

PROMISE JOBS: WORK AS A WAY OUT OF POVERTY

ABOUT AIWP

The Association of Iowa Workforce Partners (AIWP) is an assembly of direct workforce service providers. AIWP strives to enrich Iowa's economic development through the delivery of innovative workforce services. AIWP works to provide the link between people, communities and industry. AIWP was established in 2000 and currently has 17 member organizations. Current members include Workforce Investment Act providers, Iowa Workforce Development, and agencies serving special populations.

ABOUT PROMISE JOBS

Iowa's PROMISE JOBS program works to meet the goals of the Federal Temporary Assistance for Needy Families (TANF) program. The guidelines in the law were developed with good intentions – to limit the use of public assistance and encourage self-sufficiency by emphasizing the importance of employment (The Workforce Alliance, nd). PROMISE JOBS is an acronym for "Promoting Independence and Self Sufficiency through Employment, Job Opportunities and Basic Skills."

PROMISE JOBS is the employment and training component of the Family Investment Program (FIP), Iowa's public assistance program for low-income families. FIP, administered by the Iowa Department of Human

Services (DHS), provides temporary cash assistance for low-income families with children with a 60-month national lifetime limit on benefits. DHS contracts with Iowa Workforce Development (IWD) to administer PROMISE JOBS. Services are then provided on a regional basis by staff of Iowa Workforce Development and Workforce Investment Act providers. At the end of SFY 2009, 16,249 Iowa families were receiving FIP benefits and approximately 72 percent of those individuals were required to participate in PROMISE JOBS.

SERVICES

PROMISE JOBS (PJ) provides education, training, and employment assistance to FIP participants to become self-sufficient. Since PJ is a federally funded program, participants must be engaged in specific activities for the state to get "credit" for helping them get to work. Some of the allowed activities include employment, work experience, job search and job readiness, community service, high school completion/GED, parenting classes, FaDSS, vocational education training (for up to 12 months), and secondary school education. PJ participants are also eligible to receive support services such as financial assistance with childcare and transportation, which are vital to their ability to complete work and training activities.

CHALLENGES

Increasing Caseloads

During SFY09, there was a monthly average of 14,324 individuals and 904 two parent households participating in PROMISE JOBS. Due to economic and employment conditions, PROMISE JOBS caseloads are increasing—13,049 individuals were participating in PROMISE JOBS in June 2009. Caseloads are expected to continue to increase as individuals exhaust unemployment benefits. PJ funding for SFY10 includes a combination of federal and state funding totaling \$21,638,263, of which \$14,557,507 was contracted to IWD for PJ services. Other funding is used for PJ client support services, DHS administration, and the Bureau of Refugee Services. PJ funding is allocated through a regional formula; each region is obligated to serve all individuals enrolled in PJ within the amount allocated each year regardless of increases in caseloads.

The Role Work Plays in Family and Economic Well-Being

"Today's problem is poverty despite work" (Fremstad and Walsh, 2006). According to the U.S. Census Bureau, the poverty rate for female-headed households (which represent the majority of FIP participants) with children under age 18 is 38.1 percent (American Community Survey, 2008). The average hourly wage of individuals leaving FIP in FY 2008 was \$8.23 – if working full-time, that wage provides an annual full-time gross income of \$17,118, which is below the federal poverty level for a family of three (Iowa Department of Human Services, 2008).

Barriers to Work

Nationally, although TANF caseloads have decreased since the introduction of new guidelines focused on work and time limits, recipients report higher numbers of disabling factors that limit their ability to be self-sufficient (The Lewin Group, 2001). According to the Urban Institute, half of welfare recipients with no barriers to employment were working, while only 14 percent of recipients with two or more barriers were working at the time of their study (Zedlewski, 2003). The hardest to employ TANF recipients experience multiple barriers to work, including less than a high school education, few job skills, transportation problems, an infant at home, physical and mental health conditions, learning and reading difficulties, domestic violence issues, and substance abuse (The Lewin Group, 2001, Kauff, 2008, & Zedlewski, 2003). According to the Iowa Department of Human Services, 61 percent of families requesting a hardship extension to the 60-month limit for receiving FIP identified a disability as their primary barrier to self-sufficiency (Iowa Department of Human Services, 2006).

Strengthen Regional Capacities to Connect People to Work

The Regional Workforce Investment Boards (RWIBs) assist in awarding and monitoring local service provider contracts, as well as identifying local workforce system needs and providing recommendations to IWD. Given the changing context of workforce and regional economic demands, the responsibilities of the RWIBs need to be expanded. RWIBs can serve a critical role in identifying regional needs, creating partnerships with employers and other stakeholders, eliminating duplication of services, and prioritizing issues to be addressed. In the case of the often difficult-to-serve PROMISE JOBS population, RWIBs can ensure that a variety of training options for job seekers exist, aligning with current data about local economies, adequately reflecting skill demands, and resulting in high-quality jobs and a larger skilled labor pool for business and industry.

NEEDS FOR THE PRESENT AND FUTURE

Continued State Investment

There has been tremendous support in the state on the part of the Governor, Iowa General Assembly, and many other stakeholders to invest in workforce development programs despite tight budgets and difficult economic conditions. This support recognizes that workforce programs are meeting tremendous demand from unemployed and dislocated workers who need support and skills development assistance from workforce professionals to regain employment in growing and high-demand occupations. PROMISE JOBS is a vital component of state workforce development services, but is often left out of the conversation since it funded through human services. Sustained investment in PROMISE JOBS through the successful partnership between DHS, IWD, and Workforce Investment Act providers is necessary to meet consumer demand as more individuals rely on public assistance in difficult economic times. An important component of PJ is the Family Self-Sufficiency Grant (FSSG), which pays for goods or services to meet specific short-term employment-related barriers. A total of 2,877 FIP families received FSSG in SFY 2009 at an average cost of \$562, paying for essential supports such as car repairs and insurance, tools needed for the job, and job interview clothing. FSSG funds are for persons already job ready, or who will be within two months.

Increased Funding for Career Pathways

Increasingly, AIWP member organizations have focused on directing PJ and other workforce program participants into career pathways. Career pathways expand access to education and training for workers by aligning GED, ABE, job training and higher education systems to create pathways to educational credentials for people while they work and support their families. While there are limited resources available for these types of new initiatives, several workforce regions in Iowa have piloted such efforts with excellent outcomes. Pilot projects in Region 9 (Davenport) and Region 13 (Council Bluffs) have successfully combined GED with career exposure to increase relevance of the education and get individuals started on a path toward a specific career goal.

Federal Reauthorization

TANF is scheduled for federal reauthorization in 2010, which creates opportunities to improve programming to better meet the needs of PJ participants. Stakeholders from Iowa can speak with one voice to educate Congress on improvements that would increase access to training and better measure outcomes. AIWP recommends expanding current TANF limits on training from 12 months to two year programs to direct individuals to programs that will lead to employment in high-demand fields that pay a living wage. AIWP also recommends that performance measures be changed to better align with other workforce programs that focus on true employment outcomes such as job placement, retention, and earnings.

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