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CAN SECTOR STRATEGIES PROMOTE LONGER-TERM EFFECTS?

Three-Year Impacts from the WorkAdvance Demonstration

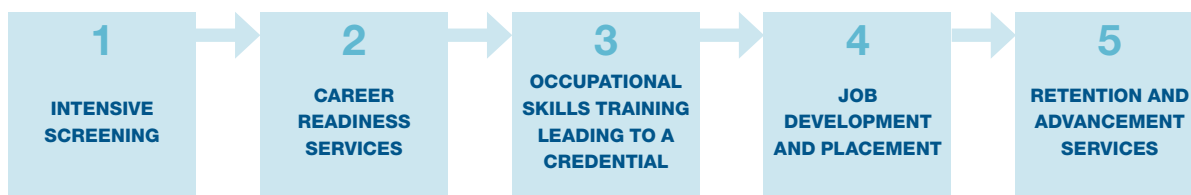
Individuals with low incomes often struggle to advance in the labor market, yet at the same time, some employers report difficulty finding workers with the necessary skills. WorkAdvance is a workforce development model that seeks to address the needs of both of these groups through its “dual customer” approach. The model offers training and placement services to help prepare individuals for quality jobs in sectors where there is strong local demand and the opportunity for career advancement. Between 2011 and 2013, four WorkAdvance programs were evaluated using a random assignment research design. Some programs showed promising earnings gains in the second year of follow-up, but whether WorkAdvance could consistently increase earnings in the long term was an open question. This brief provides an interim look at the effectiveness of WorkAdvance at promoting upward mobility in the long term by updating the economic impact findings through the third year of follow-up.

INTRODUCTION

Many individuals with low incomes struggle to obtain and maintain jobs that pay them enough to meet their needs and put them on a path to upward mobility. At the same time, employers often report difficulty finding workers with the required skills. WorkAdvance — a workforce development model — seeks to overcome these challenges through a “dual customer” approach that meets the needs of both job seekers and employers.

The WorkAdvance model was strongly influenced by prior research on sector strategies, which train individuals for quality jobs in specific industries and occupational clusters where there is strong local demand and the opportunity for career advancement, as well as research on

job retention and career advancement services. The findings from one study in particular — the Sectoral Employment Impact Study (SEIS) completed by Public/Private Ventures in 2010¹ — motivated some of the core aspects of the model. That study was the first rigorous test of sector strategies, and the findings showed positive earnings gains over a two-year follow-up period for individuals in three mature sector programs.² These encouraging findings created significant interest in sector programs: There has been a proliferation of new programs in recent years, and sector strategies are a key component of the federal Workforce Innovation and Opportunity Act passed in 2014. WorkAdvance sought to build on the SEIS findings and learn whether sector programs with an explicit focus on career advancement could be a path to upward mobility. The WorkAdvance model has five main components:



The WorkAdvance model was implemented by four providers, and the programs were evaluated using a randomized controlled trial design. A total of 2,564 individuals enrolled in the study between June 2011 and June 2013 and were assigned at random to either the program (WorkAdvance) group or the control group. Individuals in both research groups were tracked over time, and their outcomes were compared to estimate the “impacts” of the programs.³

Two previous reports described the implementation, participation, and early impact findings of WorkAdvance.⁴ The early impact findings used two and one-quarter years of employment and earnings data, roughly the same length of follow-up as in the SEIS.⁵ And while these findings showed earnings gains for some programs, whether WorkAdvance could consistently increase earnings in the long term was still an open question. This brief starts to answer that question by updating the economic impact findings of WorkAdvance through the third year of follow-up. (A future report will extend the follow-up period further and present the five-year economic impacts of WorkAdvance.) The interim findings presented here add to the small body of rigorous evidence currently available on whether sector programs can increase employment and earnings for low-income individuals beyond the second year after they enter such programs.

1 Maguire et al. (2010).

2 The three programs in the SEIS had all been operating for at least three years before the evaluation. This was not the case for the WorkAdvance providers.

