



PARTNERS ON THE PATH TO SELF-SUFFICIENCY

The Story of Seedco's *EarnFair*® Alliance
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Preface by Demetra Smith Nightingale

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Seedco
Innovations in Community Development

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The Public Policy Backdrop for N-PAC

Preface by Demetra Smith Nightingale
Johns Hopkins University

The past decade has seen unprecedented changes in both welfare and employment policies in the United States. Federal welfare reform enacted by Congress in 1996, in the Personal Responsibility and Work Opportunity Reconciliation Act, eliminated the 60-year-old program of open-ended entitlement to cash benefits (the Aid to Families with Dependent Children program, or AFDC), placing a five-year lifetime limit on any individual's receipt of federally funded welfare benefits. Employment—rather than cash assistance—was to assume the central place in welfare policy; and states and localities were to be held accountable for achieving certain employment results. At the same time, the

nation's employment and training system was being revamped into a performance-driven workforce development system. The Non-Profit Assistance Corporation (N-PAC), which became a subsidiary of Seedco, was conceived at a critical juncture of these major national policy shifts.

Federal Welfare Reform

The increasing emphasis on employment for low-income persons traditionally dependent on welfare—under the Temporary Assistance for Needy Families (TANF) program enacted in 1996—was accompanied by expanded roles for community-based organizations and for performance accountability. Welfare agencies were faced with a new mission: to institute work requirements and programs for nearly all welfare recipients, including many with conditions or situations that might have previously exempted them from work. To ramp up the services needed to achieve the employment goals of welfare reform, public welfare agencies turned to traditional service vendors and sought out new entities. The changes altered the environment within which local welfare and employment programs—both public agencies and nonprofit community-based organizations—were expected to operate. Welfare agencies in New York and elsewhere sought partners to provide social and supportive services and extensive new employment services.

Under the new law, welfare agencies were given more control over the federal funds they received for welfare programs. Unlike before 1996, when many policies were set in Washington, state and local agencies now decide how much of their welfare funding can be devoted to employment activities, supportive services, and cash benefits. The public agencies also have broader discretion in the populations that receive employment services, and in many places the mandate of human service agencies has broadened to include low-income intact families, working families, and noncustodial parents, in addition to actual cash assistance recipients. Community-based organizations have traditionally focused on aiding the population groups that welfare reform targeted.

Across the nation, the results of welfare reform are gradually coming into focus. Welfare agencies have expanded their work programs, and in most places these human service agencies have greatly increased their use of service provider contracts to provide employment and related services. The emphasis on work along with the continuing strong economy resulted in dramatic caseload declines. Over 1.5 million families left the welfare rolls nationwide between 1994 and 2001. There is no doubt that the nature of welfare programs, particularly the emphasis now placed on employment, has been fundamentally altered by welfare reform, although controversy continues because over half of former recipients are living below the poverty level, despite the fact that most work.

Welfare-to-Work Grants Programs

The potential hardships were an issue of much debate in 1996, with special concern about the unique challenges of welfare reform in high-density poor communities. Many observers felt that welfare reform and the devolution of responsibility from the federal government down to lower jurisdictions would be a special hardship for big cities with high numbers of long-term welfare dependents and persons with other barriers to employment, including low education levels, minimal work experience, limited English proficiency, and family and individual problems.

To address the unique concerns of high-poverty communities (both urban and rural), Congress authorized \$3 billion under the special Welfare-to-Work Grants Program enacted in 1998. The grants were to provide supplemental funds for intensive employment programs for the hardest-to-

employ populations in poor communities. The grants program was administered by the U.S. Department of Labor and had two funding streams. First, three-quarters of the funds were allocated by formula to state agencies designated by each governor to administer the grants program. The state agency in turn was required to distribute 85 percent of its formula grant funds to the local workforce investment agencies in the state. Second, the other quarter of the funds was awarded competitively to applicants who submitted grant proposals to the federal office.

Public, private, and nonprofit agencies at the state or local level were eligible to apply for the grants, as were consortia of entities. The objective was to encourage creative programming to address the special needs of high-poverty communities and of hard-to-employ individuals, and to use these additional resources to complement the regular welfare reform programs.

New York City Reforms

In New York City, the federal welfare reforms and the Welfare-to-Work grants combined with state welfare reform legislation to provide a new funding and policy framework for local employment programs. The New York State Welfare Reform Act (WRA) of 1997, passed in conjunction with the federal welfare reform law, instituted the Family Assistance (FA) program, replacing AFDC and serving as the state's TANF program. The WRA also established the Safety Net Assistance program (SNA) to replace the Home Relief program (often called General Assistance in other states), which provides cash assistance and services to those not eligible for FA (mainly single individuals and childless couples, but now also including families who have exhausted their benefits under TANF/FA). Both FA and SNA have work requirements for recipients.

By 2001, the focus of New York City's welfare policy was directly centered around work, with some new emphasis on employability development. The city's workfare program, which required tens of thousands of individuals to work in public community-service jobs in exchange for their welfare checks, had gradually evolved into a more complex system that allowed some welfare recipients to engage in broader employability programs, including education and training. The typical format became three days a week of work plus two days of some other developmental activity. And the typical organization coordinating these work activities was neighborhood-based and nonprofit.

Without a doubt the charge of the Human Resources Administration (HRA), the agency responsible for TANF/FA in New York City, went beyond welfare reform, and the scale and scope of the changes eclipsed what other cities and states had to accomplish. Although welfare caseloads declined, as they did nationwide, in 2002 there were still over 400,000 persons on the welfare rolls in New York City—representing one out of 13 welfare cases in the nation. Moving them into the labor market remains a huge challenge. In addition, along with the TANF welfare program, HRA is responsible for the Food Stamps program and SNA, the state's general assistance program—all of which have work requirements. For a time, HRA was also the local administrative agency responsible for adult employment and training programs under the redefined workforce development system, as Congress enacted the Workforce Investment Act (WIA) of 1998 to replace the Job Training Partnership Act (JTPA). Between 1998 and 2002, HRA administered about \$90 million a year in adult WIA funds. Thus, HRA was at the center of the city's welfare and workforce development system.

In addition to welfare and workforce development programs, the national Welfare-to-Work grants were an important source of funds for employment programs, representing about \$150 million in New York City over the period 1998 through 2003. N-PAC was among the first

round of competitive grantees and received \$4.8 million dollars. About a dozen other entities in the City—mainly nonprofit organizations—also received grants.

HRA, as the local workforce agency, received both a competitive grant and the city's share of the formula grant passed down from the state, totaling about \$90 million over the five-year period.

Managed Competition and Performance Accountability

Together, the implementation of welfare and workforce development reforms in New York City resulted in major service delivery and administrative restructuring, both in the HRA part of the system and among the community-based providers of employment services that operate with funds from HRA and other sources.

In keeping with a rapidly expanding focus on government performance and accountability at the national level and in New York City, HRA designed a comprehensive multi-source funding solicitation for employment services that, in 2000, resulted in 15 “super” service vendor contracts for TANF, SNA, Food Stamps, and WIA-adult programs combined. Each of the 15 primary contractors (including both private for-profit companies and nonprofit organizations) was required to have several subcontractors, many of which are nonprofit community-based organizations. N-PAC was selected as one of the 15 prime vendors.

N-PAC and Seedco were especially well positioned to play central roles in the new world of performance-based workforce service programming in New York City. The N-PAC network of neighborhood organizations served as the grass-roots service delivery entities for employment services at the root of welfare reform. Seedco's priority on maintaining state-of-the-art administrative and management technology fit well into HRA's high-tech performance management system, which was adapted from the widely-known COMPSTAT system first used in the New York City Police Department. The creative combination of grass-roots service delivery and sophisticated management systems makes N-PAC stand out in the rapidly evolving workforce development system.

The experiences of N-PAC in New York City are highly relevant to national policy as well as to the continuing refinement of local policies. New York City continues to be a laboratory for welfare reform, having the largest urban welfare caseload in the nation. Increasingly, community-based organizations, particularly those that are neighborhood-based, are being called upon to provide employment services to the low-income population, including those still on welfare. Much research suggests that community-based organizations, particularly smaller neighborhood agencies, are at a disadvantage in the increasingly competitive funding environment because they lack the administrative capacity to respond to the performance management demands of funders. The model implemented by N-PAC offers an example for other communities in how to leverage the tremendous power of grass-roots service expertise by creating an organizational network built upon high-performance management principles. Many neighborhood-based community organizations have benefited from new opportunities to build their own internal administrative capacity because they are part of the N-PAC network.

It is against this public policy backdrop that the story of the *EarnFair*[®] Alliance should be read.

DEMETRA SMITH NIGHTINGALE
April 2005

Author's Acknowledgments

Many people have contributed to the story of the EarnFair® Alliance. Bill Grinker and Diane Baillargeon imagined a creative approach to workforce development and worked assiduously to make the concept a reality. Public and private funders saw value in EarnFair's innovation and supported it. Seedco/N-PAC executives, managers, and front-line staff blended their knowledge and talents into a powerful, empowering engine of change. The leaders of community-based organizations in the EarnFair Alliance share their successes and failures with each other so that all may learn. Onsite program directors and staff pursue EarnFair's goals with commitment, compassion, and spirit, and many of EarnFair's clients demonstrate tenacity, resilience, and optimism that is truly inspiring.

