

Evidence-Based Jobs Programs: What Works? What Doesn't?

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Government funds a number of social programs, but many of them fall short. In this time of fiscal austerity, policymakers are turning to evidence to guide their decisions more than at any other time in U.S. history. One of the main motivations for evidence-based policymaking is to build a foundation for economic prosperity. This chapter covers several evidence-based jobs programs that help equip workers with the skills to meet current labor force needs (i.e., Career Academies, preschool education, sector strategies) and to help businesses improve productivity (i.e., Manufacturing Extension Programs). If policymakers use evidence to eliminate programs that don't work and expand programs that do, government will be more efficient and individuals, families, and the nation will be better positioned to prosper.

The federal government has enacted a host of social programs designed to make individuals, families, and the nation better off. But many of them fall short. Research shows that programs in K-12 education, job training, and poverty reduction are frequently ineffective or only marginally effective.¹

Government needs to find a better way to spend its money on social programs. In the current age of fiscal austerity, cuts in social programs are inevitable and opportunities for new programs are limited. It is far better if policymakers cut programs that have negligible or even negative impacts, rather than cutting successful programs or programs that show promise.

At no time in U.S. history has there been a more serious attempt by the federal government to strengthen the evidence base for U.S. social policy decisions. The Office of Management and Budget (OMB), often the designer and enforcer of policy for the federal government, has never been so intent on using evidence to shape decisions about the funding of social programs.²

In this chapter, I describe what has generated this interest in evidence-based programs. I define evidence-based programs and give four examples of jobs programs that are evidence-based. I conclude with steps that the federal government has taken to implement evidence-based policy, which may have implications for state policymakers as well.

Why are Policymakers Interested in Evidence-Based Policy?

One of the main drivers of evidence-based policy is making the right investments to build a foundation for economic prosperity, according to Peter Orszag, former director of OMB:

. . . In making new investments, the emphasis has to be on “smarter.” Many programs were founded on good intentions and supported by compelling anecdotes, but don’t deliver good results . . . This has to change, and I am trying to put much more emphasis on evidence-based policy decisions here at OMB. Whenever possible, we should design new initiatives to build rigorous data about what works and then act on evidence that emerges—expanding the approaches that work best, fine-tuning the ones that get mixed results, and shutting down those that are failing.³

Reliable evidence can be put to good use both in eliminating programs that don’t work and expanding programs that do. If programs work as intended, the average impact of social programs on the well being of children and families will increase and the nation will be better off.

Why are Evidence-Based Jobs Programs Needed?

Isabel Sawhill of Brookings and I argue in our recent book, *Creating an Opportunity Society*, that public policy should focus on expanding economic opportunity.⁴ To most people, the American Dream means equal opportunity available to all so that hard work and initiative pay off.

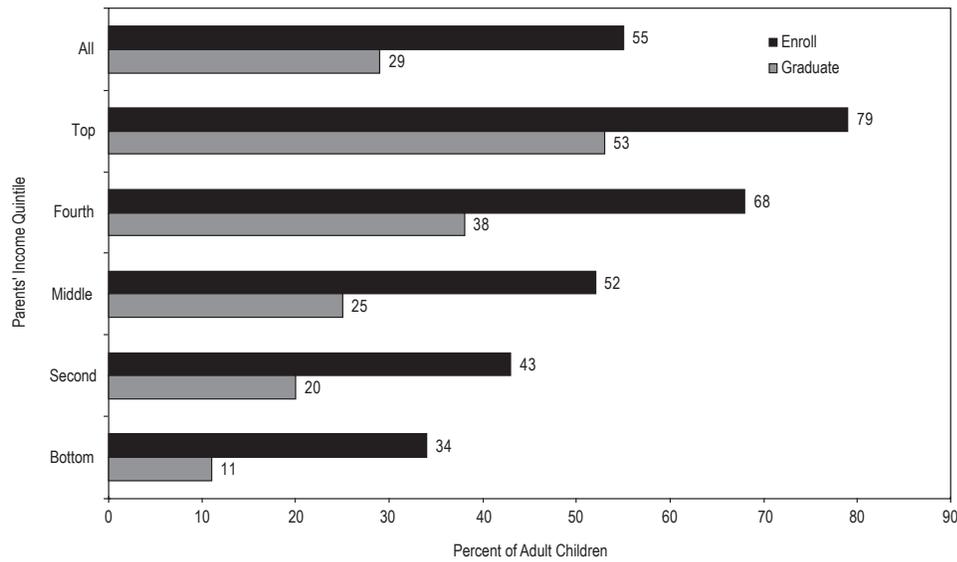
To move ahead in the American economy, people need to pick their parents well.