3 In randomized controlled trial evaluations, these “impacts” can be attributed to the program, since the program and control groups are statistically alike at study entry and the only difference between them is that one group received program services and the other did not.

4 Tessler et al. (2014); Hendra et al. (2016).

5 Findings are presented relative to each sample member’s quarter of random assignment. For example, “Year 1” refers to the first four quarters following each sample member’s quarter of random assignment.

TABLE 1
WORKADVANCE PROVIDERS AND SAMPLE COMPOSITION AT BASELINE

	PER SCHOLAS	ST. NICKS ALLIANCE	MADISON STRATEGIES GROUP	TOWARDS EMPLOYMENT
Provider characteristics				
Location	Bronx, NY	Brooklyn, NY	Tulsa, OK	Northeast Ohio
Target sector(s)	Information technology	Environmental remediation	Transportation, manufacturing	Health care, manufacturing
Approach	Training first	Training first	Training and placement first until fall 2012; then mostly training first	Training and placement first until fall 2012; then mostly training first
Sample composition				
Average age	31	35	35	35
Female (%)	13	15	16	59
Some college or more (%)	63	44	58	57
Currently/ever employed (%)	13/96	11/98	27/99	27/97

FINDINGS FROM THE PREVIOUS REPORTS

The findings from the implementation, participation, and early economic impact analyses all showed encouraging evidence for the WorkAdvance model. These analyses were done at the site level because of substantial variation in starting points and organizational emphases across the four providers: Per Scholas, St. Nicks Alliance, Madison Strategies Group, and Towards Employment. Table 1 provides a summary of the key features and sample composition at each site. The providers chose which sectors and occupations to target based on their own experience, local labor market demand, and the potential for advancement within the sector. Some of the providers shifted their specific training, curriculum, or credential offerings partway through the study period in response to employer needs and changes in their local labor market.

Implementation Analysis

One of the main findings from the implementation analysis was that it took time for the providers — especially those that had not operated a sector-focused program previously — to fully implement all the WorkAdvance model components. Because of this, individuals who entered the study later probably received a stronger set of services than individuals who came in earlier. It was hypothesized that because of this difference in the maturity of the programs and their services over time, the impacts for individuals who entered the study later would be larger than the impacts for individuals who entered the study earlier.

Another key piece of the implementation story is that two of the providers — Towards Employment and Madison Strategies Group — initially implemented a “placement first” track, in which some participants skipped occupational skills training and sought immediate employment,⁶ while other participants followed the main “training first” track as outlined in the diagram above. About halfway through the study enrollment period, the placement-first track was phased out at both sites after preliminary evidence showed that individuals in that track were entering low-wage jobs and were not gaining the skills needed to advance. This change in the type of services received by participants is another reason why the impacts were hypothesized to be stronger for late study enrollees than for early study enrollees at these two sites.

Participation Analysis

When the activities of the WorkAdvance and control groups are compared, WorkAdvance produced large increases in participation, beyond what would have happened in the absence of the programs, in all the model components — career readiness services, occupational skills training, job search, and postemployment services — at all four sites. Notably, WorkAdvance increased the likelihood of completing occupational skills training in the targeted sector by 31 percentage points (or more) at every site, and it increased the likelihood of obtaining a credential in that sector by between 25 and 46 percentage points across the sites. This level of increase in service receipt is not always seen in workforce programs, as program enrollees often have barriers that prevent them from fully engaging in services, especially in occupational skills training that can last for several months. These large participation increases allow for a good test of whether the services offered through WorkAdvance are effective in increasing economic outcomes for low-income individuals beyond what would have happened without WorkAdvance.

Early Economic Impact Analysis

The early economic impact findings — covering two and one-quarter years of follow-up — were thought to have captured individuals’ initial job placements within the targeted sectors, but little, if any, advancement within the sectors. The findings varied considerably across the sites. The Per Scholas WorkAdvance program produced large increases in both employment and earnings compared with what would have occurred without the program. St. Nicks Alliance had little effect on any economic outcomes. At both Towards Employment and Madison Strategies Group, there was some indication that their WorkAdvance programs increased employment or earnings, but the increases were mainly in the second year of follow-up and, as was expected, for individuals who came into the study later. This variation across the providers, coupled with findings from prior research on workforce programs that show it can take two or more years for economic impacts to emerge,⁷ reinforced the need to collect and analyze longer-term follow-up data in the WorkAdvance evaluation.

