction and the HCD method in a 4 percent reduction, compared to their respective control groups. The LFA method resulted in an 8.1 percent increase in employment whereas the HCD method showed no significant impact. Also, the LFA method showed no significant change in income whereas the HCD method actually decreased income by 6 percent. It is noted that because of the nature of the HCD method, investing now to improve future benefits, the two-year follow up could have been too short of a time period and was not able to capture the full effects of this approach (Freedman & Friedlander, 1995).

A study by Gueron and Pauly in 1991 reported on 13 WtW programs from the 1980s. The assessment begins with a criticism of AFDC over the years stating that it has failed to reduce poverty among children and discourages the poor from leaving Welfare for work. The study focus is on single parents, mainly female, who constitute 90 percent of AFDC families. Most WtW programs have produced increases in employment and earnings, however this is concentrated among different subgroups. The least job-ready subgroup comprised a majority of Welfare savings while the moderately disadvantaged group comprised a majority of earnings gains. It was found that caseload decrease and improvement of the standard of living was modest for single mothers. The study also did an assessment of the effectiveness of the different approaches of WtW programs and concluded that the most promising was one that mixed the HCD and LFA methods with an emphasis on job search. One of the more impressive results for single parents was San Diego's SWIM program which resulted in an increase of earnings by an average of \$889 a year and a decrease of Welfare payments by \$608 a year. Like San Diego's program, almost all the programs led to an increase in earnings however it was not enough to move them out of poverty. The study concluded that this "suggests the limited potential of these programs to help most Welfare recipients obtain jobs with substantially higher wages" (Gueron & Pauly, 1991).

Characteristics of Successful Welfare-to-Work Programs

In 1996, an analysis of six employment training projects from across the nation was conducted by the U.S. GAO. These projects were chosen based on their success

rates; of the six programs, two of them placed almost every graduate in employment and three placed over 90 percent of their graduates in employment. After analyzing these projects intensively, it was concluded that these programs have several features in common, which were regarded as the main components of quality training. These features included ensuring that participants were fully committed to the program and obtaining employment, removing barriers that could limit a participant's ability to complete the training or maintain employment, improve skills that could affect employability, such as dependability or promptness, and matching the occupational skills being taught to the local job market (GAO, 1996).

The WtW program in Portland, Oregon was studied by the MDRC to uncover what makes this program one of the most successful WtW programs (Scrivener et. al, 1998). A two-year analysis of the Portland program discovered that this program increased employment, decreased Welfare expenditures, generated increases in earnings, increased job quality and positively affected both the easy-to-employ and hardest-to-employ recipients. Earnings for a two-year period were increased by \$1,800 and Welfare receipt was decreased by \$1,200. The characteristics of the Portland program that coincided with other successful programs were identified. These traits include a "strong employment focus," a mixture of the rapid employment approach and education-based approach, and strong enforcement of program regulations. The "strong employment focus" refers to elaborate job search activities, enforcement of sanctions when necessary and a strong employment message.

The “Hardest-to-Employ” Subgroup

A study based on national survey data, conducted by the U.S. GAO in 2001, examined various aspects of TANF recipients’ participation in work activities. It was shown that a higher proportion of TANF recipients are employed while they receive benefits, however, a majority is still not. The study listed several characteristics that inhibit this group’s ability to become and stay employed. These characteristics include substance abuse, poor mental or physical health, disability, low educational attainment, limited work experience, limited English proficiency, low basic skills and exposure to domestic violence. Those individuals who possess one or more of the listed characteristics are termed “hardest-to-employ,” and find it very difficult to enter the labor force, however not impossible. The study examined various sites and their approaches to dealing with such individuals. It was discovered that no one approach was successful in helping the “hardest-to-employ” individuals. It was stated, however, that the rapid employment approach might not be a good option for these individuals as they need very individualized attention to become ready to secure employment. An additional concern was also examined in this study, that is, the success rates WtW programs generate may be the result of simply moving the easier-to-employ individuals into employment and leaving those with the real employment difficulties unaffected. It is suggested that WtW programs may not be adequate to help the harder-to-employ individuals move into employment thus they are the ones that are left receiving assistance and still dependent on Welfare (GAO, 2001).

Effects of Welfare-to-Work Programs on Children

A two-year evaluation of eleven WtW programs was conducted by the MDRC in 2000 to determine the effects of WtW programs on participants and focused largely on the effects of these programs on the children of the participants (Hamilton et. al). For the participants themselves, it was found that the programs did decrease Welfare dependency to some extent. Well over half of the programs increased employment for its recipients over the two years. However, although recipients relied more on their own earnings as opposed to Welfare, their net income stayed constant. Not only did their net income remain unchanged as a result of the program, most lost the healthcare coverage that they previously had. Analysis of the children focused on three core areas: the cognitive development, health and behavioral and emotional area. In the cognitive development area, WtW programs seemed to show favorable outcomes, although small in magnitude. In the health area, negative outcomes resulted in the form of a serious injury occurrence since the study began. Lastly, in the behavioral and emotional area, both positive and negative outcomes resulted. The study also suggests that programs that result in a decrease in family income or do not aid recipients in obtaining good child care will undoubtedly have negative effects on those children. Thus, the study concludes by stating that WtW programs which do not take the children of the recipients into consideration will have “spillover effects” on the well-being of the children (Hamilton et. al, 2000).

In 1996, Orr et. al conducted a study of the National Job Training Partnership Act (JTPA) which was claimed to be different from prior studies because it was not subject to selection bias. It was found that JTPA worked “reasonably well for adults.”

Earnings increase credited to the program was in the amount of \$900 a year. The study also analyzed the youth. In this analysis, it was concluded that the youth require more intensive services than adults, as there were no positive impacts found for this subgroup. It was suggested that rather than concentrating on the occupational skills or job search, this group of young adults require more of a soft skills approach which concentrates on self-esteem, motivation, and various social skills. Based on these negative results for the youth, it was suggested that the best policy might be to intervene earlier in the individual's life to prevent him/her from dropping out and ending up in such a situation (Orr et. al, 1996).

Overview of Past Studies

Table 2.1 summarizes findings from 5 studies of WtW programs aimed at low-skilled individuals. The net effects of the programs on earnings (column 3) and Welfare payments (column 4) are shown for each program. In order to appreciate the full effect of the program, the net change in total individual income (column 5) is computed by adding the change in Welfare payments to the change in earnings.

These sites have utilized the entire array of WtW approaches available: LFA, HCD and the mixed approach. For simplicity, this table shows a generalized set of results disregarding which approach was taken.

Table 2.1 Observed Program Impacts on Individual Income in terms of Change in Earnings and Change in Welfare Payments⁶

Site	Number of Following Years	Average Total Earnings Change	Average Total Welfare Payment Change	Net Change in Total Individual Income	Overall Yearly Average Change in Total Individual Income	Adjusted Yearly Average Change in Total Individual Income
(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEWS Study	9 years	+\$2,063.35	-\$1,525.14	+\$538.21	+\$59.80	+\$79.11
Atlanta		+\$2,238	-\$795.50	+\$1,442.50		
Grand Rapids		+\$1,199	-\$2,159.50	-\$960.50		
Riverside		+\$2,549	-\$2,710	-\$161		
Columbus		+\$1,732.50	-\$1,314	+\$418.50		
Detroit		+\$1,460	-\$561	+\$899		
Oklahoma		+\$115	-\$390	-\$275		
Portland		+\$5,150	-\$2,746	+\$2,404		
MDRC Study	4 years	+\$1,613.25	-\$762.50	+\$850.75	+\$212.68	+\$377.43
San Diego		+\$2,076	-\$1,930	+\$146		
Arkansas		+\$1,079	-\$735	+\$344		
Virginia		+\$1,179	-\$323	+\$856		
Baltimore		+\$2,119	-\$62	+\$2,057		
California's GAIN	3 years	+\$1,414	-\$961	+\$453	+\$151	+\$245.50
Alameda		+\$1,492	-\$782	+\$710		
Butte		+\$1,474	-\$976	+\$498		
Los Angeles		+\$260	-\$1,005	-\$745		
Riverside		+\$3,113	-\$1,983	+\$1,130		
San Diego		+\$1,772	-\$1,136	+\$636		
Tulare		+\$374	-\$961	-\$587		
NJ's Family Development Program ⁷	5 years	-\$831	-	-\$831	+\$166.20	-\$226.09
Florida's Project Independence ⁸	4 years	+\$227	-\$265	-\$38	-\$9.50	-\$13.65
Average		+\$897.32	-\$702.272	+\$194.59	+\$49.56	-
Adjusted Average		+\$1417.41	+\$1062.77	+\$354.64	-	+\$92.46

⁶ For detailed calculations for the derivation of the Adjusted Average, Overall Yearly Average Change in Total Individual Income & Adjusted Yearly Average Change in Total Individual Income, see Appendix A.

⁷ *Beyond Intention to Treat Analysis in Welfare to Work Studies: The Efficacy of Labor Force Attachment, Human Capital Investment and Combined Strategies for Self-Sufficiency*, 2005

⁸ *Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program*, 1995

The NEWWS evaluation found that of the eleven sites studied over the five-year follow-up period, the Riverside site had the worst outcome, decreasing net income by \$161, and the Portland site had the best outcome, increasing net income by \$2,404. The MDRC study of four sites showed an average increase of \$850.75 in net income without adversely affecting income at any of its sites. This study also followed its graduates for five years. California's Greater Avenues for Independence evaluation found that of the seven sites studied, net income actually decreased by \$745 in the Los Angeles site. Their most successful site increased net income by \$1,130. The results for California's Greater Avenues for Independence program is over a three-year period. New Jersey's Family Development Program (4-year follow-up period) and Florida's Project Independence (5-year follow-up period) both resulted in a decreased net income of \$831 and \$38, respectively.

The average of all five programs is shown at the end of the table. Together, the programs increased earnings by an average of \$897.32 and simultaneously decreased Welfare payment receipt by \$702.73, netting an average increase in total income of \$194.59. Because the programs listed range from 1985 to 1999, an adjustment for inflation is necessary to realize the true impact of the programs. An adjusted average was computed for each program using the CPI for 2006 and the mid year of each program's duration. This adjusted average results in a slightly higher increase in net income of \$354.64 for all five studies totaled.

For a closer look, the change in total individual income for each program is computed on a yearly basis and is shown in column 6. Column 7 shows the yearly

change in total individual income adjusted for inflation using the CPI for 2006. It is clear that MDRC's four studies benefited its participants the most, by increasing their total income by \$377.43 a year. New Jersey's Family Development Program performed the worst by decreasing the total income of its participants by \$226.09 a year. Together, the 19 programs increased the total income of its participants by \$92.46 a year.

Chapter 3

STRIVE

STRIVE National

Support and Training Result in Valuable Employees (STRIVE), the focus of my study, is a nationally acclaimed non-profit WtW organization. STRIVE is an organization which focuses on facilitating individuals, who have difficulty obtaining and maintaining employment to acquire the necessary soft skills to be able to operate in a workplace. STRIVE's mission is broken into three segments: The first portion is to aid individuals in "achieving financial independence." The second portion is to "assist others in adopting the STRIVE model." The third element of STRIVE's mission is to "encourage effective employment policies and practices nationwide" (STRIVE's National Biennial Report 2001,2002).