Most people think America already presents people with lots of opportunity to get ahead. But it turns out that you need to pick your parents well. There is some mobility from one generation to the next, but the American economy tends to make it difficult for those on the bottom to move up the economic ladder. Children from families in the bottom 20% of the income distribution are nearly five times as likely to wind up in the bottom 20% when they grow up, as children from families in the top 20%.⁵

Education is widely agreed to be the key to economic success. Most people know that the family income of those who drop out of school falls far below the family income of those who complete college. Less well known is the fact that the income of those with less than a college degree has not increased for three decades or more.⁶

Promoting education remains the key to promoting opportunity. Yet the odds that a child will enroll in and graduate from college depends, to a great extent, on the income of the child’s family. Considering children with incomes in the top fifth of families, 79% enroll in college and 53% earn a 4-year degree (see Figure 1). In contrast, among children with family incomes in the bottom fifth of families, only 34% enroll in college and 11% graduate.⁷

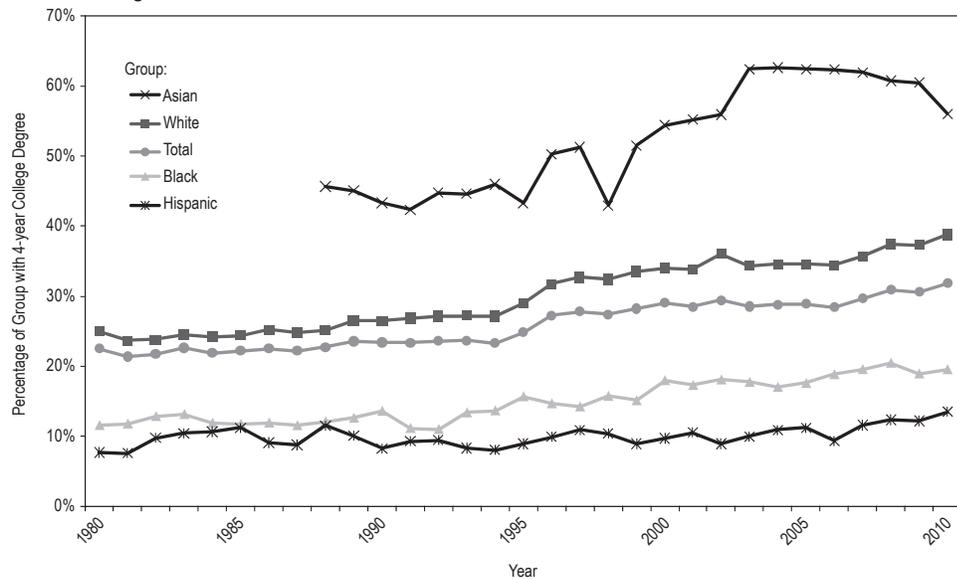
Figure 1. Poor Kids Less Likely to Enroll in College; Even Less Likely to Graduate



Adapted from *Fighting Poverty the American Way* (p. 9).⁸ Adapted with permission. Source: Brookings tabulations using data from the Panel Study of Income Dynamics.

Wide gaps in college completion also exist by race and ethnicity. College completion rates for youth have increased for all racial and ethnic groups. However, Blacks and Hispanics still lag far behind Whites and Asians. Among youth aged 25 to 29, about 56% of Asians and 39% of Whites have 4-year college degrees compared to only 19% of Blacks and 13% of Hispanics.⁹

Figure 2. Percentage of Group with 4-Year College Degree by Race and Hispanic Origin at Age 25-29, 1980-2010



Adapted from *Fighting Poverty the American Way* (p. 8).¹⁰ Adapted with permission. Note: Data are for the civilian, noninstitutionalized population. Other than total, all racial/ethnic categories are mutually exclusive. Source: Brookings tabulations of the Current Population Survey, Annual Social and Economic Study.

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What can policy do to provide equal opportunity when some children are dealt a “full house” and other children are dealt a “pair of deuces”?¹¹ Several evidence-based programs can help promote education from the early years on. Evidence-based programs can also help businesses create jobs and can help equip workers with the skills to meet current labor force needs.

What are Evidence-Based Programs?

Rigorous program evaluations have produced strong evidence of effectiveness for a range of social programs. The best evidence comes from programs studied in typical community settings using well-designed experiments. In experiments, subjects are randomly assigned to a condition that receives the treatment and then compared to a no-treatment condition. Experiments of this sort provide evidence of cause-and-effect, verifying that the social program actually causes a change in an important life outcome. Effective social programs show sizeable impacts on important life outcomes that are sustained over time.¹²

Evidence-based programs show sizeable impacts on important life outcomes that are sustained over time.