6 The placement-first track was intended to be a less expensive but still effective route to advancement. The idea was that individuals would gain experience and sector-specific skills (through on-the-job training, for example) without going to formal training first. Another rationale for the track was that it helped the providers build relationships with employers sooner because they were able to offer and deliver a more immediate service.

7 Card, Kluve, and Weber (2015).

YEAR 3 ECONOMIC IMPACT FINDINGS, BY SITE

Since the last report on WorkAdvance, three additional quarters of administrative data on employment and earnings have been collected (additional survey data were not collected). With this, three years of follow-up data are now available for all sample members. This length of follow-up allows for a test of whether the WorkAdvance programs led to advancement gains — measured by earnings — within the sectors, and not just initial job placements.

As with the analysis in the previous report, the analysis of the Year 3 data was done at the site level. Because the effects of WorkAdvance were expected to strengthen as the programs gained more experience, the economic impacts at each site were also analyzed by cohort, one of the study’s two prespecified, confirmatory subgroup analyses.⁸ Sample members who came into the study during the first half of the intake period — between June 2011 and September 2012 — are in the “early cohort,” while the “late cohort” includes all remaining sample members, who enrolled between October 2012 and June 2013.

In summary, the Year 3 economic impacts still vary across the providers. The economic impacts at Per Scholas held and grew stronger in Year 3. St. Nicks Alliance had little to no effect on employment or earnings in Year 3. The impacts for the full sample at Madison Strategies Group faded somewhat in Year 3, but the program increased earnings by a statistically significant amount for the late cohort that year. Towards Employment’s earnings impacts faded for both the full sample and the late cohort in Year 3, although the differences remained positive.

Per Scholas

Per Scholas, a nonprofit that provides information technology training and employment services in New York City, came into the study with substantial experience operating a sector program. The organization had been operating most of the WorkAdvance model components — with the exception of the advancement-focused and postemployment services — since 1998, and was able to adapt its curriculum (for example, adding a unit for handheld devices) and training offerings based on employer feedback. Per Scholas also had participated in previous evaluations, including the SEIS. This experience gave Per Scholas a head start over some of the other providers who were newer to the model, and its advantage is evident in the economic impact findings for the site.

The WorkAdvance program at Per Scholas produced large and growing impacts on employment and earnings throughout the follow-up period. In Year 3, 81 percent of WorkAdvance group members were employed, a statistically significant increase of 7 percentage points over the control group employment level (Table 2). WorkAdvance also increased Year 3 earnings by \$4,829, or 27 percent, over the control group earnings. Earnings gains of this size are rarely seen in random assignment studies of workforce programs and highlight the effectiveness of Per Scholas’s WorkAdvance program. Previous findings from

⁸ The other prespecified, confirmatory subgroup analysis is based on sample members’ levels of attachment to the labor market at study entry. Findings from that analysis are presented in the next section.

TABLE 2
PER SCHOLAS IMPACTS ON EMPLOYMENT AND EARNINGS

	WORKADVANCE GROUP	CONTROL GROUP	DIFFERENCE (IMPACT)	P-VALUE
Among the full sample				
Year 1 earnings (\$)	8,868	8,718	150	0.846
Year 2 earnings (\$)	18,218	14,474	3,744***	0.002
Ever employed in Year 3 (%)	81.3	74.5	6.8**	0.031
Year 3 earnings (\$)	22,503	17,674	4,829***	0.001
Full site sample size	349	341		
Among the early cohort				
Year 3 earnings (\$)	22,568	15,445	7,123***	0.000
Among the late cohort				
Year 3 earnings (\$)	21,915	20,840	1,074	0.630
Early cohort sample size	189	185		
Late cohort sample size	160	156		

SOURCE: MDRC calculations from unemployment insurance administrative records provided by the New York State Department of Labor.