Developed in 1984 in East Harlem, New York, STRIVE has been an ongoing operation for 23 years serving individuals all over the nation. STRIVE was started by Sam Hartwell with \$150,000 in donations from friends and family. According to STRIVE's 2001, 2002 biennial report, from the time of its inception, STRIVE has successfully placed over 25,000 individuals, about 75 percent of its graduates, into jobs. STRIVE has resulted in earnings increases of up to 35 percent for its graduates. STRIVE has expanded to over 21 cities totaling to 33 sites and also operates sites in London, Israel, Ireland and Scotland. Since the year 1997, STRIVE has been featured on CBS's "60 Minutes" three times (STRIVE's National Biennial Report 2001,2002).

Having networked sites all over the nation, STRIVE National was created in 2001 to oversee its many sites (Boston STRIVE). STRIVE National “supports quality control, innovation, and expansion among the network’s affiliations” (STRIVE D.C.). It is the core of the program providing training and communication to the different sites across the nation.

The segment of the population which STRIVE targets are the “hard-to-employ,” which refers to individuals who possess one or more significant barriers to employment such as past criminal records, past substance abuse and lack of schooling credentials. In 2002, 4,000 individuals graduated from the STRIVE program. Of these, 3,000 of them were placed into employment by STRIVE. Individuals between the ages 18 and 40 years old were served, 60 percent of which were female. Approximately 90 percent of the individuals served were either of Black or Latino descent. Almost half of the persons served did not possess high school credentials and about 40 percent were on Welfare. Moreover, 40 percent of STRIVE recipients in 2002 had criminal backgrounds and 35 percent admitted to substance abuse.

Specific demographic characteristics of the STRIVE program in Boston are typical of the demographics of most STRIVE programs. About 75 percent of the participants were Black. The male to female ratio was approximately equal. Only 22 percent were married and over 50 percent had children. About 25 percent were on public assistance. The participant’s ages ranged from 18 to 40 years old, however they tested at the eighth and ninth grade level. Of these individuals, this site placed 145 of them into entry level employment positions in 2004 (Boston STRIVE).

STRIVE at Baltimore offers a similar picture. With a \$350,000 grant awarded in 2003, STRIVE Baltimore graduated 398 individuals and placed 75 percent of these graduates into employment with an average wage of \$8.19. According to this figure, STRIVE Baltimore graduates had an average yearly earnings of \$17,035. Of the 398 graduates, 82 had felony convictions, 93 had misdemeanor convictions and 213 did not have a high school diploma or GED. About 70 percent of the graduates in 2002 and 2003 remained employed for six months or longer. Each individual who was placed into employment ended up costing STRIVE \$1,905 (Abell Foundation).

Individuals with the characteristics listed above are termed “chronically unemployable” and have the most difficulty securing employment. STRIVE proclaims that it not only endeavors to prepare these individuals with the right soft skills to become employed, but also to continue to remain employed. STRIVE reports that 70 percent of its recipients remain employed within a two-year follow-up period (STRIVE’s National Biennial Report 2001,2002).

STRIVE, like most WtW programs, has found that job placement does not ensure earnings sufficient to enable the employed to earn a decent living. STRIVE declared a goal of providing career advancement activities to 20 percent of its graduates which should result in the goal of increasing the earnings of its graduates by 25 percent. This increase would result in a salary of \$20,000 a year.

According to STRIVE, the program’s success stems from a combination of a “short, intense period of training in attitude – the soft skills needed to survive and excel in any workplace – and job search techniques with rapid placement and long-term follow-up” (STRIVE D.C.). Hence, the STRIVE model consists of three parts. First,

the individual is put through a training workshop which focuses on attitudinal job readiness. They are then placed into employment. Lastly, follow-up support is provided for 2 years following graduation. Graduates are also provided with lifetime access to agency services (STRIVE National Biennial Report 2001,2002).

STRIVE begins its program with a recruitment process which is directed at a specific low-income segment of the population. Recruitment methods such as distributing flyers in areas such individuals would be concentrated in and referrals from human services organizations are used. Presentations at community affairs and prison workshops are other methods used by various affiliated sites of STRIVE (STRIVE National). The group of people targeted includes individuals whom are chronically unemployable such as ex-offenders and long-term Welfare recipients. Following the recruitment process is an intake process in which each individual is assessed to determine which services would be most beneficial to them.

After an assessment is made, each individual is to undergo a three-to-four-week attitudinal training program. Most of the individuals are judged to lack the necessary soft skills needed to operate in a workplace and STRIVE's focus is on developing these skills. Characteristics such as positive self presentation, accountability, working with others, following directions and accepting criticism are focused on. Individuals are also instructed on how to dress and speak properly in a workplace (STRIVE National Biennial Report 2001, 2002). This training is conducted through a simulated work environment in which "participants are given the opportunity to aggressively address personal obstacles to success" (Boston STRIVE). STRIVE stresses many common workplace practices such as punctuality and dress code. For example, STRIVE

participants who arrive late or are not dressed properly are sent home (Boston STRIVE).

The training process is a rigorous one which pushes the participants to embrace the soft skills focused on, sometimes so difficult that individuals cannot handle the pressure and end up leaving the program. For example, in 2003 at the Flint, Michigan site, 555 individuals attended the orientation of which 444 actually began the training. In the end, only half, 269 individuals, actually completed the training and graduated; the remainder could not (STRIVE National Biennial Report 2001,2002).

In addition to soft skills training, STRIVE offers programs to help participants obtain their General Equivalency Diploma (GED). There are also other enrichment programs such as basic computer training in Microsoft Windows operating system and various Microsoft Windows programs, such as Excel, Word, PowerPoint and Outlook (Boston STRIVE).

A majority of STRIVE's participants "often carry difficult personal histories and complex behavior patterns," which require support services (Boston STRIVE). Social services are provided to members to help overcome problems that would otherwise impede the individual's ability to complete the training and successfully obtain or maintain employment. Such services would include referral services for crisis intervention, individual counseling, housing and transportation assistance and childcare.

Upon graduation of the program, STRIVE graduates are directed through the process of marketing themselves in the labor market in order to obtain employment. Each individual is matched accordingly to employment that is deemed to best suit him. The founding agency, STRIVE New York, for instance, attempts to place its graduates

into employment within a month of their graduation (STRIVE National Biennial Report 2001,2002). STRIVE also provides this service to individuals who have not attended the job placement training workshop but are placement ready.

Following job placement, graduates are then provided with personalized follow-up services for two years. These services include supportive and career advancement services, such as counseling and referral services, which are in place to make certain the STRIVE graduate remains employed and possibly move into better employment opportunities in the future. This proactive type of contact is maintained by STRIVE for the first two years upon graduation. STRIVE New York stays in contact with its graduates on a regular basis for the first 90 days after graduation to ensure they are still employed. If the graduate is no longer employed, he/she is told to come in for replacement employment. After the first 90 days, graduates are then contacted every quarter in order to obtain information about the status of their employment. Supportive and career advancement services mentioned are also available to graduates on a life-long basis (STRIVE National).

Given that 25 to 30 percent of its participants are ex-offenders, STRIVE has established programs specifically for this group of individuals in certain areas. For example, in the Boston area, approximately 300 prisoners a month were being released from the Suffolk County House of Corrections alone. In response to this high number of prisoners being released, STRIVE developed a site in Roxbury called the The Weinburg Center in January of 2003. STRIVE reports that by August of 2005, it had graduated 211 of these ex-offenders and placed 163 of them into employment. STRIVE also launched the STRIVE-SCHOC (STRIVE-Suffolk County House of Corrections

Reintegration Program) in 2004, which provides attitudinal training programs to inmates then refers them to one of the other sites in the Boston area upon release (Boston STRIVE).

Benjamin Thompson, the executive director of STRIVE Boston, coming from a background of crime himself, has a “passion” for the job training program. In a newspaper article in the Boston Globe, Benjamin Thompson is quoted saying that he even staffs his Boston site with individuals he chooses right out of the STRIVE program. He claims that he has sent 30 percent of these individuals to college or even graduate school (Boston STRIVE).

STRIVE was started with \$150,000 in donations. STRIVE continues to operate on such contributions though on a greater scale. For example, STRIVE Boston received funding in the amount of \$179,000 in 1994, which jumped to \$1.1 million in 2004, to \$1.4 million in 2005. Such great amounts of funding is necessary as it costs STRIVE about \$3000 to train one participant. This amount is low compared to other similar programs which spend around \$5000 per individual (Lewis, 2005).

STRIVE Central Jersey

STRIVE Central Jersey, one of the sites in New Jersey which implemented the STRIVE program, was a “comprehensive job-training and counseling program...whose purpose was to help participants develop basic employability skills and overcome barriers to gaining long-term employment” (Jagannathan et. al, 2005, p.1). From July 2002 to October 2004, it served individuals who decided to enter on their own and Welfare recipients who were required to attend in order to avoid sanctions and loss of

benefits. Middlesex County and Somerset County boards of social services referred General Assistance (GA) recipients and Temporary Assistance to Needy Families (TANF) recipients to the program. The Middlesex Probation Department also made referrals to STRIVE Central Jersey. Most of the enrollment efforts were made by the program's staff in recruiting unemployed and underemployed individuals not receiving public benefits. STRIVE Central Jersey undertook outreach activities such as making presentations to organizations, particularly churches. Advertisements were also posted around the community and fliers were distributed. Classes were also advertised in the newsletter of First Baptist Community Development Corporation (FBCDC), one of the primary collaborators of STRIVE Central Jersey, which had a circulation of 1,300 to 1,400.

Participants of STRIVE Central Jersey represented a profile that is similar to other STRIVE programs. Participants consisted of individuals who were between jobs as well as Welfare recipients. The age range was diverse with participants from their early twenties to much older participants. A majority were Black or Hispanic. Roughly 50 percent were receiving public benefits. About 40 percent had a criminal history. Less than half of the participants had a high school diploma.

The actual intake process consisted of an orientation and testing process. Orientations, which were held on the Fridays before the beginning of a new cycle of intakes, lasted approximately two to three hours and presented the potential participants with an extensive description of what the program entails, what is expected of participants and how STRIVE Central Jersey would prepare them for the work place. Members of the staff are introduced as are the social services that would be available to

them. Some of these services included child-care referrals, transportation assistance, clothing assistance, mental health and substance-abuse counseling. During the orientation, the lead trainer attempts to encourage and motivate the prospective participants by narrating his story from a former convict to a successful member of the STRIVE staff. Those individuals who voluntarily decide to attend the program and those who are required to attend by the courts, Welfare department and other agencies are asked to complete a form covering demographic information such as “living arrangements, educational attainment, income, medical history, criminal history, skills, job history, goals, and obstacles to achieving those goals” (Jagannathan et. al, 2005, p. 16). Also addressed at this time were problems potential participants have that could possibly intervene with successfully participating and graduating from the program such as “pending court cases, medical or substance-abuse problems or homelessness” (Jagannathan et. al, 2005, p.16). These individuals were referred to the appropriate social services to address such obstacles.

