

WorkAdvance: Testing a New Approach to Increase Employment Advancement for Low-Skilled Adults

By Betsy Tessler

Even in good economic times, many low-income, low-skilled adults in the United States have difficulty obtaining jobs that pay enough to support their families, and have difficulty advancing in the labor market. Individuals with no more than a high school education have seen their wages remain flat in real terms for decades, and their employment is often unsteady.¹ Although training programs abound, many low-income individuals cannot afford them, do not complete them, or do not obtain a marketable credential.² At the same time, many employers claim that they cannot easily find people with the right occupational skills to meet their needs. Because of this skills mismatch, some types of jobs go unfilled, even in a weak economy. There has been much debate in recent years about how national workforce policy should address these issues, but policymakers have few rigorous studies to inform their deliberations, and not enough evidence about what works best.

This policy brief discusses a new skills-building model called “WorkAdvance” that is designed to help low-income adults prepare for, enter, and succeed in quality jobs, in high-demand fields with opportunities for career growth. Depending on the location, these sectors of the labor market currently include, for example, information technology (IT),

transportation, manufacturing, health care, and environmental remediation. The WorkAdvance model incorporates strategies often found in sector-based employment programs that have operated for years. It combines these strategies with job coaching after participants are placed into jobs, building on approaches that showed promise in earlier “postemployment” interventions.³

The New York City Center for Economic Opportunity (CEO), a unit of the Mayor’s Office, and MDRC, a nonprofit, nonpartisan education and social policy research organization, developed the WorkAdvance model, and MDRC is evaluating it using a randomized control trial. Launched as a research demonstration project under the federal Social Innovation Fund (see sidebar), WorkAdvance is being operated by four providers in four locations: New York City; Tulsa, Oklahoma; and Cleveland and Youngstown, Ohio.⁴ The remainder of this brief discusses the origins of the WorkAdvance model, its major features, how it is being evaluated, and some early observations of how the providers are operating the program.

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THE SOCIAL INNOVATION FUND

The WorkAdvance program and its evaluation are being funded through the federal Social Innovation Fund (SIF), an initiative enacted under the Edward M. Kennedy Serve America Act. The SIF, administered by the Corporation for National and Community Service, is a public-private partnership designed to identify and expand effective solutions to critical social challenges. The SIF generates a 3:1 private-public match, sets a high standard for evidence, empowers communities to identify solutions, and creates an incentive for grant-making organizations to target funding more effectively to promising programs in three issue areas: economic opportunity, healthy futures, and youth development and school support.

WorkAdvance is part of the New York City Center for Economic Opportunity (CEO) SIF project, which is led by CEO and the Mayor's Fund to Advance New York City in collaboration with MDRC. In eight cities, the CEO SIF project is replicating, improving, and testing five antipoverty programs — including WorkAdvance — that draw on strategies that have shown evidence of effectiveness in New York City and elsewhere.

THE ORIGINS OF WORKADVANCE

Research completed in the 1980s and 1990s provided considerable evidence on what works to help low-income individuals — particularly welfare recipients — become employed. But these studies also found that many participants who found jobs were not better off financially, in part because the jobs they typically attained were low paying and provided few advancement opportunities.⁵ In addition, many participants had trouble remaining employed, because of personal problems, situational problems, or limited skills, or because the jobs ended.

In response to these findings, three major employment retention and advancement

demonstrations were launched in the early 2000s.⁶ Most of the programs tested in these demonstrations included preemployment services that helped participants get jobs quickly and then offered general support and job coaching once participants were working. The in-work or “postemployment” guidance was intended to help participants adapt to their jobs, address personal or situational problems that could undermine steady work, identify opportunities for them to move up, and in some cases assist them to pursue further education or training. Research by MDRC found that some of the programs increased employment and earnings, but many did not.⁷

The most effective programs combined postemployment guidance with a wage supplement that rewarded sustained full-time employment, extra job development assistance for particular types of occupations, or some other special feature. They did not rely on general guidance alone. At the same time, even programs that increased employment and earnings did not typically help participants advance into higher-paying jobs.

Several of these programs increased the rate at which participants entered skills training programs. Yet those effects did not translate into better employment outcomes.⁸ This may be in part because the staff who advised participants on training were not able to customize that advice to specific industries or career paths, or to steer participants toward acquiring skills that were in high demand. And when participants did complete training for in-demand occupations, the program staff typically lacked direct relationships with employers, and thus could not easily link participants to specific job openings in their new fields.