NOTES: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.
The difference between cohort subgroups is statistically significant at the 5 percent level (indicated by gray shading).

the survey data showed Per Scholas had by far the largest impact on employment in the targeted sector, which may have contributed to its overall impact on earnings.

Going against expectations, the impacts for the late cohort are much weaker than for the early cohort at Per Scholas (similar to the pattern of the Year 2 earnings impacts seen previously). The WorkAdvance program increased earnings by an impressive \$7,123 for the early cohort in Year 3, while the difference in earnings for the late cohort is smaller and not statistically significant (Table 2). The difference in Year 3 earnings impacts between the cohorts is statistically significant. The previous WorkAdvance report explored several possibilities for what might be driving this finding, and the hypothesis presented there still holds.⁹ Based on the higher earnings level for the control group in the late cohort compared with that for the early cohort, it seems likely that this pattern is due, at least in part, to the economy in New York City rebounding from the Great Recession during the study period. Earnings levels for the WorkAdvance group are similar in the early and late cohorts. This finding is consistent with prior research that found that training programs have larger impacts in weaker economies than in stronger economies.¹⁰ The five-year findings will provide more evidence on whether the economy is contributing to the difference in cohort impacts.

⁹ Hendra et al. (2016).

¹⁰ Card, Kluve, and Weber (2015).

St. Nicks Alliance

St. Nicks Alliance, a large social service organization in New York City, offers a range of services, including workforce programs. The organization has operated a job training program in the site's targeted sector, environmental remediation, since 2001. This evaluation required St. Nicks Alliance to adapt its more traditional approach to training to the WorkAdvance model, which emphasized advancement services and responsiveness to labor market demand. These required changes were difficult for the organization to fully implement. St. Nicks Alliance eventually added additional training in hazardous materials transportation and pest control in the face of decreased demand for environmental remediation technicians.

The previous findings showed that WorkAdvance group members at St. Nicks Alliance were more likely to be working in Year 1 than control group members. This effect faded by Year 2, and no statistically significant effects were measured on earnings in either year. In Year 3, the WorkAdvance program at St. Nicks Alliance had little to no effect on employment or earnings; WorkAdvance group members earned an average of \$16,784, \$304 less than control group members (Table 3). WorkAdvance group members were also less likely to be working in Year 3 than control group members. Neither of these estimated Year 3 differences is statistically significant.

TABLE 3
ST. NICKS ALLIANCE IMPACTS ON EMPLOYMENT AND EARNINGS

	WORKADVANCE GROUP	CONTROL GROUP	DIFFERENCE (IMPACT)	P-VALUE
Among the full sample				
Year 1 earnings (\$)	9,395	9,648	-253	0.802
Year 2 earnings (\$)	14,420	14,229	191	0.892
Ever employed in Year 3 (%)	70.8	75.4	-4.6	0.249
Year 3 earnings (\$)	16,784	17,088	-304	0.850
Full site sample size	242	237		
Among the early cohort				
Year 3 earnings (\$)	12,991	15,764	-2,772	0.158
Among the late cohort				
Year 3 earnings (\$)	20,792	18,921	1,871	0.483
Early cohort sample size	127	131		
Late cohort sample size	115	106		

SOURCE: MDRC calculations from unemployment insurance administrative records provided by the New York State Department of Labor.

NOTES: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.
The difference between cohort subgroups is not statistically significant.

The findings for the early cohort at St. Nicks Alliance tell a similar story: In Year 3, those WorkAdvance group members earned, on average, \$2,772 less than control group members. In the late cohort, however, WorkAdvance group members earned \$1,871 more than control group members (Table 3). Neither difference is statistically significant. Due to the site's small sample size and the volatility in the quarter-by-quarter impacts in Year 3 (not shown), it is unclear whether this earnings increase for the late cohort will be sustained or even rise to a statistically significant level in the five-year findings.