Several people were extraordinarily generous with their time and insights, and I could not have captured this story without their help. In addition to Bill and Diane, they include: Mimi Grinker, Andrea Phillips, Julie Shapiro, Francine Delgado, Linda Rodriguez, and Kibui Pyron of Seedco; Julia Jean-Francois and Maria Ferreira of the Center for Family Life; Sara Farimani of Citizens Advice Bureau; and Patrice Bey of Pius XII Youth and Family Services.

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LEILA FIESTER
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Partners on the Path to Self-Sufficiency

Several factors converged at the end of the 20th century to make workforce development a pivotal issue for social programs and policies. The U.S. economy boomed in the 1990s, but by mid-decade almost 14 percent of the country's population—about 36 million people—still had incomes below the federal poverty line, and 7.4 million were unemployed. The War on Poverty had spawned dozens of programs to fill the gap but the demand for services grew even faster, and by 1993 public assistance payments totaled \$324 billion.ⁱ An alarming number of families relied on welfare rather than employment to meet basic needs.

Increasingly, policymakers sought to move welfare recipients into the workforce and to reframe public assistance as merely a temporary boost on the path to self-sufficiency. In 1996, bipartisan welfare reform efforts culminated in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The law, which replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF), ended the use of welfare as a guaranteed entitlement for poor and low-income citizens. It established work requirements and time limits. It capped the amount of financial support an individual could receive in his or her

lifetime. And, by distributing allocations as state block grants, PRWORA gave states the primary authority for administering public assistance and determining eligibility for it.ⁱⁱ

Suddenly, people who had little or no job skills, education, employment history, or motivation for work had to locate a job, get hired, and stay employed. Yet many had physical and mental handicaps, limited English proficiency, childcare and transportation needs, low self-esteem, and/or domestic violence issues that undermined their employability.ⁱⁱⁱ Moreover, the community-based organizations (CBOs) that worked with low-income people faced new pressures to train them for the workplace, address the barriers that interfered with employment, and prepare them for the end of public assistance—all in a funding environment that, for the first time, linked payments to the achievement of results. Clearly, both CBOs and the clients they served would need help finding a path to self-sufficiency.

The “work first” emphasis was not entirely new. Earlier efforts included the Comprehensive Employment and Training Act, which emphasized public service jobs, and, in 1983, the Job Training Partnership Act, which created the Job Opportunities and Basic Skills (JOBS) training program. Those programs didn’t penalize participants who failed to find jobs, however.

In the new high-stakes environment, CBOs were challenged to help neighborhood residents find their way into the workforce. Seedco’s leaders viewed the situation as a chance to further define a role for CBOs in the evolving world of workforce development. A new program that maximized CBOs’ strengths and bridged the gaps in their capacity could solve four problems in workforce development, they reasoned:

- **Engagement**
CBOs were known to be especially good at engaging hard-to-serve populations effectively.
- **Scale**
CBOs did not have the resources to invest in information systems and curricula, access federal contracts, or absorb financial risk, but an alliance of CBOs could overcome that hurdle.
- **Performance**
Most CBOs did not have sophisticated processes for outcome-driven management or data tracking and analysis, and some had little or no workforce experience. But, again, an intermediary could instill such a structure and thus build capacity among community organizations.
- **Institutionalized capacity building**
The technical assistance that CBOs typically receive is short-lived and training-oriented, which makes it hard to embed new practices in the organizations. A program that continuously modeled and supported good practices, and secured government funding for the practices, might make all the difference.

Thus in 1998, Seedco’s subsidiary, the Non-Profit Assistance Corporation (N-PAC), took the first step by helping three New York City neighborhood “collaboratives,” which already participated in a comprehensive community-building initiative known as the Neighborhood Strategies Project (NSP), gear up to help larger numbers of welfare recipients find and retain jobs. With a federal Welfare-to-Work grant, TANF funds, in-kind contributions from city agencies, and private grants, the resulting NSP Works Project established partnerships with CBOs to provide hard-to-serve populations with accessible, culturally appropriate job

training, placement, and retention services. “It was an opportunity to mold a program around community-based organizations,” recalls Seedco CEO William Grinker.

Two years later, NSP Works further expanded into the *EarnFair*[®] Alliance, a network of CBOs using a model operated by N-PAC and funded primarily by the city’s welfare agency, the Human Resources Administration (HRA). Today, 10 CBOs belong to the *EarnFair* Alliance and the initiative has an annual budget of \$8 million, or about 40 percent of Seedco’s total budget.

EarnFair is far more than a job development and placement initiative. It is a performance-based partnership among workforce development funders, Seedco, community organizations, the service recipients, and in many cases their employers—an alliance in which all parties strive to improve their knowledge, skills, and capacity to work effectively. Above all, it is a partnership that aims to achieve and sustain self-sufficiency, both for new workers and the community organizations that support them.

Partners on the Path to Self-Sufficiency tells the story of the *EarnFair* Alliance¹. Chapter 1, *A New Approach to Workforce Development*, gives an overview of *EarnFair*’s genesis, rationale, guiding principles, major concepts, and core components. Chapter 2, *Standards and Strategies for Program Operations*, explains how the initiative functions at a structural level. Chapter 3, *Impacts, Influence, and Value Added*, outlines the impacts and influences attributable to the initiative. Chapter 4, *Strengths and Challenges*, summarizes pros and cons of the *EarnFair* model. Chapter 5, *Lessons and Observations*, offers insights about what it takes to make *EarnFair* work. Chapter 6, *Conclusions*, suggests implications of *EarnFair*’s lessons for future workforce development efforts.

1. A note about scope: Seedco has developed additional programs that augment the network, including *EarnFair* LLC, a flexible staffing company that trains and hires workers and contracts their services to employers; *EarnBenefits*, a program to improve workers’ access to wage supports and benefits; and the Community Childcare Assistance program, which provided emergency back-up childcare to *EarnFair* clients from 2001-04. Each of those programs has generated its own set of issues and lessons. This report acknowledges those programs when appropriate but concentrates primarily on the Alliance network, which is the overarching framework for Seedco’s workforce development initiative.

I. A New Approach to Workforce Development

Welfare reform's emphasis on employment called for a new approach to workforce development, one that could (a) meet the demand for job training, placement, and retention services on a very large scale; (b) provide the individualized, culturally appropriate services and case management that hard-to-serve populations require; and (c) show positive results. Those requirements dramatically changed the landscape for workforce service providers.

Traditionally, many job training and placement services had been developed by small, nonprofit, community-based organizations. CBOs are good providers of services to jobseekers: they know their

communities' residents, languages, and cultures well; they already serve residents through a variety of other social-service and advocacy programs, so they are known and trusted; and they are conveniently located in the neighborhoods where clients live. CBOs can't take the same financial risks that large, for-profit agencies can, however. They don't have the infrastructure (especially in terms of data systems and fiscal management) needed to compete effectively for large governmental workforce development contracts on their own or to track and report outcomes to the funders. While the pressure to move clients into jobs makes it essential to have an effective job training

curriculum, CBOs can't easily get grants to develop curricula. And, individually, they can't serve the large number of clients required by large-scale governmental contracts.

The most efficient way to meet the new demands, therefore, was to shift service delivery to large organizations, such as America Works, MAXIMUS, Wildcat Service Corporation, Goodwill Industries, Federation Employment and Guidance Service, and the Consortium for Worker Education; and that is exactly what program funders did.

Seedco leaders noted the trend with concern. As a intermediary between major funders and community partners, Seedco's focus—helping people join the workforce and achieve economic self-sufficiency, assisting small businesses, and building assets for residents and businesses in economically distressed communities^{iv}—was especially relevant in the environment created by welfare reform. But Seedco was committed to working through community organizations to develop, operate, and learn from model programs. How could Seedco level the playing field so that CBOs could compete with larger organizations for workforce development contracts? What sort of program might Seedco create that had all the advantages of infrastructure found in large organizations but all the strengths of small nonprofits?