Individuals interested and those who were required to attend are asked to return the following Monday. Monday mornings of each new cycle consisted of welcoming speeches and formal introductions of the staff. Participants were then informed of and asked to sign a document indicating they are in agreement with the rules and regulations they must follow in order to comply with program standards. For instance, punctuality, attendance, dress code and attitude were few of the many stressed. Usage of drugs or alcohol and self-centeredness were deemed unacceptable. Potential participants were warned that unacceptable behavior and unacceptable attitudes were not only grounds for termination at the STRIVE program but also in their workplace once they are employed.

Also on the first day of the program, handshakes were demonstrated and practiced. Participants were forewarned that throughout the program their attitude and effort toward the program's activities must be exceptional. On one occasion, the lead trainer conveyed this to the participants by stating,

Employers want 'A' workers, so you must begin to perform like an 'A' worker in order to succeed... You have to attend the workshops every day. If you can't come for 20 days, how are you going to work your first 90 days [of the evaluated probation period] (Jagannathan, 2005 p.17)...

Participants were then required to complete a test in which their literacy level is determined. According to the results of this test, individuals are placed in either the four-week program, for those individuals who test at least at a sixth grade level, or eight-week program, for those who test below a sixth grade level.

The curriculum of STRIVE Central Jersey was designed to "promote self-confidence and long-term aspirations along with a realistic understanding of the job market" (Jagannathan, 2002, p.11). The key skills needed to operate in a work place were taught over the four-week attitudinal training period by changing attitudes and increasing self-esteem. Week one focused on what would be expected in the work place. For example, how to dress in proper business attire was stressed. Participants were also instructed on the damage a negative attitude can cause and were encouraged to correct this problem. The consequences of their actions and responsibilities within a group setting were soft skills that were also focused on during this period. Participants presented speeches about their personal lives which were videotaped and critiqued. Computers and resume writing were also introduced the first week.

The second week of the training focused more toward hard skills development. Skills such as creating resumes on word processing programs were developed. Interviewing skills were also concentrated on this week. Skills in following directions, resolving conflicts, improving work habits and introducing oneself were developed through various exercises (Jagannathan, 2005). During the second week, improving the self-confidence and attitudes of the participants was another crucial objective. Proper grooming and proper clothing were part of the training to help encourage the achievement of this goal. Participants were to create personal and career goals to help focus their efforts.

Week three redirected its focus to soft skills by working on the attitudes and skills of the participants. In order to promote teamwork, cooperation and compromise with one another, participants created mock corporations. This also helped the participants understand the frame of mind of employers. Simulated interviews were conducted and videotaped to further prepare the participants when they began their actual job pursuit. The development of computer skills continued through this period as well. The process of searching for a job was demonstrated as a step by step process. The internet was introduced as a tool to find job opportunities. Writing resumes, cover letters and thank-you letters were also practiced. Methods to retain jobs and strategies to overcome obstacles in the work place were reviewed. Participants were also compelled to discover their own strengths and weaknesses.

The final week of the training involved interviews by the staff. This week was dedicated to reviewing and strengthening the actual skills needed on the job. Job search was also an integral component of this final week in the program. A graduation

ceremony was held this week for those who completed the entire course of training, in which graduates would receive certificates for completion of the STRIVE program and openly express their feelings about the profit they attained from the program. Family and friends would be in attendance as well as current participants of the program. It is hoped that seeing and hearing the testimonials of the graduates expressing their satisfaction from participating in the program encourages the current participants understanding of what the program bestows on those who complete the training.

As time progressed, many changes in program activities and schedules were made in accordance to results. These included changes such as introducing computers earlier than originally planned and increasing the frequency of its usage. Also, job development activities were introduced earlier in the program as opposed to the end of the program.

After graduation, each individual was required to find long-term, full-time, career-orientated employment with benefits. The four-week program was ultimately changed to six weeks. This was done because it became apparent it was not viable to expect participants to change attitudes, refine rudimentary computer skills and find a job within four weeks. During weeks 5 and 6 of the expanded STRIVE program, participants continued to practice their computer skills as well as continued their job search. They were also required to attend job fairs and presentations by temporary agencies regarding employment. Some of the hiring companies included Comcast, Doubletree Hotel, Walgreens, Commerce Bank and Jiffy Lube. Some of the employers that had recently cooperated with a similar STRIVE job training program, Project ACCESS, in the same area refused to cooperate this time around. These included

Robert Wood Johnson University Hospital, St. Peter's University Hospital and Johnson and Johnson.

The process illustrated above describes the four (ultimately six) week program that was structured for the individuals who tested at or above the sixth grade level. These individuals underwent roughly 120 hours of instruction. Those who had tested below the sixth grade level were placed in the eight-week program which incorporated an additional four weeks of literacy classes to develop the literacy of the participants and fluency in the English language, if applicable. These classes were held daily for four weeks at the New Brunswick Public Schools Adult Learning Center (NBPSALC). Upon completion of the literacy class, another four weeks were dedicated to the actual STRIVE training which concentrated on attitudinal job training.

Post-program retention services were implemented for graduates. These included a two-year follow-up with graduates and their employers to identify problems graduates are having so that they could be addressed via the social services offered. The Career Advancement Program (CAP) was to be an integral component of the follow-up support provided by STRIVE Central Jersey. Implementing activities such as introductory computer training, literacy training and modified STRIVE training, it was anticipated that graduates in entry-level jobs would obtain the necessary skills to advance in a career or find higher paying employment. Ultimately, only one CAP session was conducted because of complications such as time constraints.

Assessments of STRIVE

The STRIVE job training program is highly acclaimed by STRIVE and its affiliates. Moreover, a popular consensus appears to have emerged that STRIVE has done a very good job in solving the problem of the almost impossible-to-employ individuals in our society. However, there are some indications that STRIVE may not be as successful as advertised. For instance, there is an absence of formal evaluations of the program by sources other than STRIVE. The fact that there are no empirical assessments done by a credible outside sources is a cause for concern.

Not only is there a lack of an effectiveness literature on STRIVE by outside sources, there also is very minimal literature on the effectiveness of the program by STRIVE itself. The only report publicly available by STRIVE, until recently, was a biennial report for the years 2001 and 2002. The 2001, 2002 biennial report was removed from STRIVE's website and replaced with the biennial report for the years 2006 and 2007 which contains similar content. The fact that there are no formal or informal reports available for prior periods is troublesome. With some effort and a few phone calls, I was able to obtain a financial statement and auditor's report for the years 2004 and 2005 which mainly summarized the financial health of the organization. This report did not provide any further detail on the program itself, success rates, or anything to create credibility for the organization.

Despite my repeated efforts, I was not able to obtain wage or employment data on any of the operating STRIVE sites across the country. Such data should be readily available in order to publicize the fact that STRIVE is an effective program and create support for the organization. After all, STRIVE is a contribution-driven program and

providing such information could greatly increase the credibility of the program, in turn increasing the monetary contributions to help fund future operations of the organization.

Chapter 4

CONCEPTUAL MODEL

Theoretical Background of Study

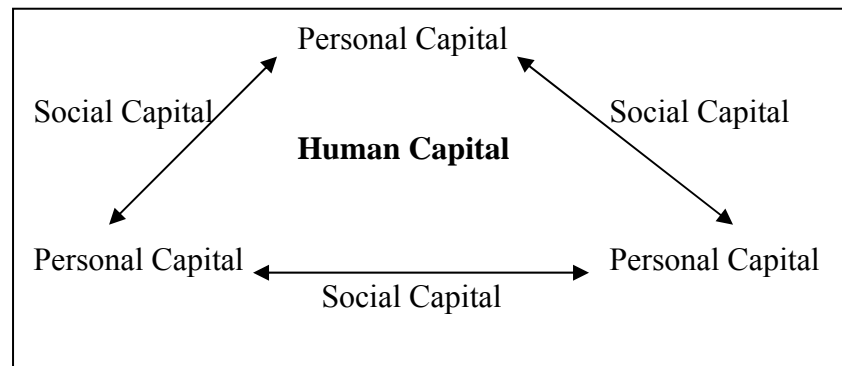
Human Capital was defined by Gary Becker as the accumulated stock of knowledge, skills, health and values. Becker introduced this notion to be analogous in concept to other forms of capital such as physical capital. Human Capital is created by instilling knowledge, skills and values to facilitate higher productivity in the workplace and other social settings. As with any form of capital, additional investment in Human Capital should yield additional output. This accumulation of training, education and skills are what hard-to-employ individuals typically lack. Becker argues that the productivity of individuals relies “not only on their ability and the amount invested in them...but also on their motivation, or the intensity of their work” (Becker, 1993, p.57). I have referred to this commitment to work earlier as soft skills development.

Human Capital can be classified further as a function of Personal Capital and Social Capital. Personal Capital incorporates the hard skills an individual possesses such as knowledge and various expertises. Social Capital incorporates soft skills such as how to properly conduct oneself in a social setting like a workplace. Hence, Human Capital can be summarized as:

$$\begin{array}{ccccc}
 \textbf{Human} & = & \textbf{Personal} & + & \textbf{Social} \\
 \textbf{Capital} & & \textbf{Capital} & & \textbf{Capital} \\
 & & \text{Hard Skills} & & \text{Soft Skills}
 \end{array}$$

Job training programs, like STRIVE, attempt to build the stock of Social Capital in an individual by developing soft skills. Instruction on how to dress and speak properly, how to accept criticism, follow directions and interact with others appropriately are presumed to be the significant changes that will transform the “hard-to-employ” into job ready individuals.

It is proposed that Social Capital is a necessary component that should be in place for Personal Capital to flourish (Coleman, 1988). The interaction and relationship between Personal Capital and Social Capital is illustrated in Figure 4.1 below:



Source: author

Figure 4.1: The Interaction between Social Capital and Personal Capital

As shown above, Social Capital is the glue that holds together the different types of Personal Capital an individual possesses. Taken together, Social Capital and Personal Capital comprise an individual’s stock of Human Capital. Social Capital is not associated with an individual alone, rather it pertains to the relations between individuals. “Social Capital inheres in the structure of relations between actors and among actors. It is not lodged either in the actors themselves or in physical implements of production” (Coleman, 1988, p.20). It is proposed that Social Capital is a necessary component that should be in place for Personal Capital to exist meaningfully. This is an

idea first proposed by James S. Coleman. Coleman suggests that Social Capital “consists of some aspect of social structures and facilitates certain actions of actors within the structure... [it] makes possible the achievement of certain ends that in its absence would not be possible” (Coleman, 1988, p.20). Hence, the Social Capital that STRIVE attempts to instill in its graduates, such as how to interact in a workplace, makes possible the achievement of securing and maintaining employment. The soft skills that Coleman refers to makes functional the Personal Capital an individual possesses; without Social Capital, Personal Capital would be meaningless as it would not even have an opportunity to be utilized.