In the field of medicine, evidence-based programs have led to remarkable improvements in human health over the past 50 years. Evidence-based programs have overturned previously accepted practice. For example, stents to open clogged arteries have been shown to be no better than drugs for most heart patients. Randomized trials can be credited for most of the major medical advances of the past half century including vaccines for polio, measles, and hepatitis B as well as effective treatments for hypertension, high cholesterol, and many cancers.¹³

Examples of proven effectiveness in social policy are less abundant than in Medicare, in part, because rigorous evaluations are still not common in most areas of social policy. If more evidence-based programs are developed and used, they could improve the lives of millions of Americans.¹⁴

What Evidence-Based Jobs Programs Exist?

Evidence-based jobs programs include those that help increase the quantity and quality of labor demand and labor supply. For example, evidence-based programs improve labor demand by helping businesses create jobs and improve their productivity. Evidence-based programs can also improve labor supply by giving preschoolers a solid foundation and by helping prepare youth and disadvantaged workers to fill jobs that are available in the workforce.

Manufacturing Extension Programs. Manufacturing extension programs (MEPs) help small manufacturers find new markets and improve productivity or product design.¹⁵ Free or highly subsidized advice is provided on modern manufacturing technology, process improvement, employee training, information technology, and so forth.¹⁶

These programs are funded, in part, by the U.S. Department of Commerce along with state government and business user fees.¹⁷ MEP staff provide consultation or serve as an honest broker to private firms or faculty at universities or local community colleges.¹⁸

Studies show that manufacturing extension programs help create jobs and improve business productivity. MEPs seem to be more cost-effective in creating jobs than even the best-designed, business tax incentive programs. For every dollar invested, manufacturing extension programs increase the present value of local per capita earnings by \$30; this return on investment is 10 times that of business tax incentives.¹⁹ One rigorous study of eight extension centers in two states compared participating and nonparticipating businesses; the labor productivity of participating businesses grew between 3.4% and 16% from 1987 to 1992.²⁰ Not surprisingly, business clients are satisfied with the program. In surveys of 4,891 businesses, almost two-thirds (64%) report that MEPs led to productivity improvements.²¹

Why are manufacturing extension programs so effective? These services benefit small- and medium-size businesses that are less productive than larger businesses due to barriers of information, expertise, and financing of needed services. By helping overcome these barriers, public policy can benefit the economy by having a high impact on smaller manufacturers, who increasingly are serving as suppliers to larger manufacturers.^{22, 23}

Career Academies. Career Academies help high school students find a trade that leads to a decent job.²⁴ In gold standard studies, Career Academies have a major impact on employment and earnings and, surprisingly, on marriage rates as well.²⁵

Career Academies have three distinguishing features. First, to compensate for the disadvantage of attending a large high school, Career Academies operate as a school-within-a-school with 150 to 200 students who attend classes together, have the same teachers, and have the same counselors and administrators. Second, the curriculum combines regular academic courses and technical courses related to employment. Third, and perhaps most important, the academies partner with local businesses to provide students with opportunities for job shadowing and work experience.

In a study that followed participants for 8 years, males who participated in Career Academies earned an average of nearly \$3,722 more each year or almost \$30,000 more over the 8 years of the study than their male peers who attended regular high schools. This earnings gain is even larger than the earnings increase from two years enrolled in a community college. Despite predictions that enrollment in career-oriented, high school programs reduce the probability of college attendance, students enrolled in the Career Academy were just as likely to continue their education at postsecondary institutions as students in the control group.

Equally remarkable, boosting economic prospects eased their transition into family roles. Males who participated in the Career Academy group were 33% more likely to be married, 46% more likely to be a custodial parent, and 36% less likely to be a noncustodial parent. Career Academies is one of the few social programs shown to increase marriage rates and decrease the incidence of fathers living apart from their children. Earnings appear to be a key factor in making young males attractive marriage partners.²⁶

Preschool Education. No human capital program is so widely believed to be effective as preschool education for children from low-income families.²⁷ Three

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well-evaluated preschool programs including two small scale programs (The Perry Preschool Program in Michigan and the Abecedarian program in North Carolina) and a public program that operated in 20 schools (the Child-Parent Centers in Chicago) have produced remarkable long-term impacts. All three programs used a formal curriculum and featured well-trained and supervised teachers. These and similar programs have been shown to produce both immediate and long-term impacts on the development of poor children.²⁸ The impacts include:

- improved school performance;
- reduced grade retention and special education placement;
- increased high school graduation rates;
- increased college enrollment;
- reduced delinquency and crime;
- reduced rates of teen pregnancy; and
- increased adult employment and earnings.

Some of the cognitive gains fade over time. Still, all three programs reduced the likelihood of school dropout by 24% to 32%, and the Abecedarian program increased enrollment in 4-year colleges.²⁹

Up to 40 states have established their own pre-K programs with evidence of long-lasting effects that boost human capital.

