

SOCIAL NETWORKS, CAREER AND TRAINING PATHS
FOR PARTICIPANTS IN EDUCATION AND TRAINING PROGRAMS

Executive Summary: Technical Report

The Social Network Study was conducted in 1996 as part of a larger research project looking at the experiences of men and women with different racial, ethnic, educational backgrounds and career paths in the Philadelphia labor market. This study was conducted with the cooperation of the Private Industry Council of Philadelphia (PIC) and a number of training providers in the Philadelphia area as a project of the *Institute for the Study of Civic Values* (ISCV). The social network survey focused on the relationship between work experience, training, and the people and organizations which welfare recipients use as resources in order to find jobs and educational programs. Questionnaires were collected from 338 people currently enrolled in nine training programs or community college.

This report includes a detailed summary of findings from the Social Network study. It is designed as a supplement to a policy report using these data prepared for the *21st Century League* which focuses on ways to aid government, training providers and employers working with public assistance recipients moving from welfare to work.

Demographic Characteristics

Age: Most of the people in this study were working age:

18-21 9%

22-25 39%

36-45 28%

over 45 6%

Gender: 16% male, 84% female. More African American's (88%) and Latinos (82%) were women than whites (68%) and Asians (40%).

Race:

African American 74%

White 16%

Latino 7%

Native American 1%

Asian 2%

Biracial 1%

Present Source of Income: Only 6 percent of this population had never been on welfare. Most were presently on welfare:

Welfare 83%

Job 10%

Spouse/family 5%

Other 3%

For those currently on welfare, statistics mirrored the national welfare figures:

Under 1 year 22%

1-3 yrs 28%

3-5 yrs 22%

5-10 yrs 15%

Over 10 yrs 12%

High School Education: The majority of the people in this study had completed high school or a GED: 56% finished high school, 39% of those who had not completed high school finished a GED, 68% had a diploma or GED.

Work Experience: The majority of study participants had extensive work histories.

Number of jobs: 13% had never worked, 42% had held 1 or 2 jobs, 45% 3 or more

Major types of jobs: The study measured overall work experience patterns and then looked at experience over time. The most common jobs held by study participants were as follows:

Cashier 36%

Data entry or clerical 27%

Nursing assistant 17%

Sales 13%

Security guard 10%

Factory worker or driver 23%

Maintenance 10%

Restaurant work 19%

Professional or professional entry level 9%

Length of time on the job (ever held a job this amount of time): under 6 months 41%, 6-11 months 42%, 1-2 years 48%, 2-5 years 36%, more than 5 years 17%

Employed full time 77% **Employed part time** 45%

Held a job which provided health insurance 42%

How found job: Friends/family 65%, Training program or DPW 17%, Newspaper 27%, walked in 38%, Unemployment office 4%, school 3%, temp agency 1%

Work Experience Patterns: Work experience varied dramatically across race, nationality, gender, education and marital status. In general, people fell into the following categories:

- **Limited or no work experience.** In addition to the 13% of the study population who had never held a job, another 10% had only held one job for less than a year, adding up to 23% with limited work experience. This group tended to have been on welfare longer: 71% had been on welfare 3 years or more. There was no difference across race, nationality or having completed a high school diploma but the majority of the people in this category were women who had never married. However, Latinas were the largest percentage who had never worked at 18%.
- **Low skill workers:** This group includes men and women with no high school diploma or limited skills who go from low skilled job to low skilled job. Job categories include mostly low end service and semi-skilled helping professions. This group primarily includes women of color. They work more jobs and leave them more quickly: between 40% and 68% of people in various kinds of low wage jobs left by 6 months and the majority changed jobs within 2 years. They left primarily because of the nature of the work (low wages, hours, part-time): 38% who left first jobs in six months or less left because the job was temporary or part-time, child care or family problems. Forty-one percent left second jobs for the same reason.
- **Displaced workers:** This group fell into two categories. The first included white and African American men who worked in good paying factory or blue collar jobs. The second group included African American, Latina and white women with high school diplomas and high quality training, often clerical training. People stay in these jobs: between 60% and 75% held their first job for 5 years or more.
- **Migrants and refugees:** Newcomers to the U.S. included mostly Puerto Rican citizens and refugees. These groups fell into two subgroups: highly educated and skilled people who needed to learn the language and gain U.S. mainland experience and people with low skills and limited education.

Post-Secondary Education Experience

Most people in this study had gone to a training program before entering the activity where they were currently enrolled. **83 percent had attended a training program:** 38 percent one, 33 percent two, 12 percent three or more.