Madison Strategies Group

Madison Strategies Group is a nonprofit spinoff of Grant Associates, a for-profit workforce development company with sector program experience in New York City. Its WorkAdvance program initially targeted the transportation sector, but the provider later added a focus on the manufacturing sector after it became clear that someone who is trained to manufacture transportation-related parts has the requisite skills to work in manufacturing more generally. While the provider took institutional knowledge from its parent organization, the organization was new to Tulsa at the beginning of the study, and it took some time to establish relationships with training providers and employers and fully implement the WorkAdvance model components. This initial start-up period, as well as the provider's use of the placement-first track in the early part of the study period, meant that early enrollees probably experienced a less mature program than late enrollees.

The economic impacts at Madison Strategies Group confirm the advantage for later enrollees. WorkAdvance produced large impacts on earnings in Years 2 and 3 for the late cohort. In Year 3, WorkAdvance increased earnings by an impressive \$3,603 for the late cohort, while the WorkAdvance group in the early cohort earned, on average, around \$800 less than the control group (Table 4). The estimated difference in Year 3 earnings impacts between the cohorts is statistically significant.

The previous findings for the full sample at this site showed that the WorkAdvance program had some effect on earnings. In Year 2, the program increased earnings by \$1,818, or 12 percent, over the control group average (Table 4). This effect, however, weakened in Year 3 — the WorkAdvance group earned \$1,371 more that year than the control group, but the difference is not statistically significant. Some of this weakening may be due to a decrease in the number of WorkAdvance group members working in the targeted sectors, transportation and manufacturing, later in the follow-up period (not shown).¹¹ At the end of Year 2, about 30 percent of WorkAdvance group members were working in one of the targeted sectors (compared with 20 percent of control group members), but by the end of Year 3, only 25 percent were working in one of those sectors (the control group level remained around 20 percent). These findings are consistent with the downturn in the oil and gas industries in Tulsa late in the study period and perhaps indicate a lack of advancement opportunities within the targeted sectors. It should also be noted that previous findings from the survey data showed Madison Strategies Group's program had impacts on

11 The administrative data for Madison Strategies Group and Towards Employment sample members included North American Industry Classification System (NAICS) codes. These codes are linked to employers, defining which sector an employer is in. NAICS codes are not available for sample members at Per Scholas or St. Nicks Alliance.

TABLE 4
MADISON STRATEGIES GROUP IMPACTS ON EMPLOYMENT AND EARNINGS

	WORKADVANCE GROUP	CONTROL GROUP	DIFFERENCE (IMPACT)	P-VALUE
Among the full sample				
Year 1 earnings (\$)	13,261	12,933	328	0.682
Year 2 earnings (\$)	16,640	14,822	1,818*	0.085
Ever employed in Year 3 (%)	77.5	74.0	3.5	0.267
Year 3 earnings (\$)	16,197	14,826	1,371	0.225
Full site sample size	353	344		
Among the early cohort				
Year 3 earnings (\$)	13,520	14,321	-801	0.600
Among the late cohort				
Year 3 earnings (\$)	18,829	15,227	3,603**	0.031
Early cohort sample size	173	164		
Late cohort sample size	180	180		

SOURCE: MDRC calculations from unemployment insurance administrative records provided by the Oklahoma Employment Security Commission.

NOTES: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. The difference between cohort subgroups is statistically significant at the 10 percent level (indicated by gray shading).

several work-related measures — for example, employer-provided benefits — that cannot be measured in the administrative records data. It is possible that these impacts persisted into Year 3. Alternative data sources are being sought for the five-year report, which may shed light on the program’s effects on these types of outcomes.