STRIVE recognizes the fact that the development of Human Capital in the hard-to-employ individuals is crucial. Their focus is predominantly on Social Capital as opposed to Personal Capital. Although STRIVE believes that the development of Social Capital is critical, the program also recognizes that the existence of both forms of capital is necessary for an individual to be successful in the workplace.⁹

Conceptual Logic of Study

The theories of Coleman and Becker underpin the analytic model used in this study. In Figure 4.2, the program theory used by STRIVE to enhance Personal Capital or soft skills is presented.

⁹ There is no specific variable accounting for the hard skills instilled in the participants of this specific STRIVE program. Therefore, we are assuming hard skills are implicit and are controlled for in the participants' history of previous employment.

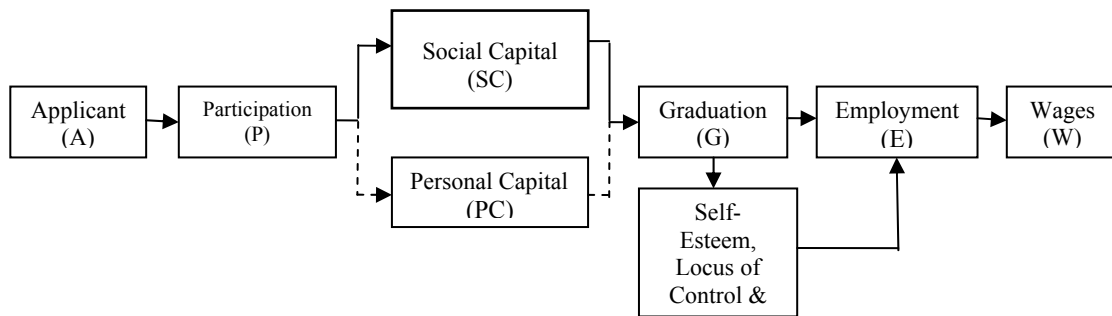


Figure 4.2 The STRIVE Program Workflow Design

In this model the applicant enters the program and goes through the first phase of this process which is participating in the job training program. Participating implies actually attending class each day as well as partaking in required activities. By complying with all program requirements, it is assumed the participant has acquired the Social Capital intended and graduates. Graduates are then placed into employment and earn wages.

An ideal employee within the STRIVE model is one who possesses high levels of Social Capital, even though he/she may possess minimal Personal Capital. He/She is confident, motivated, convinced he/she can do his/her job and is also willing to learn if necessary. The employee can get along with coworkers, accept criticism without feeling the need for verbal or physical retaliation and holds the interests of organization with whom he/she works for.

It is assumed that by participating in a program such as STRIVE, ideally the participant will have acquired important soft skills. Through the various lessons and exercises the participant undergoes, he/she will have learned how to conduct

himself/herself appropriately in a place of work as to remain employed. By learning how to dress properly, speak properly, work with others, take orders and other important characteristics one draws on in the workplace, the individual attains the Social Capital he/she did not have initially.

Compliance with the rules of the workplace and mastery of the skills taught in STRIVE are what is believed such individuals need to become and remain employed. Graduation from this program is an indicator of mastery of the soft skills concentrated on. Key indications of this mastery are assumed to manifest in a participant's increased self-esteem, an increased sense of control over his/her life and higher levels of effort the employee is willing to expend. Thus, ideally, the combination of these three elements is what leads the individual to become successfully employed.

To capture these three key indicators of successful graduation, measures of self-esteem, locus of control and effort were obtained from the participants on three separate intervals throughout the duration of the program: when first beginning the program, upon graduation and 90 days after graduation. These surveys were used to determine the psychological change in the level of self-esteem, level of control the individual feels he/she has over his/her life and the level of effort exerted as a result of partaking in the program.

Analytic Framework

The success of the STRIVE program will be assessed by applying a set of regression methods to each of the endogenous outcome depicted in Figure 4.2. For the outcome wages, which is quantitative, Ordinary Least Square regressions will be

utilized. For outcomes such as participation, graduation and employment, which are qualitative, Probit analysis will be used. The specification of the function form of $\Pr(\cdot)$ in the Probit model is the normal cumulative distribution function. Specifically, for the Probit model:

$$\Pr(y = 1|x) = \int_{-\infty}^{x'\alpha} \frac{1}{\sqrt{2\pi}\sigma} \exp\left[-\frac{1}{2}u^2\right] du \equiv \Phi(x'\alpha)$$

In the form, α is a parameter vector, and the choice of a linear additive form for the way x enters $\Phi(\cdot)$. A rudimentary derivation of this otherwise ad hoc specification form an explicit description of behavior is as follows. Suppose the underlying theory of behavior posits a continuous but latent variable y^* with the dichotomous realization y determined by comparing y^* with some threshold. Without loss of generality, take the threshold to be zero. Then, y is determined by:

$$y = \begin{cases} 1 & \text{if } y^* > 0 \\ 0 & \text{if } y^* \leq 0. \end{cases}$$

Each Probit and OLS model was augmented by regression models explicitly designed to test for the effects that program process selection could reasonably be expected to exert on specific program outcomes. In instances of quantitative dependent variables, Heckman selection models were estimated. This modeling involves two equations: the first is a Probit equation that estimates whether, for example, a STRIVE participant is employed and the second is an OLS equation for wages that is corrected for the presence of selection bias. Specifically,

$$\text{Equation 1: Probit } \Pr(y) = x_i B^*$$

where $\Pr(y)$ is the probability of the i th STRIVE participant is employed, x is a vector of covariates and B^* is the corresponding vector of parameters and

$$\text{Equation 2: } Z_i = A_i \nu + \Phi_0 \lambda_i + e_i$$

where Z_i is wages, $A_i \nu$ is a set of explanatory variables and parameters, λ_i is a new covariate defined as the hazard or risk that the i th participant will be selected out of employment with Φ_0 representing its regression coefficient. The parameter Φ_0 may be interpreted as the covariance between the errors in the equation predicting employment and the errors in the equation predicting wages. Finally, e_i is a random error term.

Selection models for qualitative outcome variables like graduation were estimated using Heckman Probability models. Here Equation 1 is a Probit for the selection variable and Equation 2 is a second Probit for the outcome of interest.

The rationale behind running selection models lies in the observation from the descriptive data of a selection process occurring as an individual progresses from one stage of the STRIVE program to the next. For this reason, I believe that there are endogenous outcomes which are a function of a previous stage of the program. By adjusting for selection at the various stages of the analysis any selection and endogeneity will be eliminated (or at least diminished) allowing for an unbiased look at the actual effects of the program.

Specific regressions, which are conducted in light of the program flow shown in Figure 4.2 are as follows. Participation in the program is a function of the applicant's demographic characteristics which will be denoted by A_i :

$$\text{Participation} = f(A_i)$$

It is assumed that those individuals who participate in the program possess certain biographical characteristics which those individuals who do not fully participate in the program lack. Such characteristics are of importance and will be identified by running

a LPM and Probit of participants on all the covariates. Similarly, based on the same logic, this process will be applied to the graduation and employment stages of the program as well.

Graduating from the STRIVE program, however, is a function of participation. Given the way the program is set up, those individuals who graduate are not identical to those who do not graduate. In other words, some of the baseline characteristics included in A_i might realistically have an effect on participation and graduation. Thus, in order to see if graduation is a function of some unmeasured variables, a model will be set up that will input a variable to stand in for those unmeasured variables and attempt to measure it. The variables that are found to be significant in an individual's level of participation can very well be the variables that are responsible for the individual to graduate the program. Thus, graduation is a function of these attributes:

$$\text{Graduation} = (A_i ; \lambda_{pi})$$

where: A_i = individual baseline characteristics
 λ_{pi} = participation adjusted for selection, i.e. the probability of graduation when participation is unobserved

The above model states that graduation is a function of baseline characteristics controlling for selection when participation is unobserved. The results of this model will provide an unbiased estimate of the effects of each of the different variables as well as an insight into whether there is endogeneity in the model.

Becoming employed is a function of graduating from the STRIVE program. There is no variability in this specific model because employment was not observed for those individuals who did not graduate. Thus, the three measures of the values the STRIVE program is supposed to instill in its graduates will be used as proxies for

graduation in the employment model. Three different models will be tested because there are three outcome variables: self-esteem, locus of control and effort. The models will take the form:

$$\text{Employment} = (A_i ; \lambda_{gi})$$

where: A_i = individual baseline characteristics
 λ_{gi} = graduation adjusted for selection, i.e. the probability of unemployment when soft skills are unobserved

λ_{gi} accounts for the variables which predict the three variables: self-esteem, locus of control and effort. There will be three separate models in which the λ_{gi} will differ:

$$\text{Employment} = (A_i ; \text{self-esteem})$$

$$\text{Employment} = (A_i ; \text{locus of control})$$

$$\text{Employment} = (A_i ; \text{effort})$$

These three variables, instrumenting for graduation, are assumed to be endogenous and such a model will determine if they truly are.

Earning wages is a function of becoming employed. In order to be able to observe wages for a participant, the participant would have had to graduate and become employed. To determine if the variables that predicted an individual to become employed are also predicting that individual's wages, we run the model:

$$\text{Wages} = (A_i ; \lambda_{ei})$$

where: A_i = individual baseline characteristics
 λ_{ei} = employment adjusted for selection, i.e. the level of wages when employment (due to STRIVE) is unobserved

Here, λ_{ei} measures the marginal effect of selection out of employment on hourly wage.

STRIVE's job training program is designed to build the "hard-to-employ" individuals' stock of Social Capital. It is expected that only after having completed this

they will become employable individuals. The model proposed in this chapter is the foundation this study is built upon.

Chapter 5

VARIABLE DESCRIPTION

This chapter will describe the variables used in this study. As the individuals in the STRIVE program progress from one stage of the program to the next, some are weaned out at each stage introducing the potential of a systematic heterogeneity based on a participant's biography that is necessary to consider when estimating the STRIVE program impact.

STRIVE is, in effect, a process model where individuals are being modified through the various stages of the program. Components of the STRIVE process needs to be examined for the conditioning effect of selection and resultant heterogeneity which could make seemingly fixed components of the program endogenous.

Descriptive Statistics

The variables included in this study and their descriptions are shown in Table 5.1. The table illustrates the independent variables followed by the dependent variables.

The variable Criminal Background includes the following crimes: misdemeanors, felonies and not specified crimes. Less than High School Education refers to the individuals who did not obtain a high school diploma. High School Education includes those who completed some college or is currently a full-time student. The variable College and Beyond incorporates the individuals who possess an Associate Degree, Bachelor Degree, Master Degree, PhD or Law Degree. Welfare includes the following public assistance programs: Food Stamps, Unemployment

Compensation, Section 8 Rental Assistance, Child Support, Medicaid, SSD, SSI, TANF, GA and unspecified government assistance.

Intakes incorporate all the individuals who initially expressed some interest in attending the STRIVE program. Thus, the variable Intakes was created from the individuals who were recorded to be enrolled, attended orientation, “did not show up,” was terminated or graduated. Participants refers to the individuals who took part in the program to some level. This included the individuals who were noted to have attended orientation, was terminated or graduated. The variable Graduates consisted of those who completed STRIVE’s program requirements and graduated. Employed refers to the individuals who reported obtaining employment.