Other studies focused on sector-based training programs that developed close connections with employers and provided training in skills identified by employers as being in demand. Those studies found better results. A randomized trial conducted by Public/Private Ventures (P/PV) tested three small sector-focused programs and found large improvements in employment, earnings, and wage rates within a two-year follow-up period.⁹ Another study commissioned by NYC CEO, although not randomized, showed encouraging results from a sector-focused approach aimed at transportation jobs in New York City.¹⁰

All of these findings have led to new thinking about how best to help low-income, low-skilled adults advance in the labor market. The WorkAdvance model is one approach that grew out of this new thinking. WorkAdvance incorporates promising features from sector-based programs and postemployment programs. It combines these features in the hope of producing larger and longer-lasting effects on career advancement than either strategy might have on its own.

A CLOSER LOOK AT THE WORKADVANCE MODEL

The theory behind WorkAdvance is that an employment program will be more effective in helping low-skilled individuals advance in the labor market the more it aligns its training, job preparation, job placement, and postemployment guidance with employers' needs. This underlying principle drives all of the main features of the model, which are described more fully below.

The model is being tested for low-income adults who are 18 years of age or older, unemployed or employed but earning a

low wage (that is, under \$15 per hour), and whose family income is less than 200 percent of the federal poverty line. In 2013, 200 percent of the poverty line was \$22,980 for one person and \$39,060 for a three-person family.

Each WorkAdvance provider is focusing on occupations in just one or two industry sectors. Each provider is therefore implementing the model differently, tailoring it to its chosen industry sector as well as its region. Across all the sectors, however, each program element is informed by employers' input, and each is focused on long-term career advancement. All of the programs aim to implement the following core elements of the WorkAdvance model:

- **Intensive screening of applicants.** Applicants to WorkAdvance are screened to make sure they have both the ability to complete the training they are offered and the potential to meet employers' needs. At the same time, WorkAdvance providers also use the screening process to identify candidates who are not so advantaged that they could find high-quality jobs in the selected sectors on their own. Because each WorkAdvance provider focuses on a particular industry, screening practices are expected to be more job-specific than in typical job placement programs. Providers must determine whether applicants are interested in the sector as a longer-term career path and whether they possess the basic capabilities needed to benefit from the training and qualify for jobs in that sector. For example, does the applicant have the necessary literacy and math skills

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to handle an IT training curriculum? Would he pass the drug screening or criminal background check that would be necessary for work in hospitals? Does she have the manual dexterity required for certain kinds of specialized manufacturing and transportation-related jobs? Can he lift the weight required for work in many of these sectors? And so on.

Compared with more typical job placement programs, the services offered as part of WorkAdvance are aimed more at specific sectors of the labor market.

- **Sector-focused preemployment services.**

These services typically include help preparing résumés, mock job interviews, development of career plans, and instruction in “soft skills” (for example, how to dress for the job and the importance of being punctual). Compared with more typical job placement programs, the services offered as part of WorkAdvance are aimed more at specific sectors of the labor market. For example, mock interviewing in an IT program would focus on the specific kinds of questions a company’s IT supervisor might ask at a job interview. Career planning would explore career ladders in the IT sector and the kinds of credentials required to attain higher-level IT positions over time.

- **Sector-specific occupational skills training.**

Unlike other employment programs that offer referrals to skills training based largely on participants’ interests, under the WorkAdvance model a provider offers training for occupations in only one or a few sectors. This is intended to ensure that the program staff members develop deep expertise regarding employers and jobs in a sector, their skills requirements, and their training curricula, rather than only a general understanding of jobs and training. Moreover, to ensure that the

training programs are aligned closely with employers’ needs and lead to certifications that are recognized and valued in the local labor market, providers are expected to consult employers about the types of courses to offer, the content of those courses, and the skill sets that graduates should possess. Additionally, providers are expected to offer support to participants to help them overcome barriers to completion, such as transportation assistance or funds to purchase needed equipment.

- **Sector-specific job development and placement.** WorkAdvance providers are expected to help bridge the gap that training graduates often face between acquiring new skills and landing jobs that make use of those skills. To facilitate placements into relevant positions, a provider’s job developers or account managers are expected to have strong relationships with employers who hire the kinds of individuals the program is training. These relationships are expected to open the door for program group members.

- **Postemployment retention and advancement services.** Landing a job does not guarantee success on the job or future advancement opportunities. It is anticipated that some participants in WorkAdvance will not adapt well to their initial placements, will not meet the expectations of their employers, will have personal or situational problems that cause them to lose their jobs, or will find that their jobs end sooner than expected for other reasons. In addition, an employer might offer some participants good starting positions but be unable to offer much opportunity to advance along a career path, requiring participants to switch to a new job eventually in order to get ahead. Therefore, WorkAdvance includes ongoing coaching, assistance

with rapid reemployment (if needed), continued contact with employers to assess participants' performance and advancement opportunities, and guidance on next-step job opportunities and further skills training that could help participants move up career ladders over time.