Program attendance did vary for whites and people of color. Eighty-five percent of African Americans

and Latinos had attended a training program compared to sixty-eight percent for whites. African Americans took many more programs than other groups. Forty-eight percent of African Americans compared to 28 percent for whites and 25 percent for Latinos took more than one program. As discussed in the social network section, African Americans and established Latinos have more access to training programs than whites due to low income and the familiarity of these groups in using social service systems.

In current programs, African Americans predominated in mandatory job development (83%), job specific skills programs (88%), and the shelter (90%), compared to mandatory community service (25%), feeders (62%) and college (55%). Forty-three percent of the people in this sample in mandatory community service were white, 25 percent in feeders, 26 percent college, and under 11 percent for the shelter and JSS programs. Latinos also were found in the mandatory community service programs (18%), feeders (11%), college (8%), but only 4 percent of the job specific skills enrollees. This shows that Latinos were not being served by the job specific skills training network. It also shows that whites were less likely to participate in the PIC funded training program system. Whites and Asians were served by the community college and tuition based training systems while Latinos were left out of training altogether.

Loans: 53 percent had taken out loans, 57 percent for more than \$2,000, 26 percent for \$500-2,000, 75 percent still owed and 64 percent of those were in default. There was not a significant difference between men and women on the number that had loans or the amount. However, 52 percent of men versus 79 percent of women still owed on those loans. Sixty-eight percent of women's loans were in default compared to 39 percent for men. There was no difference in loan or default rates among various races and nationalities.

Major types of training programs taken: The study measured participation in training programs in two ways. First, information on the number of people who had ever taken a course in a particular subject were counted. Overall, the following percentages of the people in this study and ever taken courses in these topics:

Data/clerical 34%

Skilled trades 13%

College 16%

Nursing assistant or home health aid 20%

Business 17%

GED/ABE 14%

Job Preparation 13%

Program led to a job: Overall, program participants stated that their training led to a job 30 percent of the time. The program did not lead to a job 40 percent of the time.

Comparing Free and Tuition Based Programs: After looking at general patterns, the various types of programs were combined into the following categories:

GED/Job Prep: GED and job preparation courses were under 6 months and free to participants

Nursing assistant/foodservice, 3-12 mo, free

Nurse assistant/foodservice, 3-12 mo cost

Skilled trade/security/ hair styling, Greater than 6 mo, free

Skilled trade/security/hair styling, Greater than 6 mo, cost

Clerical/business, Less than 6 mo, cost

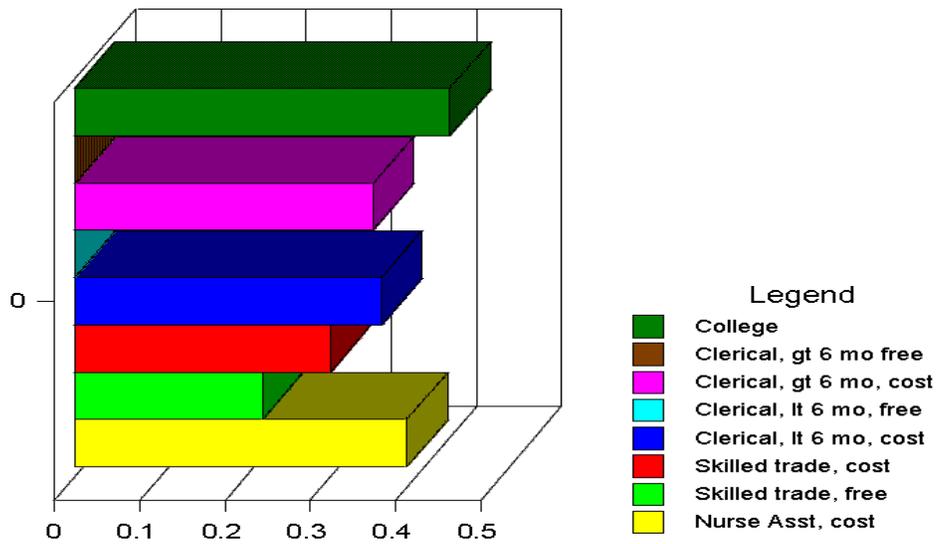
Clerical/business, Less than 6 mo, free

Clerical/business, Greater than 6 mo, cost

Clerical/business, Greater than 6 mo free

College

Drop-Out Rates: There is a dramatic difference in drop out rates between tuition based and cost programs. For the first program, drop out rates for tuition based programs range from 39 percent for nursing assistant programs to 30 percent for skilled trades. The only free job specific skills program that reported students who did not finish the program was skilled trades (22%). College had the highest retention problems, with a 44 percent drop out rate. Drop out rates for GED/Job Prep programs were 21 percent for the first program.