Towards Employment

Towards Employment is an established community-based organization in northeast Ohio that provides a range of employment services. Before it implemented the WorkAdvance model, the organization focused more on work readiness than technical training but had some experience with programs targeted at entry-level jobs in the health care sector. The evaluation required Towards Employment to add career advancement services, deepen its expertise within the health care sector, and branch out and develop relationships with new training providers and employers within a new sector, manufacturing.¹² Towards Employment adjusted the specific training and credentials it offered in both targeted sectors throughout

12 Two other implementation factors were unique to Towards Employment’s program: (1) The organization initially oversaw a second program location that was ultimately not included in the analysis, and (2) it managed partnerships with other service providers, educational institutions, trade organizations, and labor market intermediaries that delivered various components of the model, an arrangement that is probably typical of many sector programs. See Tessler et al. (2014) and Hendra et al. (2016) for more details.

the study period based on employer needs. Given these changes, as well as its use of the placement-first track early on, it was hypothesized that at Towards Employment the effects would be stronger for the late cohort than for the early cohort.

In Year 2, the Towards Employment WorkAdvance program produced impacts on both employment and earnings for the late cohort. In Year 3, while the WorkAdvance group in the late cohort did have an increase in employment and earnings, the differences are just shy of the prespecified statistical significance cutoff and are weaker than the impacts estimated in Year 2. The difference in earnings between WorkAdvance and control groups in the late cohort in Year 3 is \$2,313 (Table 5). The five-year findings will clarify the direction in which the late cohort differences are moving: They may be fading, or they may increase in magnitude and back to a level of statistical significance.

A similar story is seen for the full sample at Towards Employment. The program produced an earnings impact of \$1,627 in Year 2, but this effect, while still positive, faded to statistical insignificance by Year 3 (Table 5). In that year, WorkAdvance group members earned an average of \$14,147 compared with average

TABLE 5
TOWARDS EMPLOYMENT IMPACTS ON EMPLOYMENT AND EARNINGS

	WORKADVANCE GROUP	CONTROL GROUP	DIFFERENCE (IMPACT)	P-VALUE
Among the full sample				
Year 1 earnings (\$)	9,495	9,483	12	0.984
Year 2 earnings (\$)	13,230	11,603	1,627*	0.053
Ever employed in Year 3 (%)	80.0	76.7	3.3	0.283
Year 3 earnings (\$)	14,147	13,344	802	0.390
Full site sample size	349	349		
Among the early cohort				
Year 3 earnings (\$)	10,697	11,333	-635	0.589
Among the late cohort				
Year 3 earnings (\$)	17,533	15,220	2,313	0.119
Early cohort sample size	168	177		
Late cohort sample size	181	172		

SOURCE: MDRC calculations from unemployment insurance administrative records provided by the Ohio Department of Jobs and Family Services.

NOTES: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.
The difference between cohort subgroups is not statistically significant.

earnings of \$13,344 for control group members. The statistically significant impact on employment in Year 2 also faded in Year 3. It appears the earnings impact decreased, at least partially, because control group members “caught up” to the previous gains seen by the WorkAdvance group. The percentage of WorkAdvance group members working in the manufacturing sector also began to decrease toward the end of Year 2, while the percentage of control group members working in the sector remained fairly constant from the end of Year 2 through Year 3.¹³ This may have contributed to the smaller earnings increase in Year 3. And as with Madison Strategies Group, the previous findings showed that Towards Employment’s program produced an impact on a few work-related measures, such as working a regular shift, that are not captured in the administrative records data. The alternative data sources being pursued for the five-year report may be able to clarify whether these impacts persisted past the second year of follow-up.

YEAR 3 ECONOMIC IMPACT FINDINGS FOR THE POOLED SAMPLE AND BY SUBGROUP

WorkAdvance targeted unemployed and low-wage working adults with a family income below 200 percent of the federal poverty level. Among the individuals who ultimately enrolled in the study, however, there is considerable variation in terms of demographics, education and work experience, and other characteristics. It was an open question whether WorkAdvance would work better for some individuals than others and whether the program should target a more well-defined group. To help answer this, the second prespecified confirmatory subgroup analysis was based on sample members’ levels of attachment to the labor market at the time they entered the study.¹⁴