THE ORGANIZATIONS IMPLEMENTING WORKADVANCE

Four organizations were selected to operate WorkAdvance. All had some experience in delivering workforce services." The nature of that experience varied considerably, however:

- **Per Scholas** (New York City) focuses on the IT sector. This organization has been operating a sector-based training program since 1995 and took part in the earlier randomized trial on sector programs conducted by P/PV.
- **St. Nicks Alliance** (New York City) focuses on environmental remediation and related occupations. Before joining WorkAdvance, St. Nicks had operated occupational skills training programs, including environmental remediation training, for more than 10 years. But it is primarily known as a multiservice agency offering affordable housing, health care, youth services, and other social programs.
- **Madison Strategies Group** (Tulsa, Oklahoma) originated in New York City and operates a variety of workforce programs there, including sector strategies. Its leaders used that experience to launch a new program in Tulsa focused on the transportation sector.
- **Towards Employment** (greater Cleveland area, Ohio) and its subcontractor, **Compass** (Youngstown, Ohio), both focus on the health care and manufacturing sectors.

Towards Employment has delivered a full range of employment services, while Compass has experience providing general job placement services. Each had to build a sector-focused program for WorkAdvance from scratch.

ALTERNATIVE PATHWAYS: TRAINING FIRST OR PLACEMENT FIRST?

One model for sector-based programs is to provide training to all participants before trying to help them find jobs in particular sectors. The two WorkAdvance providers in New York City are following this approach. In contrast, the providers in Tulsa and northeast Ohio are using a mixed strategy that offers a "placement-first" track in addition to the more usual "training-first" track. The placement-first track is intended to offer an alternative route to advancement.

The assumption is that some individuals can qualify for an initial job in the targeted sector without special training beforehand. Others might enter the program with some relevant history or training. In both cases, those workers then could enhance their skills once on the job. They could take advantage of formal on-the-job training that an employer might offer. They might acquire competencies simply through experience on the job. Or they might take relevant training courses while they are working. If the initial jobs offer few opportunities for career growth, they could eventually try to advance by switching to jobs with other employers in the same field.

The decision to implement and test a placement-first track grew out of the belief that such a pathway could be an effective but less expensive approach that still incorporated key features of sector-based strategies. For individuals on this track, the postemployment component of WorkAdvance will be especially critical.

In summary, two of the organizations operating WorkAdvance had provided sector-based training for years, while the others had offered more typical job search, placement, and training referral services. One organization was a general multiservice agency rather than a workforce agency per se. This variety of backgrounds provides an opportunity for MDRC to learn whether the WorkAdvance model can be effective when operated by different types of organizations — an important question to answer if the model is to be replicated on a larger scale.

THE WORKADVANCE EVALUATION

WorkAdvance is being tested through a comprehensive and rigorous evaluation that includes implementation, impact, and cost analyses. This evaluation will add to the very small body of experimental research on sector programs and will include data from sources that have not been used before in studies of such programs.¹²

- The **implementation analysis** will assess what it takes to operate the WorkAdvance model well, and what factors influence how well it performs. It will particularly seek to determine whether most participants complete the skills training courses, whether they find jobs in their new fields, whether the program staff establishes strong relationships with employers, and how well the providers deliver postplacement services to identify and support advancement opportunities.
- The **impact analysis** is using a random assignment research design. Individuals who are eligible for the program are assigned through a lottery-like process to either a program group or a control group. Those in the program group have the opportunity to participate in WorkAdvance, while those in the control group do not.

Control group members are free to seek other services in the community. The program's effects, or "impacts," are indicated by the differences between the two groups in subsequent employment, earnings, and other outcomes. Both groups will be followed for a minimum of 18 months after random assignment, and ideally up to five years if funding permits. The analysis will determine whether WorkAdvance improves employment rates, employment retention, wages, and average earnings, and whether it reduces material hardship and improves financial well-being. The impact analysis and implementation analysis combined should allow evaluators to identify best practices that can be shared with other workforce practitioners.

- The **cost study** will estimate the average per-person cost of operating the program. It will also assess whether, overall, the individuals participating in the program come out ahead economically (taking into consideration alongside their earnings gains any transfer benefits they lose and new tax obligations they incur).