Building on the Neighborhood Strategies Project

A logical starting point was the Neighborhood Strategies Project (NSP), which the New York Community Trust had developed in 1995. NSP established neighborhood “collaboratives”—partnerships of residents, CBOs, and other anchor institutions—in three communities within the South Bronx, Northern Manhattan, and Brooklyn. NSP's collaboratives promoted economic development and helped residents find jobs, while the Trust provided money and expertise in job training, creation, and placement. The project's overarching goal was “simultaneously to build stronger communities and stronger economies.”^v

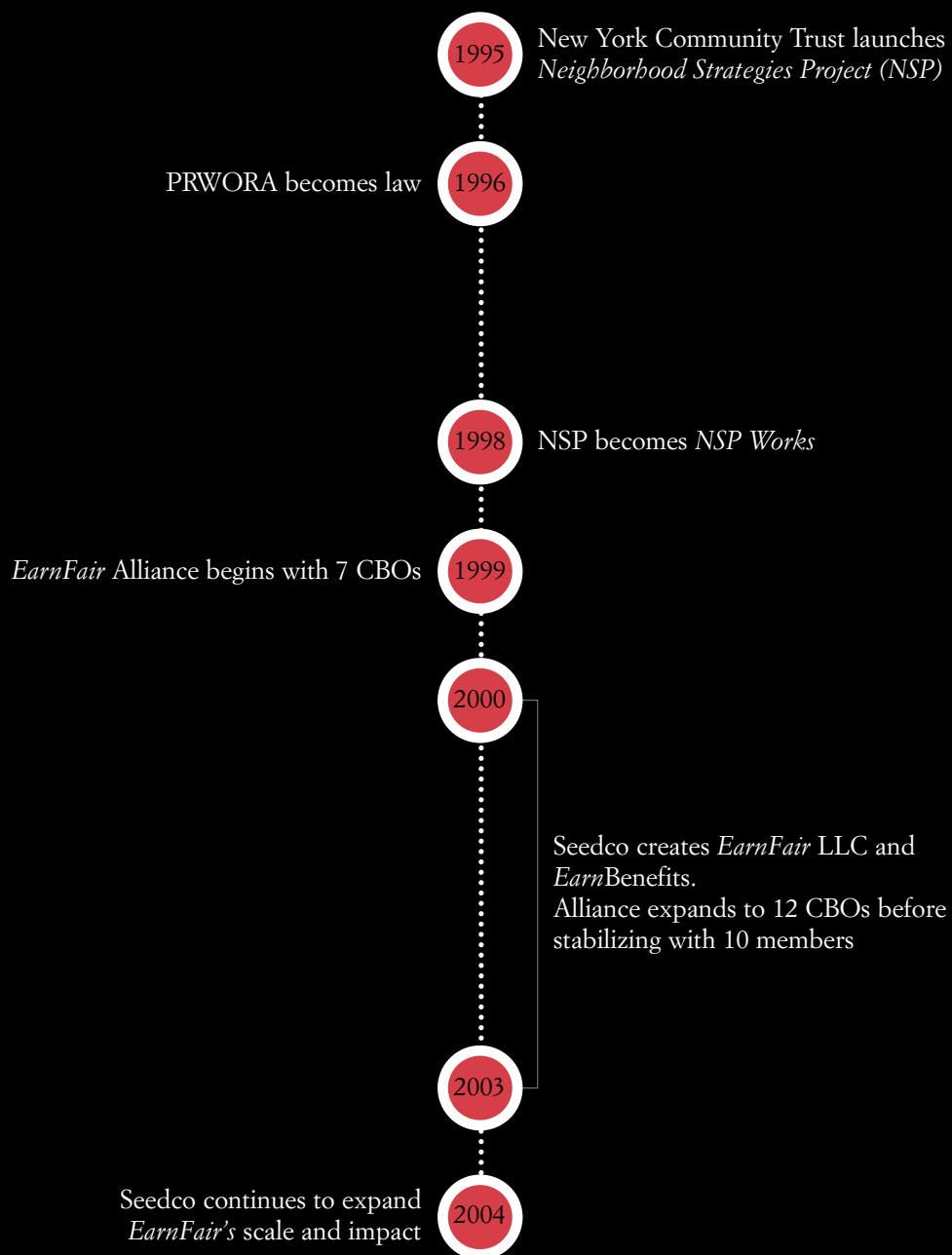
NSP was created as a mechanism to coordinate neighborhood services. But the project faced several challenges. It wasn't clear to staff what they should be coordinating; the program didn't really have activities related to employment. Staff turnover was high, and too few clients found job placements. Moreover, NSP was not designed specifically to help welfare recipients.^{vi}

In mid-1997, the New York Community Trust and the three collaboratives began discussing ways to improve the program. They asked consultants Diane Baillargeon and William Grinker to see what could be made of it. Baillargeon was the former Deputy Commissioner for Policy Management of the New York State Department of Social Services. Grinker, a former commissioner of HRA, was Baillargeon's partner in a human services consulting firm, and together they had founded the Non-Profit Assistance Corporation (N-PAC).

Baillargeon talked with members of the collaboratives to learn what their priorities were, and she and Grinker realized they needed to put the “meat” of a welfare-to-work strategy on the bones of coordinated services provided by NSP. Just as they began doing so, the U.S. Department of Labor issued a Request for Proposals for welfare-to-work funding, and Baillargeon encouraged the community organizations to apply for it. Even if they didn't win a grant, she reasoned, the act of developing an application could lead to some practical strategies.

The proposal, called NSP Works, aimed to enroll 600 clients, mostly welfare recipients and

EarnFair Alliance Timeline



Seedco's Approach to Workforce Development

Seedco (the Structured Employment Economic Development Corporation) is an intermediary organization rather than a provider of direct services. Its activities include:

- Building community networks to foster peer learning and collaboration
- Creating, developing, and implementing model projects, often encompassing business plans, financing strategies, program protocols, and management information systems
- Providing technical assistance to help community partners build the capacity to achieve their goals
- Offering financial assistance to help CBOs undertake community development

Seedco operates programs in the areas of economic development, affordable homeownership, and workforce development. In the latter field, Seedco focuses on issues related to client engagement, continuous employment/stability, and accessing career ladders. In all workforce development activities, Seedco's emphasis is on:

- Getting unemployed and hard-to-employ workers into the labor market and helping low-wage workers upgrade their employment skills
- Finding employment solutions that benefit both employers and employees
- Designing and implementing programs that help workers not only stay employed but also advance up a career ladder
- Building on the strengths, values, and commitment of community-based organizations

non-custodial parents with limited English proficiency, for two years of training, subsidized and unsubsidized job placements, and comprehensive case management. When it came time to designate an official applicant, Grinker suggested N-PAC. He viewed the nascent organization as a resource for nonprofits trying to “adjust to the new realities of performance-based funding and risk management.” N-PAC was a neutral third party; it could accept public funds (unlike the Trust); and it had the technical, managerial, and cash-flow capacities that most CBOs lacked.

What N-PAC didn't have was the administrative infrastructure needed to handle a huge government contract; the organization at that time existed primarily on paper. Nonetheless, in mid-1998 N-PAC received a \$4.9 million grant from the U.S. Department of Labor for NSP Works. Fortuitously, at about the same time Grinker was offered the presidency of Seedco, and he accepted on the condition that N-PAC also become part of the organization. That move gave N-PAC and NSP Works access to Seedco's management, administrative, and fiscal infrastructure.

A Program Model Emerges

The model that emerged with NSP Works positioned CBOs to do what they do best—relate directly to clients—while N-PAC served as a provider of management services and infrastructure.

In each of the three NSP Works communities, one of the community organizations that belonged to the collaborative subcontracted with N-PAC to serve as local project administrator. (The CBOs were: Citizens Advice Bureau, South Bronx; Northern Manhattan

Improvement Corporation, Washington Heights; and St. Nicholas Neighborhood Preservation Corporation, Brooklyn.)

The local administrators were in charge of outreach, recruitment, eligibility determination, enrollment, job search and placement, providing space for English language and high school equivalency classes offered by the Board of Education, case management, and maintenance of records. N-PAC, meanwhile, “provided extensive technical assistance and training for the sites... and facilitated work groups on subjects such as outreach, enrollment, case management, and job development.”^{vii} N-PAC also helped sites work with the Human Resources Administration (HRA) to resolve welfare payment problems, which often occurred as clients transitioned into jobs but were still eligible for benefits.

After N-PAC launched NSP Works, HRA issued a Request for Proposals for a contract to implement employment services for public assistance recipients and other low-income individuals citywide. Convinced that their program was effective enough to expand, Seedco and its NSP Works partners decided to apply. The program showed promise, and it was time to test it on a broader scale. Moreover, although the CBOs participating in NSP Works were among the strongest in the city, none could credibly compete alone for HRA’s performance-based contracts because they didn’t operate citywide and they couldn’t afford the inherent financial risk. Collectively, the group would be more powerful and far-reaching than the sum of its parts; with N-PAC as an intermediary and buffer, the CBOs could assume more risk; and an alliance among CBOs and N-PAC would offer a vehicle for technical assistance and resource development, which would leave the CBOs with more workforce development capacity in the long run.

EarnFair’s Core Concepts and Components

And so the *EarnFair* Alliance was born. Staff from Seedco, United Way of New York City, and the Local Initiatives Support Corporation each invited two or three CBOs to join the initiative, expanding the number of sites to 12 (including the original three from NSP Works). The new coalition represented every New York City borough except Staten Island.

EarnFair signified a departure from Seedco’s normal operating procedure. Since opening in 1986, Seedco had provided technical assistance and financing for affordable housing and homeownership programs to Historically Black Colleges and Universities, none of which were located in New York City. Although Baillargeon and Grinker were familiar with contemporary research on workforce development, Seedco had not operated in the workforce development arena. In fact, Seedco had not functioned as an operating intermediary at all. Notes Baillargeon, “*EarnFair* was a much more hands-on role, in which we owned the outcomes with our partners.”