Measures of self-esteem, locus of control and effort were obtained periodically and used as indicators of the soft-skills STRIVE is to instill in its graduates. The Hudson Self-Esteem Scale was utilized to determine the individuals’ psychological change in the level of self-esteem as a result of partaking in the program. This survey was given at three intervals throughout the program: at the beginning of the program, upon graduation and 90 days after graduation. A higher score for this survey indicates a higher level of self-esteem. The actual survey can be found in Appendix B. The Schuessler Scale of Self-Determination was used to determine the individuals’ psychological change in the level of control they feel they have over their life. The survey was conducted at the same intervals as the Hudson Self-Esteem Scale: at the beginning of the program, upon graduation and 90 days after graduation. A higher score for this survey conveys that the individual feels he has greater control over himself/herself and his/her life. This survey can also be found in Appendix B.

Measures of effort were obtained at the same intervals as self-esteem and locus of control. This variable was used to measure the levels of effort exerted by the participants. The effort index rating key was (Jagannathan, 2002):

- 1-3 : Standard interaction/no outstanding issues to be addressed or interventions required. Adhered to program requirements.
- 4-5 : Required one or more of the following: one-on-one student to staff meetings, social service assistance, performance/attendance counseling, outside service referrals.
- 6-8 : Presented significant issues requiring extensive staff services, interventions and ongoing follow-up in one or more of the following areas: behavioral/program performance, social service needs, coordination of outside referrals, medical intervention, drug intervention.
- 9.10: Denotes individuals or families in extreme crisis. Partners present multiple issues requiring extensive coordination of internal and external staff and resources. Cases requiring extreme measures be undertaken in order to insure the safety, stability and overall well-being of the individual and in many cases their families.

For the purposes of this study, each of these variables were strategically cut at the mean, divided into high and low levels and were coded into dummy variables.¹⁰ In order not to lose any observations the missing observations were replaced with the mean values of each corresponding variable.

¹⁰ The mean level for self-esteem was 93.69, for locus of control was 41.64 and for effort was 7.13.

Table 5.1. Description of Study Variables

Variable Name	Description	Number of Observations	Mean	Standard Deviation	Minimum	Maximum
Predictor Variables						
Age	Participants reported age	493	35.25	11.257	18	61
Female	Participants reported sex (female = 1; not female = 0)	504	0.533	0.499	0	1
Single ¹¹	Marital Status (single = 1; not single = 0)	504	0.643	0.479	0	1
Married	Marital Status (married = 1; not married = 0)	504	0.156	0.363	0	1
Divorced	Marital Status (divorced = 1; not divorced = 0)	504	0.09	0.286	0	1
Separated	Marital Status (separated = 1; not separated = 0)	504	0.052	0.222	0	1
Children	Reported number of children	504	1.453	1.681	0	13
Criminal Background	Reported Criminal History (no crime = 1; crime = 0)	504	0.633	0.483	0	1
Less than High School Education	High school dropout (dropout = 1; not dropout = 0)	504	0.154	0.361	0	1
High School Education	Received high school diploma or GED (graduate = 1; non-graduate = 0)	504	0.609	0.489	0	1
College and Beyond	Received Associate Degree or beyond (graduate = 1; non-graduate = 0)	504	0.13	0.336	0	1
Black	Participants Race (Black = 1; not Black = 0)	504	0.784	0.412	0	1
Hispanic	Participants Race (Hispanic = 1; not Hispanic = 0)	504	0.092	0.289	0	1
Welfare	Welfare payment receipt (welfare = 1; not on welfare = 0)	504	0.499	0.5	0	1
Previous Wage	Wage earned prior to attending STIVE program	431	11.402	3.404	5.25	49.45
Outcome Measures						
Program Intakes	Actual number of intakes	504	0.994	0.077	0	1
Program Participants	Actual number of participants	504	0.842	0.365	0	1
Program Graduates	Actual number of graduates	504	0.469	0.499	0	1
Employed	Actual number of graduates employed	504	0.261	0.439	0	1
Post Wage	Wages earned after graduating from STRIVE	129	10.28	4.577	5.75	36.77
Self-Esteem	Participants own assessment of his/her self-esteem	211	93.692	17.329	29	125
Locus of Control	Participants own assessment of control over his/her life	211	21.639	3.158	13	28
Effort Index	Numerical assessment of the level of effort exerted by participant	120	7.133	1.629	2	10

¹¹ Widowed/Other are the reference category for the marital status classification.

It is evident that a greater proportion of the participants were single, 64.3 percent, and female, 53.3 percent. Well over half the participants, 63.3 percent, had never been involved in criminal activity in the past. Blacks were the predominate racial group comprising 78.4 percent of the individuals in the study. Hispanics made up about 9 percent. Approximately half of the sample had received some form of government assistance.

It is important to note the following trend: from the intakes, 84.2 percent actually participated in the program, 46.9 percent graduated the program and 26.1 percent actually become employed. 56.1 percent of the STRIVE program graduates were placed in employment. This trend is also illustrated in Figure 5.1. The wages earned after graduating the program decreased from \$11.40 to \$10.28.¹² The average effort index, 7.13, indicates that uncooperative and unobliging individuals were prevalent. Personal assessments of self-esteem and locus of control were on the higher end of the scale denoting a fairly well balanced sample.

Profiles at Each Stage of the STRIVE Program

Figure 5.1 illustrates the flow of the program with the respective number of individuals at each stage. The STRIVE program graduated 237 of its 422 participants. Of these graduates, 133 of them actually reported obtaining employment. Of those employed, we were able to obtain the wages of 129 individuals.

¹² The previous wage of those individuals who eventually found employment through the STRIVE program was actually higher, \$12.03, than the previous wage of the overall sample listed here.

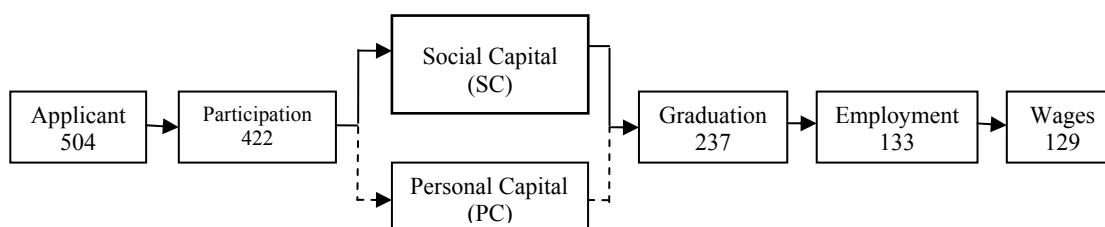


Figure 5.1 The STRIVE Program Workflow Design Illustrating the Flow Out Of the Program

Table 5.2 shows the profiles of individuals at various stages of this program in terms of demographic characteristics. This is of importance because it is highly likely that there are certain biographical characteristics that could possibly contribute to or foster an individual's advancement from one stage of the program to the next. Column 1 repeats the information for STRIVE intakes from Table 5.1. Columns 2, 3 and 4 provide biographical characteristics of the individuals as participants, graduates and employed, respectively.

Table 5.2. A Profile of the Individuals Processed through the STRIVE Program from November 2002 to October 2004 (means & standard deviations)

Biographical Characteristics	Intakes n = 504	Participants n = 422	Graduates n = 237	Employed n = 133
Age	35.258 (11.528)	35.978 (11.323)	36.615 (11.094)	36.092 (11.250)
Female	0.533 (0.499)	0.549 (0.498)	0.574 (0.495)	0.542 (0.500)
Single	0.643 (0.479)	0.623 (0.485)	0.604 (0.490)	0.549 (0.499)
Married	0.156 (0.363)	0.166 (0.372)	0.161 (0.369)	0.206 (0.406)
Divorced	0.09 (0.286)	0.095 (0.293)	0.098 (0.298)	0.107 (0.310)
Separated	0.052 (0.222)	0.052 (0.222)	0.072 (0.259)	0.061 (0.240)
Children	1.453 (1.681)	1.407 (1.664)	1.510 (1.623)	1.496 (1.729)
Criminal Background	0.633 (0.483)	0.632 (0.483)	0.626 (0.485)	0.618 (0.488)
Less than High School Education	0.154 (0.361)	0.177 (0.382)	0.149 (0.357)	0.137 (0.346)
High School Education	0.609 (0.489)	0.599 (0.491)	0.600 (0.491)	0.641 (0.481)
College and Beyond	0.13 (0.336)	0.147 (0.354)	0.191 (0.394)	0.183 (0.388)
Black	0.784 (0.412)	0.782 (0.413)	0.838 (0.369)	0.855 (0.353)
Hispanic	0.092 (0.289)	0.081 (0.272)	0.059 (0.237)	0.038 (0.192)
Welfare	0.499 (0.500)	0.467 (0.499)	0.494 (0.501)	0.534 (0.501)
Previous Wage	11.402 (3.404)	11.531 (3.515)	11.881 (3.903)	11.521 (2.863)
Program Intakes	-	-	-	-
Program Participants	0.842 (0.365)	-	-	-
Program Graduates	0.469 (0.499)	0.557 (0.497)	-	-
Employed	0.261 (0.439)	0.310 (0.463)	0.549 (0.499)	-
Post Wage	10.28 (4.577)	10.280 (4.577)	10.257 (4.609)	10.299 (4.589)
Effort Index	7.133 (1.629)	7.133 (1.629)	7.133 (1.629)	7.089 (1.729)
Self-Esteem	93.692 (17.329)	93.675 (17.326)	96.349 (15.720)	97.655 (15.783)
Locus of Control	21.639 (3.158)	21.646 (3.173)	21.913 (3.139)	22.333 (3.219)

A typical STRIVE intake, participant, graduate or employed possesses the following characteristics:

- he/she would be a Black, single parent, approximately 35-36 years of age,
- his/her level of educational attainment would be a high school diploma,
- he/she most likely does not have a criminal background.

The results are quite similar across the different samples, however there are several noteworthy differences. The age of the individuals at each stage remain steady increasing only slightly. This is to be expected given participants' natural aging process. Marital status appears to have a large effect on the selection out of this process. Of the intakes, 64.3 percent were single; this number continuously decreased down to 54.9 percent of those employed were single. Having a criminal background adversely affected the probability of becoming employed, though not as significantly as expected. In addition, not having a high school degree negatively affected the probability of becoming employed and having a high school diploma or beyond positively affected this likelihood. Again, these effects were not as prominent as presumed. Blacks became more prevalent in each consecutive stage. Intakes consisted of 78.4 percent Blacks; 85.5 percent of the graduates employed were Blacks. The number of individuals receiving public assistance remained roughly constant comprising approximately half of each data sample.

Additionally, as these individuals moved through the program, their self-esteem increased from 93.7 percent as an intake to 97.7 percent when employed. Each individuals' outlook on the control they have over his/her life also increased, although

not as significantly as self-esteem. The effort exerted at each stage of the program remained constant, decreasing slightly for those who actually became employed.