Up to 40 states have established their own pre-Kindergarten programs.³⁰ Recent evaluations of state pre-K programs show that they produce impacts at the end of the preschool years and, in a few cases, a year or two after the programs ended. These studies provide rigorous evidence that preschool programs can have broad and long-lasting effects that boost human capital.³¹ States benefit from these programs because over three-fifths of preschool participants stay in the state they grew up in, thereby improving the quantity and quality of their state's labor supply.³²

Sector Strategies. There is strong evidence of the effectiveness of training programs that help low-income people build skills that are needed in particular industry sectors. The key elements of sector programs are: (1) focusing on a particular industry or set of industries, (2) recruiting workers with an interest and aptitude for success in that industry, (3) providing training on the range of skills needed to be successful in the sector, and (4) providing a range of social supports such as transportation, housing, and financial assistance.³³

One sector program that responds to industry needs with short-term, job-specific training is the Wisconsin Regional Training Partnership (WRTP) in Milwaukee, Wisconsin. WRTP is a membership organization founded in the 1990s by employers and unions with funding from public, philanthropic, and private investors. The construction industry contributes 2 cents per hour worked to a workforce development and diversity fund (see www.wrtp.org/why-we-succeed.php). Initially, WRTP focused on the construction and manufacturing sectors, but recently has included training in road construction, lead abatement/hazardous materials, and commercial driver's license preparation.³⁴ Training is short term,

ranging from 40 to 160 hours spread over 2 to 8 weeks. Industry experts, local technical colleges, or community colleges provide the training, and agencies and community-based organizations provide the support services.

In a rigorous study, WRTP guided disadvantaged workers into higher-quality jobs than they might otherwise have secured. When compared to nonparticipants, WRTP participants earned significantly more, worked in higher-wage jobs, and secured jobs that were more apt to include benefits. Participants were also more likely to obtain certifications in construction and the trades. Several types of disadvantaged workers benefited from earnings gains including women, African Americans, and ex-offenders; however, the program did not affect the earnings of young adults and welfare recipients.³⁵

Participants in the Wisconsin Regional Training Partnership earned significantly more, worked in higher-wage jobs, and secured jobs that were more apt to include benefits.

How Could Policymakers Build Evidence-Based Policy?

The federal government has made a sweeping and groundbreaking effort to use rigorous program evaluation to guide policy decisions. In interviews of key officials and advocates involved in the initiatives, we have identified five steps for building evidence-based policy that may also have implications for state policymakers:

- (1) Select an important social problem that, if remedied by social policy, would make individual citizens and the nation better off.
- (2) Identify evidence-based programs to remedy the problem.
- (3) Obtain funds to attack the problem by scaling up only program models supported by rigorous evidence of success.
- (4) Make the funds available to government or private entities with a track record of effective implementation that agree to implement the successful program models.
- (5) Continuously evaluate the programs to assess how well they are being implemented and whether they are producing the intended results.

Conclusion

Government can increase its effectiveness by using rigorous evidence about what works in tackling important social problems. Investing in evidence-based jobs programs can help policymakers build the foundation for economic prosperity. For example, Manufacturing Extension Programs can improve labor demand by helping businesses create jobs and improve productivity. Evidence-based programs can improve the quantity and quality of labor supply by getting kids started on the right foot with preschool education, and by helping high school students get work experience that leads to a decent job. As a bonus, good jobs appear to make young males more attractive marriage partners. For disadvantaged workers who have trouble finding good jobs, employer-based sector strategies can train workers with the skills that industry needs.

Even when budgets are tight, policymakers are confronted with decisions about funding programs that attack important social problems. Policymakers can turn to

evidence about what works to help make tough budget decisions. If policymakers use evidence to eliminate programs that don't work and expand programs that do, government will be more efficient and the nation will be better off.

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This chapter was adapted from the following publications:

Haskins, R. (2011, June). *Fighting poverty the American way*. Paper prepared for Anti-Poverty Programs in a Global Perspective: Lessons from Rich and Poor Countries conference, Berlin, Germany. Retrieved from http://www.brookings.edu/papers/2011/0620_fighting_poverty_haskins.aspx

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Glossary

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Evidence-Based Policy

The use of scientific knowledge to shape policy decisions. Evidence-based policy is a widely used term. However, because scientific evidence is not the only legitimate and proper basis for making policy decisions, it may be far more accurate to use the terms evidence-informed policy or research-shaped decisions.¹

Evidence-Based Program

A program with “strong evidence of effectiveness in rigorous scientific studies. The best evidence comes from programs studied in typical community settings using randomized trials that show sizeable, sustained benefits to participants and society.”²

Glossary Endnotes

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