EarnFair officially began in 1999 with a three-year, \$7.4 million grant from HRA’s Employment Services and Placement (ESP) Program. The number of clients to be served grew from NSP’s 600 to 1,870. After two and a half years, the program exceeded its placement and retention goals, and Seedco/N-PAC requested and received an additional \$1.8 million.

Like NSP Works, *EarnFair* was a partnership among the community organizations and Seedco. N-PAC continued to provide a centralized process and infrastructure for obtaining and managing funds, tracking outcomes, troubleshooting problems, and building CBOs’ capacity, while the community organizations delivered direct services.

As in NSP Works, the consortium approach gave CBOs a strong voice in decision-making and many opportunities for peer learning and collaboration. Both initiatives shared a commitment to job readiness orientation and preparation, job development and placement, and follow-up services to help clients retain their jobs. Both paid particular attention to clients who had limited English proficiency. But the sheer volume of clients whom *EarnFair* had to serve and monitor necessitated some important changes to the program’s design elements (all of which are explored more fully in Chapter II):

“If we were to avoid losing money, we had to ensure that this thing worked. That meant sharing some of the risk with sites.”

WILLIAM GRINKER
Chief Executive Officer,
Seedco

- **Shared risk**

To soften the blow of performance-based compensation, *EarnFair*’s major funder gives N-PAC an advance payment and then gradually reduces the payment as *EarnFair* sites perform to standard. Every month, the CBOs can submit an invoice for line-item expenses equal to half of their *EarnFair* contract.² Thus, essentially Seedco/N-PAC is fully responsible for the risk and passes on “only” 50 percent to its CBO partners. By sharing the risk with sites, Seedco and N-PAC send the message that “we’re all in this together,” and that makes the arrangement more palatable to most CBOs.

- **Target outcomes**

Each community partner has targets for how many clients must be placed and what their retention rate should be. *EarnFair* planners estimated the initiative would be viable if it averaged \$3,600 per placement, so N-PAC created individual performance targets based on that amount.³ Over time, N-PAC staff also established targets for worker supports, such as the number of clients placed in jobs who also applied for federal tax credits or opened a matched savings account.

- **Time limits for participation**

EarnFair’s high stakes and limited resources make it unrealistic to serve each client for two years, as NSP Works was committed to doing. Thus *EarnFair* provides a two-week orientation and job readiness training component, followed by up to one year of job search support, case management, and retention services.

- **Data collection and analysis**

To track and verify performance, Seedco developed a Web-based management information system, called *EarnFair* Link, and a process for analyzing and comparing data on site-specific performance, called SmartStat. N-PAC staff help CBO partners use the data to meet reporting requirements and refine program strategies.

- **Comprehensive services, benefits, and supports**

By offering a package of job readiness training, placement, case management, and retention services, *EarnFair* is in line with a general shift toward centralized coordination of job opportunities. The difference is that *EarnFair*’s package is far more individualized, community-based, and extensive than other programs. *EarnFair* goes beyond services that are directly related to employment and tries to link clients with the support they need to stay employed and get ahead. Using state and private funding, Seedco developed the *EarnBenefits*sm program to improve low-wage workers’ access to benefits and supports. Seedco encourages CBO staff to use the *EarnBenefits* Guide and toolkit to help eligible workers understand and apply for childcare, health care, Food Stamps, Medicaid, transportation, and other subsidies. *EarnBenefits* also provides access to free checking

2. CBOs submit their expenses to United Way of New York City, an *EarnFair* partner, which fronts the money for reimbursements and then bills N-PAC for compensation from the HRA contract.

3. If all performance milestones are met for an individual client including placement, retention, and wage levels within a one-year period, the reimbursement that can be achieved is \$5,500.

EarnFair's Underlying Assumptions

1. Community organizations have important services to offer people who are trying to enter the job market. Given the right technical assistance, infrastructure, and financial support, CBOs can be an excellent vehicle for helping hard-to-serve workers. The local organizations have a history of reaching out to and engaging people in high-poverty neighborhoods, they are familiar with the clients' needs, and they have earned residents' trust.
2. Most CBOs cannot compete for funding against large workforce development contractors unless they get help with management functions. Community organizations typically have small staffs and limited cash flow. That makes it hard for them to accept and comply with performance-based contracts, which tend to involve burdensome administrative tasks and delayed payments. In addition, contracts tend to be large in scale, and small CBOs can't handle the volume of activity required. By absorbing and supporting those duties, Seedco and the Alliance can help CBOs access important contracts.
3. CBOs must participate actively as Alliance members and partners. Community organizations are accustomed to operating independently, and they guard their autonomy carefully. But the network's value comes from mutual learning and decision-making that combine Seedco's broad expertise with the CBOs' front-line experience. The network can't serve that function unless its members are actively engaged.
4. A performance-based management process is essential—and it is possible to engage in such a process successfully with CBOs. By setting, monitoring, and enforcing performance expectations, Seedco can help CBOs improve their service outcomes and the outcomes experienced by clients.
5. Continuous employment is a primary goal. It isn't enough to train people and place them in jobs. *EarnFair* aims to help workers retain employment, stay off welfare, advance in a career, and work toward self-sufficiency.
6. Clients need a comprehensive package of work-related services and supports to achieve employment and to stay employed. Many clients need help addressing the issues that interfere with work, including lack of transportation or childcare, and acquiring enough resources to sustain them and their families. Thus *EarnFair* includes access to transportation fare cards, a family emergency loan program, subsidized savings accounts, and other income-enhancing benefits.

accounts, Individual Development Accounts (matched savings accounts that enable workers to save tax-free for homeownership or education), and emergency family loans.

- **Active participation in a learning network**

The CBO representatives who participate in *EarnFair*, from executive and program directors to front-line staff, must be willing to share information on their site—even when it isn't flattering—and learn from each other. Program directors meet monthly to examine each other's performance data and consider refinements. N-PAC staff visit sites regularly to observe activities, and they spread promising practices across sites.

EarnFair's Services and Supports

EarnFair clients experience the program in two stages: a two-week orientation that emphasizes job readiness training, followed by a period of self-directed job searching, additional readiness training, case management, placement, and job retention services. New clients come on board every two weeks, while those who have completed orientation continue their job searches.

During orientation, clients attend Monday through Friday, 9 a.m. to 5 p.m. In exchange for their welfare grant, the Human Resources Administration requires their attendance. During the second phase, clients attend three days a week and spend the other two in a paid placement arranged through the Work Experience Program (WEP), a welfare-to-work program operated by the city's welfare agency.

EarnFair's mechanisms for job development and placement are (1) site-based job developers and (2) the *EarnFair* Limited Liability Company (LLC), which identifies businesses that prefer flexible staffing arrangements, negotiates contracts with them, recruits and sometimes trains workers from CBOs to fill the jobs, hires the workers on behalf of the employers, pays the workers, and seeks reimbursement from the businesses.

EarnFair differs from other workforce development programs in the level and extent of continuing services that it provides to clients who obtain jobs. Seedco developed the *EarnBenefits* program, in which CBO-based case managers serve as points of contact for myriad services and benefits, including: a Web-based system of applying for post-placement benefits, free checking accounts, Individual Development Accounts, emergency loans for family crises, opportunities to upgrade sector-specific job skills, classes that help workers advance in a career, and referrals to partners who can help the workers obtain tax credits.

EarnFair's Partners

Seedco's partners in *EarnFair* are the CBOs that subcontract with Seedco and the clients who participate in *EarnFair* services.

COMMUNITY PARTNERS

The *EarnFair* Alliance comprises some of the largest and best-established community-based organizations in New York City. Seedco staff respond to expressions of interest from CBO directors who want to join the Alliance, and they also explore possibilities with CBOs they think would make strong partners. In addition, *EarnFair* brings on some sites that have limited or no workforce development experience, with the goal of developing their capacity.

The criteria for selection, which are addressed more fully in Chapter II, include: the knowledge and experience of CBO staff, shared values for workforce development, geographic location, a credible track record and reputation for community work, top-level commitment to the program, and strong organizational management.

EarnFair isn't for every community-based organization. Altogether, 14 sites have been in the Alliance at one time or another, but four dropped out. One, Safe Space (Queens) was an original partner but eventually decided that the program diverted too much management

CBOs Currently in the *EarnFair* Alliance

- Center for Family Life (Brooklyn)
- Citizens Advice Bureau (South Bronx)*
- Cypress Hills Local Development Corporation (Brooklyn)
- Gay Men’s Health Crisis (Manhattan)
- Harlem Congregations for Community Improvement (Manhattan)
- Henry Street Settlement (Manhattan)
- North Manhattan Improvement Corporation (Manhattan)*
- Pius XII Youth and Family Services (South Bronx)
- St. Nicholas Neighborhood Preservation Corporation (Brooklyn)*
- WHEDCO (Bronx)

*Original NSP Works site

attention from the CBO’s primary mission, social services to children and families. Another, CCRP (Bronx) tried to make *EarnFair* work but had other problems, and ultimately the agency went out of business. Two Manhattan organizations, Women in Need and the Bowery Residents’ Committee, worked with special populations and were unable to meet performance goals, so in both cases N-PAC and CBO staff mutually agreed to end their participation in the Alliance.