Chapter 6

RESULTS

Model Estimation Results

Four general regression models were estimated which corresponded to the four principal outcomes of interest in WtW studies:

1. Who participates?
2. Who graduates?
3. Who gets employed?
4. What are the wages of those employed?

In Table 6.1, I present the results of OLS and Probit regressions for each of these four outcomes using a set of 14 covariates as predictors. Since participation, graduation and employment are dichotomous (qualitative) variables, these OLS models become linear probability models (LPM's) and could be subject to heteroscedastic errors and out-of-range probability predictors. Hence, I re-estimate these covariate-only models using Probits which do not suffer from these liabilities.

Table 6.1 Ordinary Least Squares Estimates and Probit Estimates for STRIVE Participants, Graduates, Employed and Earnings Wages

Predictor Variables	Participants (1)	Graduates (2)	Employed (3)	Wages (4)	Participants (5)	Graduates (6)	Employed (7)
	ORDINARY LEAST SQUARES ESTIMATES				PROBIT ESTIMATES		
Intercept	0.741* (0.121)	0.196 (0.175)	0.887* (0.269)	1.021* (0.122)	1.029 (0.643)	-0.843 (0.472)	1.113 (0.736)
Age	0.003 (0.002)	0.003 (0.002)	-0.009* (0.004)	0.002 (0.002)	0.018* (0.009)	0.007 (0.006)	-0.023* (0.010)
Female	0.067* (0.033)	0.068 (0.048)	-0.055 (0.069)	-0.018 (0.029)	0.295 (0.167)	0.186 (0.126)	-0.149 (0.183)
Black	-0.050 (0.049)	0.156* (0.071)	0.009 (0.111)	-0.020 (0.048)	-0.319 (0.310)	0.427* (0.191)	0.010 (0.302)
Hispanic	-0.174* (0.069)	-0.029 (0.099)	-0.242 (0.169)	-0.006 (0.084)	-0.824* (0.371)	-0.096 (0.270)	-0.716 (0.472)
Children	-0.025* (0.010)	-0.005 (0.015)	-0.001 (0.022)	-0.021* (0.009)	-0.132* (0.052)	-0.014 (0.039)	-0.004 (0.058)
Single	-0.103 (0.073)	-0.096 (0.106)	-0.333* (0.145)	-0.066 (0.062)	-0.516 (0.421)	-0.263 (0.283)	-0.918* (0.393)
Married	-0.049 (0.788)	-0.109 (0.113)	0.040 (0.157)	-0.085 (0.062)	-0.307 (0.460)	-0.294 (0.305)	0.130 (0.423)
Divorced	-0.090 (0.086)	-0.067 (0.123)	-0.058 (0.169)	-0.057 (0.068)	-0.514 (0.485)	-0.191 (0.328)	-0.170 (0.451)
Separated	-0.047 (0.096)	0.123 (0.138)	-0.247 (0.176)	-0.039 (0.076)	-0.313 (0.523)	0.336 (0.372)	-0.675 (0.466)
Less than high school education	0.359* (0.063)	0.130 (0.090)	0.192 (0.157)	0.026 (0.081)	1.743* (0.374)	0.383 (0.246)	0.516 (0.421)
High school education	0.221* (0.053)	0.146 (0.076)	0.252 (0.137)	-0.003 (0.073)	0.723* (0.213)	0.419* (0.210)	0.675 (0.371)
College and beyond education	0.305* (0.067)	0.399* (0.097)	0.136 (0.156)	-0.053 (0.077)	1.264* (0.356)	1.109* (0.270)	0.347 (0.420)
Criminal Background	-0.066 (0.035)	-0.064 (0.051)	-0.002 (0.074)	0.043 (0.031)	-0.378* (0.182)	-0.167 (0.133)	-0.014 (0.195)
Welfare	-0.094* (0.033)	-0.014 (0.047)	0.070 (0.069)	-0.009 (0.028)	-0.492* (0.171)	-0.038 (0.125)	0.178 (0.183)

The participants (columns 1 and 5) and graduates (columns 2 and 6) equations in Table 6.1 reveal that being of Black origin is statistically significant. Black participants are more likely to graduate the STRIVE program. Also, being single and age are negatively correlated with securing employment. Welfare and criminal background seems to lower the participation rate. Those with less than high school education are more likely to participate followed by those who had college or beyond education then high school

education. However, those with college and beyond education were most likely to graduate. Lastly, being of Hispanic origin and having children both decrease the level of participation for an individual in the STRIVE program.

Heckman Selection Model Analysis of STRIVE Process and Impacts

In order to determine if graduation, employment and wage outcomes are subject to STRIVE program selection bias, I have estimated these models using Heckman Selection modeling. Because of the sequence of the STRIVE program operations, it is assumed that there is a selection process in effect and that specific exogenous variables could exert a positive or negative influence on subsequent stage analyses. To correct for this potential endogeneity in the variables, a selection on key demographics is conducted because it is known that specific demographic characteristics an individual possesses has a differential impact on the stage of the program they progress to. For example, in order to graduate from the STRIVE program, an individual must have met the program requirement which is participation. Therefore, since graduation is a function of participation, it could very well be that the characteristics that resulted in that individual's level of participation also resulted in that individual graduating from the program. Selecting on key demographic variables will convey whether any program effects are being picked up as the individual progresses through the program.

Graduation

The Heckman Selection model in which graduation is a function of participation is being instrumented by the variables that were found to be significant in the previous

stage of the analysis, that is, the OLS and/or Probit participation model. A simple OLS regression of participants on all the covariates revealed that the variables that predict participation are the level of educational attainment, the receipt of public assistance, being of Hispanic origin, sex and number of children. The results of this selection model are shown in Table 6.2:

Table 6.2 Selection Model Estimates for STRIVE Graduates

Predictors	Adjusted Graduation Model Estimates	Adjusted Graduation Model Standard Errors
Black	0.188*	0.06
Crime	-0.018	0.051
Single	-0.056	0.109
Separated	0.172	0.144
Married	-0.054	0.117
Divorced	0.003	0.128
Age	0.003	0.002
Hazard Rate	-0.077	0.201
Intercept	0.386	0.181
Selection Model		
Less than high school education	1.688*	0.365
High school education	0.746*	0.202
College and beyond education	1.474*	0.334
Welfare	-0.436*	0.162
Hispanic	-0.537*	0.234
Children	-0.077	0.043
Female	0.204	0.152

Note: n = 237

In this model, a significant lambda was not found so it can be concluded that there is no selection on participation and thus no endogeneity, at least due to the variables in the selection equation. It would have been sufficient to run this model using the simple

OLS or Probit regression analysis, however we could not have known this without running the Heckman Selection model to confirm it.

The variables black and college and beyond become more significant in the selection model. Additionally, the variables hispanic, less than high school education, high school education and welfare also become significant in the selection model. Hispanic status decreases the chances of graduating as does being on Welfare. An educational level of college or beyond increases the chances of graduating more than having just a high school diploma. Those having less than high school educational attainment have the greatest chance of graduating the program.

Employment

Since we do not observe employment for any non-graduates and everyone that graduated became employed, a selection model cannot be estimated using graduation as the selection factor.¹³ The variables self-esteem, locus of control and effort will be used as proxies for graduation. These variables may, in fact, be better measures of the STRIVE process than participation because these measures represent the actual social psychological values that the STRIVE program is supposed to instill in its graduates. These three variables are indicators of graduation or STRIVE values. They also provide variability because measures of these values are available for many individuals who did not graduate.¹⁴ Looking at employment as a function of these three value areas will

¹³ The employment model as a function of participation cannot be used because cross tabs between participation and employment show a cell with zero's in it. This is saying if participation is zero then there is no employment, which cannot be true. Some of the people who did not participate and left the program, became employed on their own. Therefore, the model cannot be run this way.

¹⁴ These measures were obtained at three intervals of the program: upon entering the program, upon graduating the program and 90 days following graduation.

allow us to estimate a selection model for employment conditioned on inculcation of STRIVE program values.

The variables found to predict self-esteem were black, welfare status and divorced status while welfare status, married and single predicted effort and a combination of these variables was used in a model for locus of control.¹⁵ A Heckman Probability model is used in this case to predict employment as a function of covariates other than the mentioned variables. The estimates of these selection models are presented in Table 6.3:

¹⁵ This was done because no significant variables were returned when locus of control was regressed on the covariates. A combination of the significant variables returned for self-esteem and effort are used for locus of control because I believe it is endogenous and the assumption is being made that the same kinds of variables cause all three of these measures.

Table 6.3 Selection Model Estimates for Those Employed by the STRIVE Program

Predictors	Adjusted Employment Model Estimates for Self-esteem	Adjusted Employment Model - Standard Errors	Adjusted Employment Model Estimates for Locus of Control	Adjusted Employment Model - Standard Errors	Adjusted Employment Model Estimates for Effort	Adjusted Employment Model - Standard Errors
Crime	-0.105	0.215	-0.042	0.221	-0.129	0.228
Less than high school education	0.391	0.503	0.471	0.515	1.357	0.687
High school education	0.248	0.439	0.459	0.455	1.477*	0.668
College and beyond education	-0.116	0.495	0.235	0.505	1.301	0.696
Married	0.219	0.426	0.521	0.394	-	-
Separated	-0.492	0.429	-0.488	0.419	-0.698	-0.501
Single	-0.911*	0.333	-	-	-	-
Female	-0.093	0.216	-0.079	0.217	-0.329	0.229
Hispanic	-0.675	0.547	-0.584	0.409	-0.550	0.521
Age	-0.025*	0.012	-0.028*	0.012	-0.022	0.013
Children	-0.019	0.063	0.079	0.073	0.036	0.071
Hazard Rate	-0.360	0.899	-0.234	0.827	0.425	0.738
Intercept	1.741	0.743	1.288	0.711	-0.149	0.999
Selection Model						
Black	0.324	0.236	-0.152	0.258		
Welfare	0.361*	0.183	0.494*	0.186	-0.472*	0.173
Divorced	-0.836*	0.287	-0.416	0.329	-	-
Married	-	-	-	-	0.099	0.277
Single	-	-	-0.401	0.212	0.147	0.21

Note: n = 133

After further investigation through the Heckman Probability model it can be concluded that there is no selection due to self-esteem, locus of control or effort. The amount of self-esteem, locus of control and effort a participant possessed had no impact on becoming employed. Even after controlling for selection, being single is negatively related to becoming employed.

Looking at Table 6.3, it is evident that people with high self-esteem and people with low self-esteem, high locus of control and low locus of control and those with high effort and low effort are all equally likely to become employed.

In relation to self-esteem, age, single status and divorced status are negatively related to obtaining employment. For locus of control, age is statistically significant and being single is borderline significant, both negatively related to being employed. Also welfare has a positive effect to becoming employed. High school education is positively related to the amount of effort the participants exert. The effort variable is negatively related to Welfare.