SITES' OPERATING EXPERIENCES

WorkAdvance has been operating for less than two years. The first site began enrolling study participants in June 2011, and the last site started in November 2011. Because the sample recruitment process is still underway and the program is still evolving, it is too soon to assess the program's effectiveness. However, preliminary findings are beginning to show the contours of early operational challenges and accomplishments.

- **Providers had to invest more in recruitment than anticipated.** Because of the thorough screening criteria, many low-income applicants have not passed through the process and moved on to

enroll in the study. At the same time, the study requires providers to recruit twice as many participants as will eventually receive services (to account for both the program and the control group).

In at least three of the programs (Per Scholas, St. Nicks, and Towards Employment), only about 20 percent of applicants made it through the two-day to three-day screening process and enrolled in the study. Some applicants failed to schedule or attend pre-random assignment orientation. Others did not return for retesting after they scored below the minimum required grade level on the Test of Adult Basic Education (TABE), or below threshold levels on other basic aptitude tests. To cope with this large rate of attrition and to accommodate the requirements of the research, providers dedicated more staff time to recruitment efforts.¹³ They also began implementing a broader variety of outreach strategies, including listings on Internet job search sites, social media, and print, television, and radio ads. One provider lowered slightly the minimum threshold required for math skills and explored a different tool that would assess analytical abilities separately from math abilities.

- **Overall, enrollees are better educated and have more work experience than participants in earlier employment retention and advancement programs. But they are still a low-income group and, in some sites, include a large number of ex-offenders or people with other serious employment barriers.** As of April 1, 2013, 2,233 individuals were enrolled in the study (the goal is 2,600), with half randomly assigned to WorkAdvance. Enrollees are mostly female in the programs focused on the health care sector and predominantly male in the IT, environmental remediation,

transportation, and manufacturing programs. Almost two-thirds of the sample has a high school diploma or some college. Almost all sample members (98 percent) had work experience, but only 21 percent were employed when they entered the study, and 25 percent had been out of work for over a year.

The sites focusing on the manufacturing and transportation industries include larger proportions of ex-offenders (49 percent and 39 percent, respectively).

Across the four locations, 38 percent of sample members were receiving Supplemental Nutrition Assistance Program (SNAP) benefits at the time of random assignment, and 6 percent were receiving Temporary Assistance for Needy Families (TANF). Less than half had health insurance coverage — under 30 percent in Tulsa.

The impact analysis and implementation analysis combined should allow evaluators to identify best practices.

- **The WorkAdvance providers are offering occupation-specific skills training courses.** One provider (Per Scholas) offers training courses in-house, taught by its own staff. The other providers rely on partner institutions, such as community colleges, technical colleges, and other training vendors. In some cases where training partners are used, courses are arranged for a cohort of WorkAdvance participants, which allows the program to customize the instruction for those students. Some training partners also shortened the duration of training courses or changed their locations or times to accommodate WorkAdvance participants. Some participants have been placed on an individual basis into existing training courses alongside non-WorkAdvance students.

- **At least two providers have already altered their training approaches to cope with a shifting labor market.** As a sector-based approach, WorkAdvance puts a premium on staying attuned to changes in the landscape of in-demand occupations. Providers must be flexible and adaptable to adjust to changing labor markets. They must alter their training regimens when demand shifts or new skills or technologies are introduced. The two WorkAdvance providers in New York City have already had to address

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this issue. St. Nicks initially focused on occupations in the environmental remediation sector, but demand in that sector turned sluggish. As a result, the provider has begun offering training in a broader (but still related) set of occupations than originally envisioned. In the IT field, Per Scholas is attempting to keep up with rapid changes by offering new training modules focused on handheld devices.

- **To help ensure high completion rates, several providers have taken extra steps to support participants.** One provider (Madison Strategies Group) holds open houses with the families of individuals who are starting training, so that family members will understand the commitment required and support the participant's involvement. Several providers have coupled training with paid internships — or are in the planning stages of doing so — in order to provide participants with income in the short term. One provider is planning to meet with employers to discuss each participant's job performance after the first two weeks of the internship, in order to address any performance issues quickly.
- **It has been challenging for providers to operate dual-track programs in which**

some participants go into training and others are placed directly into jobs. Initially, the providers found it difficult to recruit simultaneously for both tracks. As a result, sites adjusted their recruitment strategies: at certain times they targeted outreach only toward individuals interested in a specific training course that was about to begin, and at other times they concentrated on trying to fill a specific set of available jobs. It remains to be seen whether the first round of hires in the placement-first track will offer participants opportunities to enhance their skills while working, and whether follow-up coaching will give participants concrete guidance on advancement.