EARNFAIR CLIENTS

Community partners say there is no “typical” *EarnFair* client. Participants include dislocated workers, adults who have limited English proficiency, recovering substance abusers, non-custodial parents, and youth aging out of foster care, in addition to people transitioning from welfare to work. “You have people with masters’ degrees and you have ex-offenders with no education,” notes a caseworker in the South Bronx.

Many female clients dropped out of high school during sophomore or junior year to have a child and never made it into the labor market. Client ages range from 20 to over 55; there are slightly more females than males.

Clients’ primary needs include guidance on improving their appearance and attitude, so they can make a positive first impression on employers; help with communication and interpersonal skills, so they can keep a job once hired; and assistance with one or more barriers to employment, including poor housing, childcare issues, transportation, and utility payments. Most of those who find employment end up in entry-level customer service, retail, facilities maintenance, security, or home health care positions.

EarnFair’s Funders

***EarnFair* has both public and private sources of funding.** The public funds typically pay for the services provided by CBOs. The private resources, although smaller in amount, are just as vital because they enable Seedco to develop the curricula, supports, and access to benefits that help new workers stay employed and make ends meet. Seedco/N-Pac’s skill in blending

Who Are *EarnFair*'s Clients?

Michael, 24, grew up in the Bronx with 11 siblings. He has a charming smile and quick sense of humor, and he is skilled at hiding the fact that he can't read or write. He likes working with his hands, and he hopes to find a job in construction, mechanical repairs, or maintenance. Michael last worked in 2003, and he's nervous about going on job interviews. "I tell myself just to calm down, take a deep breath, and someday I'll get a job," he says.

Sharon, 56, has a long and stable work history. For 18 years, she filled orders for companies that store and ship narcotics. Then one company relocated, and her second employer went out of business. She received a year of unemployment and severance pay, but her skills are highly specialized and it's hard to find a comparable job. Sharon has learned to use a computer for word processing, but she doesn't want to retrain for an entirely new career. "I try to put up a good appearance but I never had so many deep lines in my face before. Some days, I get so discouraged," she says.

Steven, 54, is re-entering the workforce after spending 12 years in prison for drug possession. He has a GED certificate and one year of college, and he's looking for a janitorial or building maintenance job. Steven has only been out of jail for a few months, and he isn't sure yet how to market himself. He's worried about the big gap on his resume, but he's trying to stay optimistic. "I work well with other people. I have a really good work ethic. I'm very loyal and responsible. And I really want to get off welfare," he says.

Aleaha, 35, found her work life interrupted by family responsibilities. She was raised by her grandmother in Manhattan, and at 18 moved to Hollywood with big dreams. But after a brother died, she moved home to be with family. Then her grandmother developed Alzheimer's, and Aleaha became the caregiver. She tried to keep working: she got certified in medical billing, studied social work at a community college, operated a cleaning service, and ran a teen pregnancy prevention program in her neighborhood. But Aleaha also became a single mother, and she couldn't find a childcare provider she trusted. So she stayed home with her daughter, now 3; drained her savings; lived off credit cards; and went on welfare. Now Aleaha is trying to move ahead. On her second day of job readiness training she arrives with her hair pinned under a stylish hat, a jacket over her summer dress, and makeup meticulously applied. "I realize I need to prove I can be professional," she says. "The job trainer said only three of 10 people in this class will probably get a job. I'm serious about being one of them."

the two sources gives the program a strong developmental basis as well as good capacity for operations.

The majority of *EarnFair*'s operating funds came through New York City's Human Resources Administration, the Workforce Investment Board, and the Department of Small Business Services (formerly the Department of Employment and now merged into the Department of Small Business Services).

The New York State Department of Labor contributed funds drawn from its Wage Subsidy, Family Loan, and Welfare-to-Work Opportunities programs and from the Office of Children and Family Services (AmeriCorps). Federal funders include the U.S. Department of Health and Human Services, U.S. Department of Transportation, U.S. Department of Commerce,

and Corporation for National and Community Service (AmeriCorps members).

EarnFair's private funders include the New York Community Trust, which has supported the Alliance since its inception; the Altman Foundation, the Ira W. DeCamp Foundation, and the Mizuho (formerly IBJ) Foundation, which support *EarnBenefits*; Citigroup, which provides free checking accounts and Individual Development Accounts; the Picower Foundation, which supported childcare programs for *EarnFair* clients; the Verizon Foundation, which supports an online job retention tool; Ways to Work, which contributes to the emergency Family Loan program; and the September 11th Fund, which supported services to workers displaced by the terrorist attack of 2001. Additional supporters include the Annie E. Casey Foundation, the Liz Claiborne Foundation, the Deutsche Bank Americas Foundation, the Charles Stewart Mott Foundation, the Robin Hood Foundation, the Starr Foundation, and the Wachovia Foundation.

Historically, other grant funders of *EarnFair* have included the Tiger Foundation, which supported *EarnFair* Link; and United Way of New York City, which continues to float capital to *EarnFair* CBOs and to share risk with Seedco. Finally, core support from the Ford Foundation supports implementation of *EarnBenefits* at *EarnFair* CBOs, while a dedicated Ford grant supports its implementation with businesses.

The history, goals, and assumptions presented in this overview play out in several ways as the *EarnFair* model moves from theory to action. At the level of program operations, they translate into a set of standards and strategies that define the partnership between Seedco/NPAC and the community-based organizations. Chapter II examines that part of the implementation process in depth.

II. Standards and Strategies for Program Operations

In many ways, *EarnFair*'s structure—the way the model operates behind the scenes, at program sites, and in Seedco's interactions with CBOs—has as great an impact on outcomes as do the services and supports experienced by clients. If a community partner isn't documenting its placements correctly, for instance, and Seedco's staff don't catch the problem and provide assistance, the site won't receive full compensation for its efforts, and that could hurt the CBO's budget.

Key elements of the *EarnFair* structure include: strategic selection of sites, strong relationships among partners, target outcomes, performance-based compensation, shared financial risk, a curriculum for preparing clients, training and technical support for CBO staff, assistance with Performance Measurement and Managementsm quality assurance, collective fundraising, and contract negotiation.

1. Site Selection

For *EarnFair*, selecting a new CBO means not just adding a site but also bringing on a new partner, with all the responsibilities that relationship entails. Thus Seedco/N-PAC staff undertake site selection as strategically as possible. One of the first criteria they consider is the organization’s capacity for strong management, according to Andrea Phillips, Seedco’s Senior Vice President for Program Development and the former manager of NSP Works:

Workforce development is about ‘throughput’—getting enough people in the door, providing the services they need, and getting them placed. Organizations can fall down on recruitment and enrollment, so we look for evidence of very good management. What is their current capacity in terms of workforce placements? They may serve 400 people a year, but how many do they place? And how do they document it—by self-reporting or something more reliable?

If Seedco hasn’t worked with the CBO in question on other contracts, N-PAC staff visit the site to learn about existing workforce development activities and present the program model to the executive director. If the directors seem interested and capable, N-PAC staff consult informally with their contacts in the nonprofit field to further gauge the organization’s strengths and weaknesses. Finally, N-PAC considers the CBO’s location. If *EarnFair* needs more partners in a specific borough to meet growing demand, staff may seek out potential partners in that neighborhood.

“You want to pick an organization that isn’t starting from absolute scratch; they need some knowledge or experience to build on. But you also don’t want to pick an organization that’s already most of the way there, because our mission is to build capacity. They need room to grow and they have to want to grow.”

JULIE SHAPIRO
Vice President of Workforce Operations, Seedco

Signs of a Promising Site:

- CBO’s executive director and program director are fully committed to the program.
- Director and staff value shared learning and will be candid about their weaknesses as well as successes.
- Director and staff are willing to let N-PAC review their files and train their staff.
- CBO has a reputation for doing good work in the community, in workforce development or other arenas.
- CBO has fiscal staff who can support the reporting requirements of a performance-based contract.

Signs of a Weak Site:

- Leaders aren’t “visionary” about improving outcomes.
- Leaders seem more motivated by available funds than by the concepts.
- CBO’s executive director isn’t excited by the potential for partnership.

2. Strong Relationships Among Partners

The *EarnFair Alliance* could not function without a commitment to relationships. It is the sense of working together to achieve results that enables CBO and Seedco/N-PAC staff to accept the challenge of performance-based contracting, and it is the high level of trust among CBOs that enables program directors to discuss their programs’ shortcomings with peers and jointly search for solutions.