How participant heard about the program (overall): Family and Friends 31%, DPW or employment office 16%, Social service agency/PIC 22%, School 10%, TV or radio advertisement 20%

Ever held a job related to the training program: Data clerical 29%, skilled trades 26%, nursing

assistant 43%, Food service 53%

Relationship of training to previous work experience: People with various demographic and work experience characteristics used training in very different ways. This section discusses those patterns. Analysis included comparing the demographic clusters to general work and training experience and looking at time lines for work and training experience for people with different backgrounds. Findings for this section can be summarized as follows:

- Approximately 2/3rds of people who were in low end service positions before their first training program returned to similar positions. After a second training program, half remained in low end service and half went into part-time, low wage helping profession jobs. Particularly for people without high school diplomas, training meant nursing assistant or food service programs or multiple GED programs. This population appeared to be on a "training track" which led nowhere.
- People with entry-level clerical work experience went into training in either clerical or helping professions (nurses aid, childcare, teacher's aids). The training often translated into related jobs.
- People with previous work experience in helping professions got training in those professions. Training translated into full time, decent paying training related jobs primarily for those with high school diplomas.
- Employment in high paid, blue collar jobs had no relationship to training.

Training and Work Experience Patterns:

Repeaters: Eleven percent of the study population took more than two training programs. This group included only African Americans, whites and established Latinos. African Americans take the most training programs. Repeaters fell into two subpopulations:

- Low skill workers or those with minimal work experience who continue to use training unsuccessfully to better their situation. More of these people are referred to training by the department of public welfare and agencies than for other populations. Many of these people also found training through television advertising. There is a 4 to 6 year gap between first and second training programs, but between 0 and 2 years for later programs.
- Displaced workers who used training initially to find stable jobs and then return to training after being laid off. As with other displaced workers, retraining after losing a job seldom leads to stable employment.

Low skill workers: People with limited work experience or without a high school diploma sought training in semi-skilled helping professions, clerical or blue collar trades. People without high school diplomas primarily sought training in semi-skilled helping professions. Training often led back to similar employment or into jobs which required some skills like nursing assistant but which were often part-time

and paid badly. People without high school diplomas seldom were able to translate training into good jobs: 86% of the people who found moderate wage, full time nursing assistant positions with health care had a high school diploma.

People who use training as a step up in the labor market. This group primarily includes people of color, primarily African Americans and a few established Latino/as. Most people in this group are women. These people have finished high school and may have some previous related work experience before entering training. They take 6 to 12 month training programs, often clerical which eventually translate into good paying jobs. Some return to college or another related skills training program to get additional training in their field.

Displaced workers: In general, training for displaced workers did little to return them to stable employment. Particularly for people previously employed in factory or skilled trades, training had nothing to do with their previous work experience. Instead, training reflected the choices available through the training provider network and/or supposed growth industries like computers and health care. However, since training was short term, the programs were primarily for semi-skilled helping professions or clerical/data entry. Retraining often meant work at much lower wage rates without benefits. Many found training through a social service agency. This group fell into two subgroups.

- Whites, primarily men who received no training before entering the labor force or who went into apprentice programs out of high school. This group also included white women who had obtained good clerical training in high school. After working for most of their careers, they returned to training as a means to reenter the labor force after their company closed or left town.
- People of color, primarily African Americans and some established Latino/as who used training early in their careers to gain entry into good jobs. After being displaced, they return for more training. For women, this often means "brushing up" clerical skills by learning computerized data processing in short term courses. Many men take similar courses or 6 month training programs. The brush up courses seldom lead to good, stable jobs.

Migrants and refugees: This group took fewer training programs, often English as a Second Language sometimes followed by a skills training program. They were rarely placed into jobs by the training programs. Jobs were found through family and friends.

Performance Based Contracts versus Tuition Payments in Program Outcomes: Most of the training documented in this study occurred during the time that the PIC funded training for agencies without a Commonwealth set tuition rate as performance based cost reimbursement contracts with a hold back of 30 percent pending job placement. Agencies working under contract with the PIC had to pay close attention to meeting their placement goals in order to receive full funding for their contract. Contracting pressures clearly affect placement strategies for PIC funded programs. Programs had 90 days to find their participants work which paid \$6.00 an hour, full time, preferably with health insurance.

Given the labor market, agencies often found themselves choosing between placing people into part-time, training related employment or full time unrelated jobs with similarly poor wages and working conditions.

For many programs working with participants with limited previous work experience, and working against the cultural prejudices of moving inner-city people of color into "mainstream" jobs, their graduates too often found the same kinds of employment that they were attempting to escape.