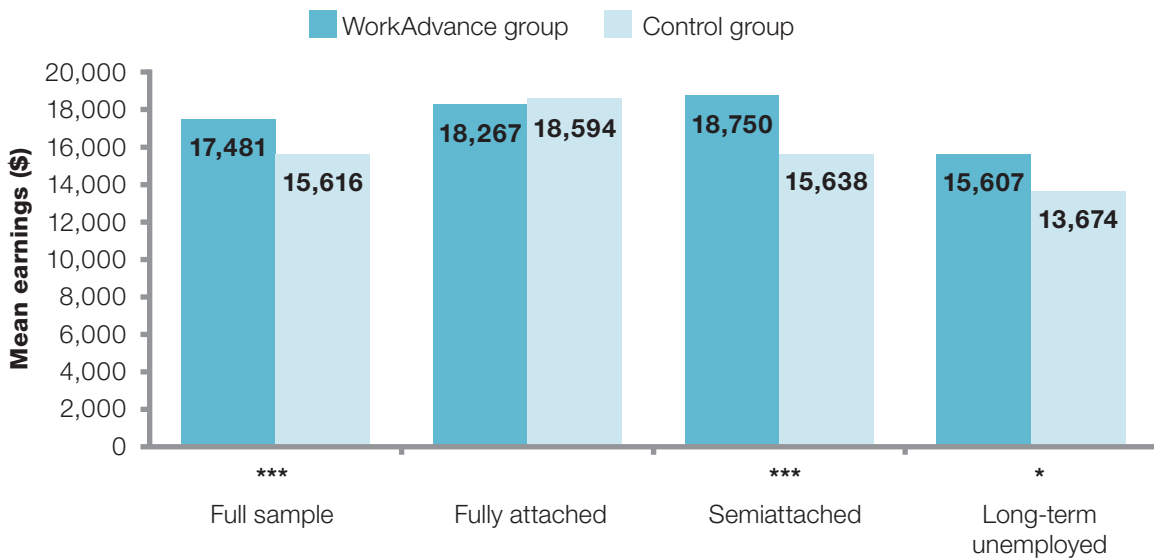
Pooled Impacts

The labor market subgroup analysis was done for the pooled sample — combining sample members from all four WorkAdvance providers — because the individual site sample sizes are too small to allow the estimation of reliable subgroup impacts. The leftmost bars in Figure 1 show that WorkAdvance increased earnings for the pooled sample by about \$1,865, or 12 percent, over the control group average in Year 3. While this impact is statistically significant and shows the impact for an “average” WorkAdvance provider, it is important to keep in mind that this impact is driven by the individual site impacts and masks the considerable variation across the sites discussed in the previous section.

13 The percentage of Towards Employment sample members working in the health care sector increased, and was fairly consistent across research groups, throughout most of the follow-up period. At the end of Year 3, 38 percent of WorkAdvance group members and 36 percent of control group members had a job in the health care sector. The fact that so many control group members found jobs in health care suggests that this sector may have fewer barriers to entry than manufacturing.

14 Impacts for several exploratory subgroups — age, race, prior education, prior earnings, and prior conviction or incarceration status — were also analyzed. The overall impression from these analyses is that the impacts of WorkAdvance did not vary greatly across many subsamples. Some subgroups experienced larger impacts than others, but in most cases the variation in impacts across subgroups is not statistically significant.

FIGURE 1
YEAR 3 EARNINGS IMPACTS ON SUBGROUPS DEFINED BY BASELINE LABOR MARKET ATTACHMENT, POOLED SAMPLE



SOURCES: MDRC calculations from unemployment insurance administrative records from the New York State Department of Labor, Ohio Department of Jobs and Family Services, and Oklahoma Employment Security Commission.

NOTES: The fully attached group consists of sample members who at baseline were working or had been unemployed for less than 1 month. The semiattached group consists of sample members who had been unemployed for 1 to 6 months at baseline. The long-term unemployed group consists of sample members who had never been employed or who had been unemployed for 7 or more months at baseline.

Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

The difference between subgroups is not statistically significant.