Relationships are initiated and sustained by Seedco’s field associates—program staff who have experience working with CBOs or intermediaries in community development initiatives. Each field associate is assigned to about three CBOs participating in *EarnFair* and also serves as point person for one or more of the contracts that fund the initiative. (A site may have multiple contracts with Seedco, each of which has a different point person, so it takes some teamwork and communication to facilitate these relationships.) The field associates visit each of their sites at least once a month (and often more frequently) to monitor progress and help resolve any problems. They also confer by telephone with site-based directors or staff, sometimes daily. Francine Delgado, Program Manager for the *EarnFair* Alliance, explains how the relationship varies according to the partner’s needs:

One of my sites has a good handle on the program. They have tight systems in place, and they have access to resources. Everyone in the neighborhood knows the CBO as a resource, so they don’t have to do much recruitment. And the program director has a wealth of expertise in this field. So at that site, I interact with them more on questions about verifying placements or when new processes or mandates are put in place by HRA. I’m serving as a middle-person between the site and the government agency we’re working with. It’s rare that I have to provide technical assistance per se.

Another site is smaller and has a history of programs other than workforce development, so they sometimes have to go out and find clients for *EarnFair*. Their program director, while also very good at what she does, is newer to the field. The neighborhood has been experiencing rapid development. So I’ve been working with them to chase down new jobs, to help the organization get through new doors with employers.

During *EarnFair*’s early years, the relationships between Seedco and its community partners were tightly structured. N-PAC staff would distribute written materials or convene meetings to facilitate communication with the subcontractors. Today the relationship is more informal, but *EarnFair* designers try to maintain enough structure to keep the partnership consistent and predictable. Staff turnover is high in CBOs, which makes the learning and performance curves erratic. Having a clearly structured relationship, with specified types of interactions, helps bring everyone up to speed as quickly as possible. It also prevents N-PAC staff from going easy on low-performing sites with which they have good relationships, a natural tendency that could have disastrous consequences in a performance-oriented contract.

CBO program directors say that their relationship with Seedco/N-PAC helps with big-picture issues that are beyond the capacity and resources of their programs on a day-to-day basis. Benefits include:

- **A voice in program design**
“Seedco doesn’t wait until they’ve perfected an idea to bring us in on it. For example, our input helped shape the data analysis system; it wasn’t placed upon us.”
- **Tools and materials**
“The first thing they did for us was develop a curriculum, and that’s something we can’t afford to spend time on.”
- **Labor market analyses**
“They help us figure out which industries are going to emerge in our neighborhoods and which are going away, so we can plan ahead.”
- **Help negotiating the bureaucracy**
“Grant requirements can be confusing, and they sometimes change. Seedco staff are

“We want someone on our staff to know enough about the whole organization—how it functions, its leadership, its programming in areas we don’t fund—that they can provide good technical assistance and help them stay on track.”

JULIE SHAPIRO
Seedco

“What makes Seedco different is that the staff are young, vibrant, creative. Their style is more light-handed. They want the same outcome as other organizations, but it’s more relaxing to work with them because they’re learning along with you.”

CBO program director

always available to meet with us or work by e-mail or phone to answer our questions. Even if it takes some time, we know we'll get an answer." Moreover, if the same problem occurs at more than one site, Seedco can invest time in solving it once and then issue an instructional memo to all sites rather than letting each partner reinvent the solution.⁴

- **Help with compliance and improvement issues**

"If we know we're going to have an audit from HRA, they help us prepare for it. They're able to tell us what we're doing right and also what we need to improve."

The Alliance cultivates positive relationships among CBOs through monthly program design meetings, at which site-based program directors review each other's performance data and share strategies, and at periodic retreats. *EarnFair's* ability to foster partnership among CBOs is important, observes Margaret Moree, Director of Workforce Development and Training for the New York State Department of Labor. When the city moved to performance-based contracting in all of its welfare programs, she says, "it became first a feeding frenzy [among CBOs] and then a nightmare." Many nonprofits went under because they couldn't manage delayed cash flow, and those that remained became more competitive with each other because they were all chasing the same dollars. By promoting a collegial approach, Moree continues, *EarnFair* "has been able to rise above the fray. What Seedco does is for program quality... [not] just for program sustainability."

CBO program directors agree. The partnering atmosphere stimulates meaningful discussions about practices, as sites with high placement rates and low retention rates learn from those with the opposite strengths and weaknesses. The emphasis on sharing and learning creates an incentive for reflecting on one's own strategies. And the bonds that form between senior CBO staff extend beyond the limits of *EarnFair*. "I feel more comfortable going to Alliance members [with questions]. We respond to each other much faster now than we respond to random phone calls," said a veteran CBO administrator.

Seedco similarly benefits from the relationships with CBOs. The constant communication with CBO directors and staff helps N-PAC staff understand neighborhood dynamics, stay current with client needs, and ascertain whether *EarnFair's* strategies have any traction. The CBOs' relatively small size makes *EarnFair* programs more individualized than those offered by large workforce development firms, and the fact that most staff live in the neighborhoods they serve gives the programs extra credibility with clients.

3. Target Outcomes

Julie Shapiro, Seedco's Vice President of Workforce Operations, and Evelina Berman, a program manager in charge of *EarnFair's* fiscal aspects, establish target outcomes for each site based on HRA's requirements. Sometimes they pass along the exact outcome specified in Seedco's prime contract, such as achieving 75-percent retention three months after job placement. Other targets require more thought. For instance, Seedco may value a specific outcome, such as retention, more highly than the funder does, and thus give it more weight. Or Seedco may add an intermediate target that staff believe will help the CBO meet an outcome later on.

"CBO partnerships are critical to Seedco's philosophy of community development. We wouldn't be a stakeholder without the community anchor institutions."

FRANCINE DELGADO
Program Manager, Seedco

4. A typical request for help involves troubleshooting problems with HRA's database, called NYCWAY. Each action captured in the database has a specific code, and sometimes the codes don't post correctly. When that happens, the CBO doesn't get credit for having taken the action. Finding the right office within HRA to correct the matter, and in some cases to reprogram the database, is very time-consuming. Another common problem involves the rosters created by HRA to assign clients to programs throughout the city. HRA sends a confirmation letter to each client and a roster of new clients to each program director, but often the names on the letters and rosters don't match.

First, Shapiro and Berman figure out what each CBO can realistically expect to achieve. Then they estimate how well the site will have to perform to break even on the contract, and they build N-PAC's reimbursement rates around those estimates. They try to be conservative in the performance estimates; if sites exceed their targets, N-PAC allocates the additional money to the high-performing sites. (Still, consistently high-achieving sites are penalized by consistently low-achieving sites, who drag down the group's overall performance. For that reason, Seedco emphasizes data monitoring and early intervention.)

N-PAC staff convert the target outcomes into benchmarks for short-term and interim progress, and some program directors further break down their goals into monthly, biweekly, and weekly goals to make them more manageable.

Are the targets reasonable? That depends on whom you're talking to. In small programs, the director and staff "have to work very, very hard—at least 55 or 60 hours a week—to achieve those goals, because working individually with clients takes a lot of time," says the director of a program that regularly exceeds its targets. Another director, whose program does not always meet the goals, says "the idea" of performance targets is great but questions whether *EarnFair* is measuring the right targets. "You're measuring job placement, 13-week retention, and 26-week retention. That's only six months of a person's life, not enough time to get to self-sufficiency," she says.

4. Performance-Based Compensation

All payments to *EarnFair* CBOs are related to client placement and retention. Some are also related to workers' earnings and wage gain. In general, HRA's priority is to ensure that clients earn enough to stay off public assistance, while other funders want to see wage gains.

Here's how it works. Seedco contracts with CBOs for a specific amount of money—say, \$200,000. (Although there is no standard amount, *EarnFair* leaders estimate that anything under \$100,000 probably isn't worth a CBO's time, given the paperwork and participation demands.) The CBO can receive up to half the contract amount in the form of line-item reimbursements. To earn the rest of the contract, however, the CBO has to reach its performance targets.

If a site submits a \$20,000 bill, for example, Seedco automatically pays \$10,000 and holds the remainder until performance outcomes are verified. Credit for performance carries over from month to month, so if a site doesn't reach its goal in one month but does in the next, the CBO will be paid.

For each client counted toward a performance milestone, the CBO must provide proof of identity, proof of employment, place and length of employment, wage amount, and hours worked. CBO staff must keep the information on file and submit a copy of every pay stub to Seedco, which Seedco then submits to HRA.

The need to verify documents means that payment is not immediate. Seedco typically waits two months before paying out performance money, to make sure HRA doesn't reject any paperwork. Meanwhile, N-PAC staff try to make sure the documentation is impeccable. A designated staff person reviews the information and may ask CBOs to resubmit their records. Because HRA auditors may visit CBOs to check their files, *EarnFair* staff also make file checks. "We tend to have very high standards for our file checks so we can guarantee it will pass an agency's audit," Delgado says.

"A large for-profit entity has deep pockets; it can afford to hire people on the assumption that down the road they'll get paid. Small organizations can't do that, so we help them capitalize the program by giving them advances. Then we recoup the advances over time."

DIANE BAILLARGEON
President, Seedco

The shared-risk arrangement gives Seedco an incentive to keep a close eye on performance and to work constantly to improve it, because the intermediary has a strong financial stake in *EarnFair*'s success. Subcontractors, however, have mixed opinions about the compensation model.