The welfare variable is a very powerful and interesting variable in these three cases. Welfare has a positive effect on the individuals' self-esteem and locus of control, however it has a negative effect on effort the individual exerts. It is expected that Welfare would have a negative effect on effort, however the positive effect of Welfare on self-esteem and locus of control is unexpected. This suggests that being on Welfare helps an individual build self-esteem and locus of control, but in terms of actually taking action it does not help.^{16 17}

¹⁶ Running a selection model for employment selecting on participation included more cases than the models which selected on the various soft skills. This model provided very similar results to these 3 models. The significant variable's coefficients (standard errors) are listed:

Single: -0.308 (0.099)

Hispanic: -0.276 (0.134)

Age: -0.009 (0.003)

Welfare: -0.438 (0.158)

¹⁷ Due to the fact that Personal Capital and Social Capital are mutually reinforcing, I also ran these selection models with an interaction term accounting for both of these forms of capital with educational level as Personal Capital. I interacted each of the three soft skills, self-esteem, locus of control and effort with whether or not the individual is a high school dropout and found no significance in these models.

Wages

For those individuals who became employed, the actual dollar number of wages earned was recorded. Individuals who did not become employed did not earn any wages through the program and zero dollars of wages was inputted for them in the data. Assuming that an individual did not become employed suggests that individual did not earn any wages and allows for variability. Consequently, there may be a selection process in which there are wages only for people that were employed so an adjustment needs to be made for the factors that might have led to their employment.

When looking at wages as a function of employment and all the covariates, without adjusting for selection, there appears to be a substantial employment effect. This model is shown in Table 6.4. It appears that STRIVE is responsible for a wage of \$9.92 an hour. There is also a race effect on wages which is borderline significant. Being of Black origin decreases wages by \$1.47 an hour.

Table 6.4 Wages of STRIVE Graduates as a Function of Employment and Biographical Characteristics

Biographical Characteristics	Wages	Wages – Standard Errors
Employment	9.922*	0.491
Age	0.024	0.026
Female	0.102	0.503
Single	0.386	1.065
Married	1.240	1.139
Divorced	1.058	1.230
Separated	0.027	1.284
Children	0.007	0.159
Criminal Background	0.549	0.534
Less than High School Education	-0.969	1.144
High School Education	-0.466	1.006
College and Beyond	0.639	1.136
Black	-1.471	0.807
Hispanic	-1.559	1.237
Welfare	-0.042	0.502

Note: n = 129

It seems as though everyone who became employed earned more wages as a result of the STRIVE program. However, this effect may not be a result of the program; it may be a result of actually becoming employed because being employed through this program is a function of being selected through the program. To determine whether the entire amount of \$9.92 can be attributed to STRIVE, I run a selection model on wages.

Regressing employment on the 3 measures of values to be instilled, self-esteem, locus of control and effort and the covariates, reveals that being single and age are the

two characteristics that predict employment. Using this information, a Heckman selection model for wages is presented in Table 6.5:

Table 6.5 Selection Model Estimates for Wages STRIVE Graduates Earned

Predictors	Adjusted Wages Model Estimates	Adjusted Wages Model Standard Errors
Black	-2.309*	1.163
Hispanic	-1.277	2.112
Crime	1.039	0.755
Married	1.736	1.135
Divorced	2.081	1.232
Less than high school education	-0.585	1.946
High school education	-0.119	1.74
College and beyond education	1.006	1.882
Children	-0.100	0.236
Female	0.082	0.712
Separated	0.997	1.589
Welfare	0.079	0.71
Hazard Rate	5.472*	0.551
Intercept	7.106*	2.132
Selection Model		
Single	-0.573*	0.183
Age	-0.016*	0.007

Note: n = 129

The Heckman Selection model for employment results in a highly significant lambda which is in accordance with my expectation of a significant selection factor based on unobserved employment. Through the selection model, it was found that the characteristics that predicted employed were age and being single, both of which had a negative impact on wages. The significant hazard rate (lambda) indicates that wages due to STRIVE are overstated by \$5.47 an hour. That is, about 55 percent of the \$9.92 found in the OLS regression of wages on employment and covariates is a function of

factors the STRIVE program does not control. The remaining \$4.45 is the STRIVE effect on wages for all the participants.

In the OLS model depicted in Table 6.4, it was shown that being Black lowers wages by \$1.47. However, we have seen with the selection model, in Table 6.5, that the effect is actually greater; being Black lowers wages by \$2.31. The STRIVE program makes a \$4.45 contribution to the wages of all its participants, however there is a significant Black effect which decreases this amount by \$2.31 to \$2.14. Since a majority of the individuals that graduated the STRIVE program were Black, a typical STRIVE Central Jersey graduate can expect to earn \$2.14 an hour due to the program.

For a person of non-Black origin, the STRIVE program made a contribution of \$4.45 an hour. If the individual is Hispanic, that wage decreases by \$1.27, however this is not statistically significant. It appears that those of White origin benefit most from the program. Comparatively, people of Black origin are worse off and this program is geared toward this group of people.

Chapter 7

CONCLUSIONS & POLICY RECOMMENDATIONS

General Discussion

Employment for the poor and underprivileged is a seemingly intractable problem in this country. High crime rates, low levels of educational attainment, minimal contribution to community and financial liabilities on the rest of society are destructive consequences that burden the country.

Many approaches have been utilized to help such individuals become more self-sufficient with very limited success. The method that this thesis focused on was WtW programs, specifically the STRIVE program. STRIVE is an approach that emphasizes the development of Social Capital in order to become employable. The theory is a useful one which has its foundation in the work of economists and sociologists such as Gary S. Becker and James S. Coleman. Both focus on the importance of Social Capital, which refers to one's ability to properly interact with other individuals and in social settings. WtW programs such as STRIVE attempt to build an individual's stock of Social Capital by instilling values, like higher self-esteem and human empowerment, as well as providing instruction on how to properly socialize and work with others.

In this thesis I examined STRIVE Central Jersey which focused on developing the Social Capital of the hard-to-employ individuals of Middlesex and Somerset counties of New Jersey. The STRIVE program entailed a systematic processing through a series of clearly identified program stages. This process provided insight on the various characteristics that allowed some individuals to succeed and others to not

succeed. Those participants who met all requirements of the program graduated whereas those who did not were terminated from the program. Upon graduation, not all graduates became employed; only a select number of graduates became employed. Thus, because there are specific individuals who progress to graduating and becoming employed, an analysis was conducted to determine which demographic characteristics these individuals possessed which the others did not. Most importantly, the overall effectiveness of STRIVE Central Jersey was assessed by analyzing the wages of the individuals who graduated and became employed.

Past studies found that WtW programs employed some of the “hard-to-employ” individuals, however their overall financial position remained the same as it was when they were on Welfare, sometimes even worsening. The results of my analysis of STRIVE Central Jersey is largely consistent with the past findings of similar programs:

- Both age and being single had a negative impact on wages.
- The wages of the graduates of the STRIVE program decreased from \$10.28 to \$9.92 an hour. If one focuses only on those individuals who became employed through the program, their wage decrease was even greater, decreasing from \$12.03 to \$9.92 an hour.
- \$4.45 of the \$9.92 an hour wage earned is the STRIVE effect on wages for all participants.
- Black individuals earned \$2.31 an hour less than those who are White or Hispanic, thus the STRIVE effect for Black participants is \$2.14.
- STRIVE is responsible for approximately 45 percent of the lower wages for all STRIVE participants and 22 percent of the lower wages for Black STRIVE

participants. Other factors like the economy, discrimination and transitioning from manufacturing jobs to service jobs are responsible for the remainder.

- I found in this study that while STRIVE Central Jersey was successful in employing approximately 32 percent of its participants and 56 percent of its graduates, these individuals' financial well-being was poor. The earnings of those who became employed by this program was only \$715.20 above the poverty line.¹⁸ Additionally, Medicaid and Food Stamp eligibility was terminated for these individuals and thus they were not only earning meager wages but also did not have health care coverage any longer.

The STRIVE program could be modified in some ways to create a more positive effect on its participants, however I believe that this will not be very effective. I believe the employment success rates of 32 percent and 56 percent are due to the fact that such workfare programs function more like an employment agency by finding employment for their graduates and ensuring they remain employed. I find the employment and wages of STRIVE graduates have very little to do with the actual values and skills that are attempted to be instilled in them. In terms of a cost-benefit analysis, WtW programs seem to invest more funds into the program than they realize in terms of increases in the wages of participants. Perhaps there are benefits that might arise in the long-term due to this program. However, according to the limited time period examined in this

¹⁸ Taking into account the mentioned adjustments to wage provided by the Wage Selection model, the final wage a typical graduate of STRIVE would earn is \$7.61. The following calculation will determine the annual earnings of this individual:

$\$7.61 * 40 \text{ hours a week} * 4 \text{ weeks a month} * 12 \text{ months a year} = \$14,611.20 \text{ a year}$

A typical STRIVE graduate earned \$715.20 over the poverty line:

$\$14,611.20 \text{ annual earnings} - \$13,896 \text{ poverty threshold} = \715.20

The extra \$715.20 STRIVE graduates earn is nominal when taking into account that (1) they will be taxed on this income (2) Medicaid eligibility is terminated (3) Food Stamp eligibility is terminated (4) Public housing eligibility is terminated.

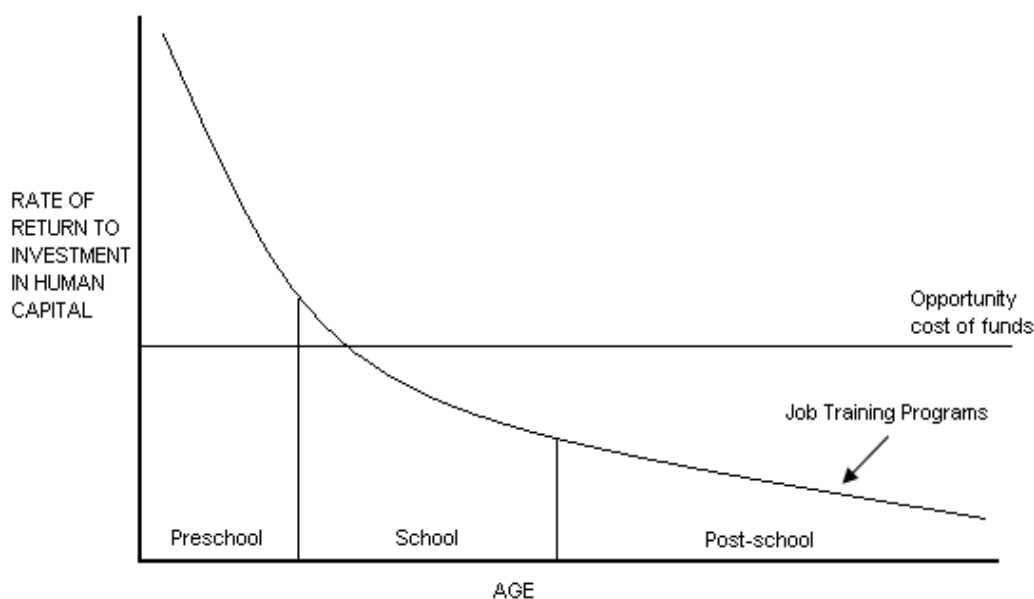
evaluation, it might be more financially advantageous to simply hand over the funds that would be invested in such programs to the participants.