Labor Market Attachment Subgroups

The labor market attachment subgroup analysis split the sample into three groups: (1) the fully attached — those who were employed or who had been out of work for less than one month at study entry; (2) the semiattached — those who had been out of work for between one and six months at study entry; and (3) the long-term unemployed — those who had never worked or who had been out of work for seven or more months at study entry. Based on findings from previous studies, it was thought that WorkAdvance would be most effective for the middle group of individuals, who had some attachment to the labor market, as the WorkAdvance services could help them get back into the workforce (which was not an issue for the fully attached group), yet they would not have too many barriers to overcome (as the long-term unemployed might) in order to benefit from the program. The long-term unemployed group was also of particular policy relevance, given that WorkAdvance was implemented in the wake of the Great Recession and there was significant concern about the likelihood of reengaging this group in the labor market.

Figure 1 shows that the impacts of WorkAdvance were limited to the semiattached and long-term unemployed groups. In Year 3, WorkAdvance increased earnings by about \$3,110, or 20 percent, among the

semiattached group, and by about \$1,930, or 14 percent, among the long-term unemployed. There was no impact on earnings in Year 3 for the fully attached group. These findings are consistent with the pattern of impacts on earnings in Year 2 (not shown).

One possible explanation for the impacts among the semiattached and long-term unemployed groups is that they were driven by the site-specific impacts.¹⁵ In other words, it could be that the providers with larger impacts served more individuals in those two groups. This possibility was tested in a regression analysis that controlled for program site. The findings show that the stronger effects among both the semiattached and the long-term unemployed are eliminated when controlling for site. This suggests that WorkAdvance *can* increase earnings for both the semiattached and long-term unemployed, but the available evidence is not sufficient to demonstrate that WorkAdvance programs would work better for those groups than for other groups.

CONCLUSION

The findings presented in this brief are an interim look at the effectiveness of WorkAdvance at promoting upward mobility in the long term; they are some of the first rigorous findings from sector programs beyond the second year of follow-up. With three years of follow-up data, the economic impacts of WorkAdvance are still varied across the sites. Per Scholas produced large impacts on employment and earnings that grew stronger in Year 3. St. Nicks Alliance did not produce any impacts on employment or earnings in Year 3. The impacts for the full samples at Madison Strategies Group and Towards Employment faded somewhat in Year 3, but among the late cohort at both sites, WorkAdvance group members earned more than control group members (although the estimated impact at Towards Employment is close to but not statistically significant).

These results show that sector programs can have economic effects that last beyond two years and, in some cases, that grow larger after the two-year mark. Additionally, WorkAdvance was successful in helping the semiattached and long-term unemployed groups reenter the labor market and increase their earnings. The pattern of impacts across the WorkAdvance sites suggests that provider maturity and experience running sector programs matter, and not all programs will lead to economic gains.

These findings contribute to the growing body of evidence — which will soon include findings from several evaluations that are currently under way — on the effectiveness of sector programs and on what program emphases and practices might foster it. And, more important, this body of evidence will shed light on the *long-term* effectiveness of sector programs. Long-term effectiveness is a key measure of WorkAdvance and similar programs, given the need not just to get individuals into jobs but to help them advance along a pathway within a sector. Recent findings from one evaluation, Project QUEST, show that mature

¹⁵ Another possible explanation would be greater participation rates and larger participation impacts among the semiattached and long-term unemployed groups, but a further analysis found no significant differences in participation rates or participation impacts across the groups.

sector programs — in that case, targeting a sector other than the sectors where WorkAdvance produced impacts — can increase earnings in the long term.¹⁶

While the findings presented in this brief provide an update on WorkAdvance, they are not the final word on these programs. A future report will present the five-year economic impact findings of the WorkAdvance programs, as well as a cost-benefit analysis. Those findings will provide more definitive evidence on the long-term effectiveness of the WorkAdvance programs.

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¹⁶ The QUEST programs, which were evaluated using a randomized controlled trial design, produced large impacts on earnings in Years 5 and 6. See Elliott and Roder (2017) for more information.

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