Most agree that firm expectations for results are a good thing, but they also believe the level of performance required for compensation is unrealistic, especially for the marginal workers who dominate their clientele. Most clients have never worked or have been unemployed a long time; a two-week orientation and a few months of job searching is hardly sufficient to make them work-ready. Often, program directors say, it takes several months to help clients get the appropriate identification records. Furthermore, by structuring payments around job retention the model assumes that workers will be skilled at managing themselves, and that is rarely the case.

Margaret Moree, who stands on the other side of the funding stream, also recognizes the mixed blessings inherent in *EarnFair*'s compensation structure. "Politically, a performance-based contract sounds great, but practically speaking it can become a boondoggle" because the results aren't immediate, yet the funder may feel pressed to pay out the grant during a certain funding cycle. The trick, Moree says, is to do exactly what *EarnFair* has done: "Flex" the benchmarks so they don't penalize contractors; make the benchmarks meaningful; and hold the line on accountability.

The performance-based compensation structure may not be right for every CBO, especially one that can't cover its monthly obligations with the *EarnFair* advance and supplemental resources from its parent organization. Still, for those that can participate, having Seedco serve as a buffer is a boon. One program director who recently assumed leadership of the struggling *EarnFair* program at his site noted that N-PAC didn't push him during the chaotic transition period, even though performance dipped dramatically. "They understood the context behind the numbers. If we worked directly with HRA, I know our contract would have been in jeopardy," he says.

"If you don't meet an outcome target, you lose money—and loss of money in the not-for-profit world is a very scary thing.... Does it leave you at risk? Extremely."

CBO program director

How does *EarnFair* keep CBOs focused on results without getting overwhelmed? The ability to draw down half the contract for line-item costs helps. And the constant flow of data (see pp. 18-19) helps program directors and staff understand how they are doing in relation to their own targets and to their colleagues in the Alliance.

5. Curriculum for Preparing Clients

When *EarnFair* began, Seedco staff compiled a curriculum sites could use to prepare clients for the workforce. Much of the curriculum focused on the two-week orientation for HRA welfare-to-work clients.

The collaborators produced a 10-day instructional framework, with teachers' guides, worksheets, and checklists, that focuses on hard skills attainment: resume writing, interviewing for jobs, and job searching. Those activities are undeniably important. As currently designed, however, the curriculum organizes them around a very linear path. It presumes that every client will attend every day of orientation, in sequence, which is rare; and it doesn't attempt to reinforce the lessons through repetition.

The curriculum also doesn't spend much time on soft skills, such as computer literacy, personal financial management, balancing work and family life, interacting with coworkers

and employers, and understanding the connections between one's work and one's life apart from work. And, according to some site-based trainers, the materials assume that clients are better readers than they actually are.

EarnFair leaders plan to make the curriculum more modular, with topics trainers can use in any sequence or combination depending on clients' needs. They also want to make the curriculum more useful for assessing new clients and placing them at the appropriate starting point, and they want to embed post-placement supports, especially personal financial management and budgeting, earlier in the model.

Seedco staff also hope to make the curriculum more relevant for clients who aren't proficient in English, a population growing in size and importance. In that sense, revising the curriculum isn't so much about creating Spanish- or Chinese-language versions as about including culturally relevant information. Some cultures are averse to dealing with banks, for example; but, as governments increasingly issue unemployment benefits through debit accounts, people from those cultures will need to interact with banks.

"I don't think we're going to reinvent the wheel," says Francine Delgado. "There are fabulous curricula out there; we want the trainers across sites to share all the materials they're using, and we'll pull the best activities into a user-friendly manual or notebook." Meanwhile, sites have freely adapted the curriculum as needed, which is fine with Delgado and her N-PAC colleagues. "Our philosophy is that the sites know their clients best," Delgado says. "Our curriculum isn't something sites must do, it's a tool for sharing best practices."

6. CBO Staff Training and Technical Support

The average staffer at a community-based organization in New York City earns about \$30,000 a year, so it isn't surprising that CBOs typically have very high turnover rates. Seedco's ability to build CBO staffs' capacity is therefore an important component of the *EarnFair* Alliance.

EarnFair's training sessions target program directors, case managers, job readiness trainers, and retention specialists, although other CBO staff are not excluded. Some of the sessions are mandated and provided by HRA to help grant recipients implement the agency's complex rules and regulations and its Web-based case management system, NYCWAY. Seedco staff, meanwhile, convene CBO staff approximately quarterly for voluntary training on practices that can help clients become economically stable, if not self-sufficient. They may teach case managers how to write stronger case notes, for instance, or help clients access childcare services. They show job readiness trainers how to instruct clients in financial literacy. They teach job developers how to help ex-offenders clean up their rap sheets, how to deliver a good sales pitch for clients, and how to manage relationships with employers productively. As federally subsidized housing vouchers become harder to obtain, Seedco's trainings on *EarnBenefits* have paid particular attention to resources for sheltering low-wage workers.

Generally, N-PAC staff merely encourage participants to adopt the practices presented during trainings. Occasionally, however, they are much more prescriptive. Explains Baillargeon:

We quickly figured out that certain staffing patterns produced much better results than others. The

people who are most adept at developing jobs [placing clients] aren't necessarily the ones who make the best case managers [staff who uncover clients' work preferences and issues]. For the former, the client is the employer; for the latter, the client is the jobseeker.

EarnFair subsequently became more directive in urging sites to separate the roles.

Typically, Seedco invites an expert from the relevant field to provide training at Seedco's office, and program staff give the initiative high marks for connecting them with high-ranking guest instructors. One job developer, for instance, found a presentation on occupational trends so helpful that he now calls the presenter, a researcher at the city's Department of Labor, every month for an update on unemployment rates and growth industries by borough.

EarnFair partners also praise Seedco's "resourcefulness" at designing training opportunities. "They ask all the time what we need to know more about, and they're very responsive when we request information," a program director said.

Not surprisingly, program directors and CBO staff prefer voluntary trainings to the mandatory ones, which they describe as "burdensome." Still, there seems to be room for improvement. One of the most experienced participants recently criticized the sessions for stopping short of innovation. "The training does not bring you knowledge that goes beyond the immediate requirement of the funders," this program director said. Another CBO staff member suggested that Seedco/N-PAC do a more thorough job of assessing CBOs' internal expertise before requiring attendance at trainings. "On a lot of these topics we've got our own set of experts and there's nothing new we can learn from those sessions," she said.

7. Performance Measurement and Management

Performance Measurement and Managementsm is one of Seedco's signature products, and it is embedded in every initiative the organization operates. In *EarnFair*, PM&M takes the form of four tools or supports: a unified information system (*EarnFair* Link), a data analysis system (SmartStat), expertise on data analysis, and an instrument for continuous program improvement (CPI, which is also a tool for quality assurance and therefore is described on p. 20).

"PM&M is a great thing in theory, but the *EarnFair* Alliance is where we're really putting it into action."

JULIE SHAPIRO
Seedco

EARNFAIR LINK

EarnFair Link is a Web-based management information system that community partners use to track performance milestones and Seedco uses to communicate with CBOs. Onsite, program directors enter basic data on every enrolled client's demographic characteristics and the activities in which he or she participates. When the CBO notifies Seedco that a specific client is employed, the system helps N-PAC staff verify the information. *EarnFair* Link generates a reminder to CBO staff to collect the necessary retention data three and six months after job placement, and program directors use the system to check whether they were paid for a specific client.

CBO directors and staff can also use *EarnFair* Link to generate their own data reports:

- The director of the program at Cypress Hills Local Development Corporation used *EarnFair* Link "to see when people are going on interviews for specific types of jobs, to understand our numbers overall, and to check on people coming up for retention

milestones in the next month. The case managers use it to watch what's happening while a person is in a job search; job developers use it to read case notes.”

- The program director at Pius XII Youth and Family Services uses *EarnFair* Link to generate a report of submitted documentation. Every week, she compares her record to Seedco's financial summary to make sure her organization is getting paid for every submission.
- The program director at Citizens Advice Bureau posts her program's short-term and interim goals on a central bulletin board. Next to them, she posts data reports that track the program's progress. CAB's Coordinator of Business Development says the postings “help me focus my work, because I see the data on a daily basis. We're always exposed to what's required of us; it's visual. Seeing a statistic helps me know where I have to place clients.”

Seedco created *EarnFair* Link by extensively modifying another software package used by another workforce development organization, Opportunity America. Like any system, *EarnFair* Link is useful only if people enter accurate data and then use the system. One program director said she uses it only to see if the placement data needed for payment have been recorded, not to learn about clients or ascertain how well they are doing. “We put retention rates into *EarnFair* Link, but we don't really draw them out again,” she said.

SMARTSTAT

SmartStat is an outcome-driven data analysis process modeled after COMPSTAT (Computerized Statistics), a system used by the New York City Police Department to make crime-fighting strategies more data-driven. It is a management tool that Seedco uses to keep sites focused on their own performance, to jointly analyze the choices that lead to positive or negative results, and to identify ways in which the initiative can improve. In this sense, SmartStat focuses on performance, while *EarnFair* Link focuses on program administration.