- **Overall, career advancement guidance has lagged behind other services, but it is beginning to take hold.** Career advancement services are meant to help participants plan beyond the first job and to be delivered before as well as after employment begins, but in fact they are the least developed of the services. Advancement services had to wait while providers concentrated on up-front activities such as recruitment, screening, conducting random assignment, developing occupational skills training, and developing courses in life skills and job readiness. WorkAdvance providers are now beginning to devote more attention to advancement guidance, however. Career coaches are helping participants map the next steps of their career journeys. Some providers have also begun offering additional skills training courses or workshops for people who have been on the job awhile, so they can gain additional skills to advance. For example, Per Scholas offers advanced IT certification classes such as Network+ to its employed graduates, and Madison Strategies Group offers supervisory training to employed participants.

- **Providers have found a variety of ways to engage employer partners.** Some providers have engaged employers through advisory groups that counsel them on everything from curricula for life skills and occupational skills to the latest trends in the sector. Other providers have developed relationships with existing business intermediary groups, which carry out a similar advisory function. In many cases, employer partners have agreed to come to the provider organizations' offices to conduct mock interviews or consult on other aspects of the programs.

WHAT'S NEXT FOR WORKADVANCE?

The WorkAdvance evaluation is poised to offer many lessons to the field of workforce services. It will deepen knowledge about:

- What it takes to operate sector-based programs
- How to include postemployment services in such programs (and whether such services have value)
- Whether providing pre- and post-employment career coaching succeeds in promoting advancement for low-income, low-skilled adults where other programs have failed
- Which types of participants are most likely or least likely to benefit from this approach and achieve real work gains
- In general, whether WorkAdvance is an approach that should be tried on a larger scale

These findings will offer important evidence for policymakers and program administrators to consider as they explore whether and how to incorporate sector-focused and

postemployment strategies into other workforce policies and programs, such as the Workforce Investment Act (WIA), Pell Grant-funded training programs, or the SNAP Employment and Training program. Likewise, if WorkAdvance proves effective, then localities could choose to continue or perhaps expand its most promising aspects using federal funding streams over which they have some control, such as WIA and TANF.

Enrollment into the WorkAdvance study is scheduled to end in June 2013. The program will operate (and serve nonstudy participants) through at least June 2015 — possibly longer, if early evidence supports sustaining the project and funding is available. The first full report on the program, which will focus on implementation issues, will be published in 2014. A final report presenting findings on program impacts is scheduled for 2015.

NOTES

1 Mishel, Bernstein, and Shierholz (2009); Thiess (2012); Sum and Khatiwada (2010).

2 Hamilton and Scrivener (2012).

3 See, for example, the Riverside Post-Assistance Self-Sufficiency Employment Retention and Advancement Project (or ERA; Navarro, van Dok, and Hendra, 2007), Chicago ERA (Bloom, Hendra, and Page, 2006), and Texas ERA (Martison and Hendra, 2006).

4 The provider in Cleveland subcontracted with a fifth provider to operate WorkAdvance in Youngstown.

5 Hamilton et al. (2001).

6 These demonstrations included the 16-site Employment Retention and Advancement Project (Hamilton and Scrivener, 2012), the UK Employment Retention and Advancement Project (Hendra et al., 2011), and the Work Advancement and Support Centers Demonstration (Miller, van Dok, Tessler, and Pennington, 2012).

- 7 Hamilton and Scrivener (2012).
- 8 Hendra et al. (2011).
- 9 Maguire et al. (2010).
- 10 Henderson, MacAllum, and Karakus (2010).
- 11 CEO and the Mayor's Fund selected the providers through a competitive process, with input from MDRC and local stakeholders.
- 12 The evaluation will include baseline data collected at the time of random assignment (for example, demographics, educational history, and employment history); field research (interviews and observations with staff, participants, and employers); data that the providers keep on program group members' participation and achievements; unemployment insurance wage records; labor market information; and surveys of program and control group members at least 18 months after random assignment.
- 13 The need to recruit twice as many participants as will eventually receive services, to account for random assignment, was especially challenging for the new providers that were still hiring project staff and learning the WorkAdvance model. Ideally, providers could operate for a year or more before undertaking random assignment. Additionally, in the absence of a random assignment evaluation some aspects of WorkAdvance would likely have been implemented differently. For example, providers might have partnered with their local One-Stop Career Centers, which they could not do under study conditions because those career centers were sometimes the main alternative available to control group members for training and job placement. Some providers might have chosen to work with groups of incumbent workers at particular employers, but random assignment of individuals precluded them from working with existing cohorts of employees.

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