Participants with better preparation were placed in better jobs. Eighty-seven percent of the people in well paid, full time nursing assistant positions had high school diplomas. Qualitative data suggests that this finding is due to the fact that employers are more willing to take a risk on someone with basic educational credentials. However, participants without high school diplomas placed into lower wage or part-time nursing assistant programs out of free programs were able to move up into the moderate wage jobs. Only 68 percent of the people in these good nursing assistant programs as their second job out of a free training program had a high school diploma. This suggests that placing people without high school in a part-time nursing assistant job may be a better long term strategy than placement into unrelated positions.

Both free and tuition based clerical programs were often able to serve as career paths for their participants. Starting with people with better basic skills, they were able to place participants into entry-level, full time jobs without health insurance. Many of these people were able to move up into better jobs. The same pattern was true for the greater than six month tuition based programs and free programs, showing the variability in quality and participant characteristics among tuition based programs.

These findings on job placements show performance based contracts do impact on the performance of contractors. This study suggests that the free programs put much more energy into placements. They also suggest that letting the market rule the training choices for low wage workers often leads to disaster as people lacking the social networks and other tools to evaluate training programs often simply end up with huge debts which place further burden on government guarantee associations. But limiting non-profit agency payments and demanding short-term placement goals for populations needing long term assistance and follow-up also has unintended negative effects. The types of performance goals stipulated in these JTPA and JOBS funded programs work for populations prepared to benefit from training, but do not help those most needing to escape poverty.

Conclusions:

- **Diverse populations need diverse solutions**

The first clear finding is that the population on public assistance is extremely diverse. Each population needs different kinds of support to stay in the paid labor force.

- **The low wage and welfare populations are largely interchangeable depending on who currently has employment**

The study also highlights the fact that in many cases the population working in low wage or even working class jobs is interchangeable with the population on welfare. Given that 94 percent of the people in this study had been on public assistance at some time in their lives, and that 87 percent had worked for wages as adults, policy makers and program developers can not assume that this population simply needs training for appropriate jobs or work experience.

- **Combining work, training and appropriate social supports works best**

Since most of the people in this study had gone through multiple training programs, it is also not safe to assume that training alone is the answer. The second major finding is that appropriate training, combined with appropriate work experience and solid basic skills leads to long term, stable employment. This finding suggests that the best strategy for all programs is to create experiences that combine all three factors. The best option is not work **or** training, but work **and** training.

- **A high school diploma or GED is an essential first step to escape poverty**

People without a high school diploma need to finish a GED as a first step toward stable employment. This study shows that those without high school diplomas have limited training options and even more limited employment opportunities. However, given the difficulties in completing a GED, combining GED preparation with appropriate work experience and related skills training may be a better option than simply expecting people to complete a GED before entering training or finding a good job.

- **Different kinds of training work best for different populations**

The high drop out rate for college shows that many of the people in this population are not prepared to succeed in a college environment. The fact that many college graduates found work in fields unrelated to their training also shows that college may not be the best choice for all low income people. However, college did make a significant difference for some people in this population. This suggests that college should be one option in a menu of training programs.

Job specific skills programs helped some people but not others. Four factors in combination influenced the ability of a job specific skills program to provide a career path for its students: 1) the quality of the program, 2) the basic skills and life conditions of its students, 3) the nature of the work available for people with that particular type of training and 4) the ability of the program to successfully place its students in those jobs. Since these four factors can not be easily measured, finding the "best" programs requires thoughtfully looking at the ways that these factors work together for different kinds of employment.

- **Enriching social networks through mentoring or buddy programs helps some people better their situation**

Given that many people who found good jobs relied on friends and family as a referral source to work, developing mentoring programs which connect people who lack these ties to people working in that field is one strategy which could help some people move from welfare to work. Mentoring or buddy programs provide training program students with direct advice on many important aspects of work like appropriate dress, workplace behavior, how to write an appropriate resume and cover letter as well as insider connections to employers.

- **Policy makers need to work with non-profit subcontractors to design appropriate evaluation procedures and incentive structures**

This study shows the importance of policy makers designing more flexible and long term outcome measures geared toward multiple populations. They also need to take into account the consequences of funding requirements and performance standards on program design. Performance standards need to reflect evaluation procedure that accounts for long term outcomes and uses more sophisticated models with different characteristics for populations with varying education and work experience. Contracts which hold back funds based on short term, rigid performance standards are particularly corrosive in giving agencies the funding they need in order to meet the intent of policy. Instead, these contracting mechanisms should be replaced with incentive structures developed to reflect appropriate strategies for differing populations. These types of mechanisms are best developed with agency subcontractors.

