



ENSURING THAT ALL WORKERS BENEFIT IN AN ECONOMIC RECOVERY: TRANSITIONAL JOBS FOR THE HARDEST TO EMPLOY

The National Transitional Jobs Network (NTJN) recommends that as part of an economic recovery package, the new administration and Congress support a two-year federal investment in Transitional Jobs programs equal to \$400 million dollars. In addition, the NTJN is recommending that the new Administration provide maximum flexibility within existing funding streams that can be used to support Transitional Jobs for the development and expansion of these programs. Finally, the NTJN supports full funding for the Green Jobs Act and the Second Chance Act, and increases in funding for youth programs that can support Transitional Jobs. This proposal complements the long-term commitment that President-elect Obama has expressed to invest \$1 billion dollars over five years for Transitional Jobs programs and career pathways programs for the hardest to employ across the country, as a key component of a poverty reduction strategy.¹ The NTJN is the lead national coalition of over 2,000 program providers, workforce and anti-poverty organizations, and government officials focused on supporting transitional employment to help the hardest to employ move from poverty to opportunity.²

In the current economic recession, individuals who have a hard time getting and keeping a job are especially vulnerable, and many are already feeling the strains of chronic unemployment and poverty. Without immediate and effective employment strategies to help people across the country get and keep jobs, those with barriers to employment will face dire and multiple conditions of prolonged poverty and hardship. In order to ensure that these individuals do not fall further behind, the NTJN recommends that funding for Transitional Jobs programs are specifically dedicated to people with barriers to employment such as disconnected youth, TANF recipients, persons who are formerly incarcerated, and veterans.

As the debate over job creation strategies within a recovery package develops, we encourage attention to how such strategies support the entry and advancement of all workers, including the hardest to employ. A sub-set of jobs created in an economic recovery package can provide critical on-ramps and pipelines for very low-skilled workers to move into good jobs with Transitional Jobs (TJ) programs as the appropriate entry point for many hard to employ populations. TJ programs, while designed to help workers be successful in work, also provide much-needed earned income that stimulates communities by getting money to low-income people who spend it rapidly to meet their basic needs.

Millions of Americans Need Assistance in Order to Succeed in Employment

- 5.2 million youth are considered disconnected from work and school.
- Over 700,000 people leave prison and return to communities each year.
- Over 3.5 million people experience homelessness in any given year.
- On average 2 million families receive TANF each year.
- Over 300,000 returning veterans have disabilities that will hinder them in finding a keeping a job.

Transitional Jobs is an employment strategy that utilizes temporary, wage-paid, real work, coupled with skill development and supportive services to transition people successfully into work. TJ programs have helped *well over 100,000 people* get and keep employment who have not been successful previously. Over 30 states and numerous localities across the country have implemented Transitional Jobs programs for numerous hard to employ populations. **The core elements of a Transitional Jobs program include:**³ orientation/assessment, job readiness/life skills training, case management/supportive services, subsidized, wage-based transitional job, unsubsidized job placement, job retention support, and linkages to education/training. In addition, TJ programs pay a wage and specify that workers must not displace regular workers in any workplace.

¹President-Elect Obama's proposals for Transitional Jobs programs are available at www.change.gov. For more information about how to implement TJ in the new administration, see <http://transitionaljobs.net/Policy/NTJNFederalMemo.pdf>

² For more information please visit www.transitionaljobs.net.

³ National Transitional Jobs Network. (2007). *Basic Transitional Jobs program design*. Chicago: Author. Available at www.transitionaljobs.net.

National Investment in Transitional Jobs Programs: Recommendations for a Federal Economic Recovery Package

The Transitional Jobs strategy was developed by a diverse group of stakeholders across the country who learned through experience that a combination of temporary, wage-paid real work, supportive services, and skill development was the most effective way to get people with barriers to employment successfully employed. Since its inception, the strategy has been adopted by a growing number of programs and for multiple populations. It is now being used by over thirty states and localities across the country, using several federal and state funding streams. Currently, there is no single dedicated federal funding stream specifically for Transitional Jobs programs. However, as a Senator, President-elect Obama co-sponsored the Responsible Fatherhood and Healthy Families Act, which would authorize a Transitional Jobs grant program specifically for youth, individuals who were formerly incarcerated, longtime public assistance recipients, and individuals experiencing homelessness.

In the absence of a specific program authorization for Transitional Jobs, which President-Elect Obama has already signaled his commitment to pursuing, we recommend the following strategies in order to ensure that federal funds are quickly distributed as part of economic recovery:

- 1. Allocate \$200 million per year for two years in discretionary funding to the Department of Labor for Transitional Jobs programs. DOL should allocate funds in a manner that:**
 - a. builds upon and takes advantage of the existing capacity and knowledge base within the field;
 - b. builds upon investments in Transitional Jobs programs made by other federal agencies, such as the Department of Health and Human Services; and
 - c. provides support for programs that demonstrate capacity to serve as on-ramps to the new jobs being created through federal investments to spur job creation.
- 2. Dedicate \$8 million or 2 percent of the total amount allocated to technical assistance to support best practices and program growth as well as development in geographic areas of high need without programming that exists for the hardest to employ.**
- 3. The administration should provide maximum flexibility under key federal programs to facilitate the development and expansion of Transitional Jobs.** These programs include the Community Development Block Grants, Food Stamp Employment and Training, Temporary Assistance for Needy Families, Job Opportunities for Low Income Workers, Stewart B. McKinney Act, and the Community Services Block Grant.⁴
- 4. The NTJN recommends full funding of the following pieces of legislation, which have been authorized, but not yet received appropriations:**
 - The Green Jobs Act, through which Transitional Jobs programs are an allowable use of funds to support the Pathways out of Poverty demonstration.
 - The Second Chance Act, including clarification that Transitional Jobs programs are an allowable use of funds.
- 5. The NTJN also recommends that funding for youth programs that can support Transitional Jobs within the economic recovery package are realized, including:**
 - Allocate funding for Youth Summer Jobs Programs, which would include year-round Transitional Jobs opportunities for youth.
 - Increase funding for YouthBuild programs.

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⁴ The NTJN has developed recommendations for the new Administration on how to increase flexibility within these funding streams to support Transitional Jobs. For more information, please see: <http://transitionaljobs.net/Policy/NTJNFederalMemo.pdf>