Policy Recommendations

Although my suggestions could possibly improve the outcomes of WtW programs, I am still skeptical. One suggestion I offer is to direct efforts away from building soft skills and toward job-specific hard skills. The approach STRIVE implements attempts to instill confidence and then expects employment to simply come as a result. Perhaps the causal order of this issue is reversed. It could very well be that an individual will obtain self-esteem after he/she achieves something. Perhaps if an individual learns a skill and applies it in his/her new employment, his/her confidence level will increase because he/she is actually being productive and successful. Self-esteem and locus of control will naturally increase in this way as opposed to being artificially increased through job training programs which try to talk these values into the participants having no justifiable basis.

The above suggestion could be followed by redirecting funds invested in WtW programs, such as STRIVE, toward sending the “hard-to-employ” individuals to training schools for jobs that are in demand in the area. For example, individuals could be put through cosmetology school to be able to work as a hairdresser or through technical school to be able to work as a mechanic. However, a very important limitation to this proposal that can hinder its effectiveness is timing. Individuals must receive this training very early in their adult lives, perhaps during or right after high school, to truly profit from it.

Perhaps the most cost-effective and promising approach, however, would be to completely refocus Human Capital development models to the earlier stages in an individual's development rather than the later stages. James Heckman believes that "learning begets learning because of dynamic complementarities" (Heckman, 2003). By this he means that the early years of an individual are perhaps the most important because this period is the basic foundation needed in order to acquire the necessary skills required for productivity and aptitude in the workplace. Heckman states that these skills begin developing very early on during the schooling years. His illustration of this concept follows:



Source: Heckman, 2003

Figure 7.1 Rate of Return to Human Capital Investment

Heckman argues that deficits in the cognitive and noncognitive areas that develop in the early years of an individual's lifetime can only be remedied partially, if at all. Thus, training programs cannot be used as an antidote to treat the lack of skills which should have been instilled very early in the child's life. Being that job training

programs intervene much later in an individual's life, Heckman contends that "the best available evidence indicates that public training programs are an inefficient transfer mechanism and an inefficient investment policy for low-skilled adult workers"

(Heckman, 2003). Accordingly it would be more appropriate to focus efforts where there is a greater chance of being successful: children. If concentration is shifted from the "hard-to-employ" individuals to children, the problem will be extinguished at the root and the endless cycle of low-skilled individuals could finally come to an end.

Programs such as Head Start, which focus on "enhancing the social and cognitive health of children through the provision of educational, health, nutritional, social and other services," would prove to be more valuable in the long-run (U.S. Department of Health and Human Services). This would require an incremental reduction of funds from WtW programs to programs such as Head Start. Theoretically, this would result in gradually smaller cohorts of "difficult-to-employ" individuals in the future.

This study, like past evaluations of WtW programs, fails to provide compelling evidence that WtW programs instill skills that have actually enhanced the employment and earnings of the difficult-to-employ. These individuals' prospects for achieving some level of economic stability remains an issue of concern. This study points away from implementation and efficacy analysis concerns and questions the overall merit of WtW programs. As policymakers continue efforts to foster self-sufficiency for underprivileged individuals, perhaps they should consider refocusing their efforts entirely.

APPENDIX A

CALCULATIONS FOR TABLE 2.1 :

Derivation of Adjusted Average
Derivation of Overall Yearly Average Change in Total Individual Income
Derivation of Adjusted Yearly Average Change in Total Individual Income

DERIVATION OF ADJUSTED AVERAGE (Table 2.1)

NEWS Study of Eleven Sites ranged from 1991 to 1999. The mid-year in this time period was determined to be 1995. The CPI in 1995 was 152.4.

$$\begin{aligned}x / \$538.21 &= 201.6 / 152.4 \\x &= \$711.96\end{aligned}$$

MDRC Study of Four Sites ranged from 1985 to 1988. The mid-year in this time period was determined to be 1987. The CPI in 1997 was 113.6.

$$\begin{aligned}x / \$850.75 &= 201.6 / 113.6 \\x &= \$1509.78\end{aligned}$$

California's Greater Avenues for Independence ranged from 1988 to 1990. The mid-year in this time period was determined to be 1989. The CPI in 1989 was 124.

$$\begin{aligned}x / \$453 &= 201.6 / 124 \\x &= \$735.49\end{aligned}$$

New Jersey's Family Development Program ranged from 1992 to 1996. The mid-year in this time period was determined to be 1994. The CPI in 1994 was 148.2.

$$\begin{aligned}x / -\$831 &= 201.6 / 148.2 \\x &= -\$1130.43\end{aligned}$$

Florida's Project Independence ranged from 1990 to 1993. The mid-year in this time period was determined to be 1992. The CPI in 1992 was 140.3.

$$\begin{aligned}x / -\$38 &= 201.6 / 140.3 \\x &= -\$54.60\end{aligned}$$

Adjusted average for all five programs:

$$\begin{aligned}&\frac{\$711.96 + \$1509.78 + \$735.49 + (-\$1130.43) + (-\$54.60)}{5} \\&= \$354.64\end{aligned}$$

DERIVATION OF OVERALL YEARLY AVERAGE CHANGE IN TOTAL
INDIVIDUAL INCOME (Table 2.1)

NEWWS Study of Eleven Sites:

$$\$538.21 \text{ (Net change in total individual income)} / 9 \text{ years (program duration)} = \$59.80$$

MDRC Study of Four Sites:

$$\$850.75 \text{ (Net change in total individual income)} / 4 \text{ years (program duration)} = \$212.68$$

California's Greater Avenues for Independence:

$$\$453 \text{ (Net change in total individual income)} / 3 \text{ years (program duration)} = \$151$$

New Jersey's Family Development Program:

$$-\$831 \text{ (Net change in total individual income)} / 5 \text{ years (program duration)} = -\$166.20$$

Florida's Project Independence:

$$-\$38 \text{ (Net change in total individual income)} / 4 \text{ years (program duration)} = -\$9.50$$

Adjusted average for all five programs:

$$\frac{\$59.80 + \$212.68 + \$151 + (-\$166.20) + (-\$9.50)}{5}$$

$$= \$49.56$$

DERIVATION OF ADJUSTED YEARLY AVERAGE CHANGE IN TOTAL
INDIVIDUAL INCOME (Table 2.1)

NEWWS Study of Eleven Sites:

$$\begin{aligned} x / \$59.80 &= 201.6 / 152.4 \\ x &= \$79.11 \end{aligned}$$

MDRC Study of Four Sites:

$$\begin{aligned} x / \$212.68 &= 201.6 / 113.60 \\ x &= \$377.43 \end{aligned}$$

California's Greater Avenues for Independence:

$$\begin{aligned} x / \$151 &= 201.6 / 124 \\ x &= \$245.50 \end{aligned}$$

New Jersey's Family Development Program:

$$\begin{aligned} x / -\$166.20 &= 201.6 / 148.2 \\ x &= -\$226.09 \end{aligned}$$

Florida's Project Independence:

$$\begin{aligned} x / -\$9.50 &= 201.6 / 140.3 \\ x &= -\$13.65 \end{aligned}$$

Adjusted average for all five programs:

$$\frac{\$79.11 + \$377.43 + \$245.50 + (-\$226.09) + (-\$13.65)}{5}$$

$$= \$92.46$$

APPENDIX B

ACTUAL SURVEYS GIVEN IN THE STRIVE CENTRAL JERSEY PROGRAM :

Hudson Self-Esteem Scale Survey
Schuessler Scale of Self-Determination Survey

NAME: _____ Social Security Number: _____ DATE: _____

This set of questions is designed to measure how you see yourself. It is not a test, so there are no right or wrong answers. Please answer each item as carefully and accurately as you can by circling the number that corresponds with how often you agree with each statement. Circle 1 if you agree rarely or none of the time, 2 if you agree a little of the time, 3 if you agree some of the time, 4 if you agree a good part of the time, and 5 if you agree most or all of the time.

	Agree rarely or none of the time	Agree a little of the time	Agree some of the time	Agree a good part of the time	Agree most or all of the time
1. I feel that people would not like me if they really knew me well.	1	2	3	4	5
2. I feel that others get along much better than I do.	1	2	3	4	5
3. I feel that I am a beautiful person.	1	2	3	4	5
4. When I am with other people, they are glad that I am with them.	1	2	3	4	5
5. I feel that people really like to talk to me.	1	2	3	4	5
6. I feel that I am a very competent person.	1	2	3	4	5
7. I think that I make a good impression on others.	1	2	3	4	5
8. I feel that I need more self-confidence.	1	2	3	4	5
9. When I am with strangers I am very nervous.	1	2	3	4	5
10. I think that I am a dull person.	1	2	3	4	5
11. I feel ugly.	1	2	3	4	5
12. I feel that others have more fun than I do.	1	2	3	4	5
13. I feel that I bore people.	1	2	3	4	5
14. I think that my friends find me interesting.	1	2	3	4	5
15. I think that I have a good sense of humor.	1	2	3	4	5
16. I feel very self-conscious when I am with strangers.	1	2	3	4	5

NAME: _____ Social Security Number: _____ Date: _____

This set of questions is designed to measure how you see yourself. It is not a test, so there are no right or wrong answers. Please answer each item as carefully and accurately as you can by circling the number that corresponds with how often you agree with each statement. Circle 1 if you agree rarely or none of the time, 2 if you agree a little of the time, 3 if you agree some of the time, 4 if you agree a good part of the time, and 5 if you agree most or all of the time.

	Agree rarely or none of the time	Agree a little of the time	Agree some of the time	Agree a good part of the time	Agree most or all of the time
17. I feel that if I could be more like other people I would have it made.	1	2	3	4	4
18. I feel that people have a good time when they are with me.	1	2	3	4	5
19. I feel like a wallflower when I go out	1	2	3	4	5
20. I feel I get pushed around more than others.	1	2	3	4	5
21. I think I am a rather nice person.	1	2	3	4	5
22. I feel that people really like me very much.	1	2	3	4	5
23. I feel that I am a likeable person.	1	2	3	4	5
24. I am afraid that I will appear foolish to others.	1	2	3	4	5
25. My friends think very highly of me.	1	2	3	4	5

DATE: _____

NAME: _____ Social Security Number: _____

The following questions measure how much control you think you have over your life. It is not a test, so there are no right or wrong answers. Please indicate whether you mostly agree or mostly disagree with the statements that follow by circling 1 if you mostly agree and 2 if you mostly disagree.

	Mostly Agree	Mostly Disagree
1. There are few people in this world you can trust, when you get right down to it.	1	2
2. What happens in life is largely a matter of chance.	1	2
3. If the odds are against you, it's impossible to come out on top.	1	2
4. I have little influence over the things that happen to me.	1	2
5. I sometimes feel that I have little control over the direction my life is taking.	1	2
6. Nowadays a person has to live pretty much for today and let tomorrow take care of itself.	1	2
7. I've had more than my share of troubles.	1	2
8. For me one day is no different than the other.	1	2
9. The world is too complicated for me to understand.	1	2
10. I regret having missed so many chances in the past.	1	2
11. It's unfair to bring children into the world with the way things look for the future.		
12. The future is too uncertain for a person to plan ahead.	1	2
13. I find it difficult to be optimistic about anything nowadays.	1	2
14. No right or wrong ways to make money, only easy and hard.	1	2

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