Seedco convenes program directors monthly for a program design meeting, and at every third meeting the first half-hour is devoted to a SmartStat review. Staff select one CBO to serve as that month's example, and they use data from *EarnFair* Link to see (a) whether the site is meeting its targets and (b) how the site's achievements compare with those of other CBOs.

PowerPoint slides illustrate the data graphically: What wages are clients earning? Is the program doing a better job of retaining placements in one sort of job than in another? How well is the site documenting placements and retention? The data analysis doesn't explain why numbers may be high or low; that occurs as the group discusses the factors and suggests possible responses. If the CBO is doing something particularly well, the program director shares his or her strategy with the group.

Julia Jean-Francois, Co-Director of the Center for Family Life, says the process has helped her examine patterns in CFL's outcomes:

Before, we were lower on placements and higher on retention. Now it's the reverse. It isn't clear whether that happened because we're not documenting retention as well, because there are larger numbers of clients being placed now...or whether [clients are] actually losing the jobs. So we formulate hypotheses and explore them.

Seedco requires the community partners to make their data available for review by all

“SmartStat has enabled us to develop a set of best practices. When we see high performance in one place and low performance in another, we try to figure out what practices are driving the differences.”

DIANE BAILLARGEON
Seedco

Alliance partners. The result could be insecurity and competitiveness, but instead program directors say the discussions are constructive. The facilitator's approach, which emphasizes mutual learning, keeps them from feeling attacked. And, since CBO directors had a part in designing SmartStat, they feel it serves their best interests.

EXPERTISE ON DATA ANALYSIS

EarnFair provides expertise through five main vehicles:

- Every month, **field associates** send the program directors at their designated CBOs an updated financial summary and list of steps still needed to attain the target outcomes. If the field associate notes a downward pattern or an anomaly in the data, he or she will ask the director what caused the problem and what N-PAC can do to help.
- The monthly **program design meeting for CBO program directors** enables Seedco to combine its staff's expertise with the community partners' rich, in-the-trenches experience. The meetings, which last two or three hours, occur at Seedco headquarters. Topics include programmatic updates, joint analysis of economic trends, and (quarterly) a SmartStat review. During a recent discussion, for example, participants concluded that their documentation problems might subside if they designated one staff person to track each cohort of clients. Says one program director:

These monthly meetings are one of the most valuable elements of the Alliance. I soak up [the ideas] and bring them back to my staff. The meetings also are a safe venue for venting frustrations.

- Seedco sends a **bimonthly electronic newsletter**, called the eBulletin, to site-based partners. It contains data comparing performance across sites, data on growth sectors of the labor force, reminders about submission deadlines, data-driven guidance on which areas of the program need more attention (e.g., job retention), and success stories.
- Semi-annually, Seedco **convenes CBO executive directors** to update them on the program's components, successes, and challenges.

“The [grant] helps, but the data are really useful to me as an administrator. If I just had the money and no information, I'd be anxious about getting funded again, because I wouldn't know how we were doing.”

CBO executive director

8. Quality Assurance

Seedco developed the **Continuous Performance Improvement (CPI) scorecard** to rate the quality of each site's operations, including program management and administration, database development, intake and reporting, curriculum, staff services, case management, client placement and retention, customer satisfaction, and other indicators of program quality. CPI is a tool for capturing a site's status at a specific point in time, and it provides feedback both to community partners and Seedco/N-PAC.

One of the associates on Seedco's workforce development staff who is not a field associate visits each *EarnFair* site at least once, and often twice, annually to conduct a CPI evaluation. She holds focus groups with clients, interviews program staff, tours the facility, observes service delivery, and reviews case files to make sure they have the requisite documentation. At the end of the day, the evaluator gives the site an overall score between zero and 100 points, along with a report of findings and recommendations.

At one site that recently got a low CPI score, for example, the evaluator called for a more proactive effort to link clients with benefits, such as automatic screenings, more consistent use of *EarnBenefits*, and more advertising about the benefits' availability. The report also

faulted program staff for not completing or amending clients' Employment Assessment and Experience Plans (required by HRA) within two weeks of enrollment.

Seedco expects sites to score 80 or higher on the CPI scale. If a program rates below 75 on the CPI, or has three consecutive months of unsatisfactory performance data, Seedco Vice President Julie Shapiro meets with the CBO's executive director and program manager to go through the report item by item. The evaluator will begin visiting more frequently to look for signs of progress and to re-evaluate the program. When a site scores below 80 and above 50, the problem often stems from easy-to-solve issues, such as documentation missing from case files. If the score is lower than 50, there usually is a more serious administrative problem.

CBO directors seem to take the CPI seriously, and some have doubled their scores from one visit to the next. At consistently low-performing sites, however, the field associate and program director must develop a Corrective Action Plan. The plan identifies issues, specifies improvement strategies, sets priorities, outlines a work plan, and establishes deadlines. The field associate presents the plan to Seedco's head of workforce operations, and if she approves it they sit down with the CBO's executive director to negotiate contract changes. Usually the site shifts to a contract based completely on performance, and the CBO can no longer bill Seedco for line-item expenses.

If the program meets the contract's standards for a specified period of time, it can return to a shared-risk contract. In rare cases, Seedco/N-PAC takes even more drastic steps. When one site was in deep trouble, the intermediary sent a staff person to the site to run the program temporarily and oversee hiring of a new director.

Corrective Action Plans are not needed frequently. A few sites are consistently strong and a few are consistently weak, but most fluctuate from month to month. "It's not usually about negligence or not wanting to do the work. It's about lack of resources—financial or staffing," says Program Manager Francine Delgado.

9. Collective Fundraising and Contract Negotiation

The Seedco/N-PAC staff in charge of *EarnFair* are always seeking new funding opportunities that the Alliance can access on behalf of partnering CBOs. They attend Seedco's regular resource development meetings to brainstorm about potential funding streams; they scan the Requests for Proposals issued by governmental agencies and major workforce development funders; and they call the CBOs' program directors to gauge their interest in opportunities that arise.

If a critical mass of partners is interested in a specific contract, and if the Alliance meets the RFP's eligibility requirements, Julie Shapiro and Francine Delgado write a proposal. Ideally, there is enough time to convene the CBOs' program directors in person to help craft a program that meets the funders' criteria; if not, Seedco involves them in planning by phone to make sure the proposal reflects their interests and capacities. Occasionally, a CBO program director approaches Seedco with an idea, and Shapiro and Delgado help decide whether to pursue it—and, if the answer is yes, whether the site stands a better chance of winning the award if it applies individually or as part of the Alliance.

After *EarnFair* wins a preliminary award, Shapiro and Delgado help to negotiate the terms

and scope of the contract on behalf of CBO partners. They solicit guidance from site-based directors on whether the contract's expectations seem reasonable, what the anticipated costs will be for sites, whether the proposed funds are sufficient, and what issues might prove to be deal breakers. They also negotiate whether *EarnFair* will receive an advance payment, which can reduce pressure on the CBOs, and whether the funder will pay for startup costs.

This activity, which is ongoing and aggressively pursued, is one of the most distinctive features of the Alliance. It is the consortium approach that gives participating CBOs the chance to win big contracts. It is Seedco's role as intermediary that brings the CBOs into the arena as strong contenders for workforce development dollars. And it is the blended pot of money that enables CBOs to do what they do so well: help residents of economically struggling neighborhoods find work and get on the path to self-sufficiency.

III. *EarnFair*'s Impact, Influence, and Value Added

Is *EarnFair* attaining its goals? What results and value has the initiative brought to partnering CBOs and their clients? Has the initiative influenced Seedco's perspective on workforce development? And is *EarnFair* helping to shape the field overall? Conversations with *EarnFair* designers, participants at all levels, and informed observers in the workforce development arena yield the following observations about *EarnFair*'s impact, influence, and value added:

For Community-Based Organizations

For the most part, the CBO partners are succeeding with their *EarnFair* contracts. The number of clients they serve is

substantial and growing, and the array of services they offer is increasingly comprehensive. Staff turnover and reductions at a few sites, however, jeopardize their ability to build on past successes.

Several CBOs have become considerably stronger since joining the Alliance, and a few could operate the *EarnFair* model without much assistance from Seedco/N-PAC. One is Citizens Advice Bureau, where program director Sara Farimani credits *EarnFair* funding with “expanding our capacity”:

The majority of our programs are [offered]

through Seedco sponsorship. Also through Seedco, we got into the New York Information Technology Career Ladder Consortium, which provides training in information technology fields and advanced office technology. Left alone, we wouldn't be able to sit with [consortium partners]. The consortium's trainings also give us a chance to recruit from the community a different level of worker.

EarnFair enables CBOs to compete for contracts they couldn't get otherwise. An organization may be interested in a grant to serve a special population but too small to win or implement a large-scale contract. Through its fundraising and contract negotiation services, Seedco/N-PAC can obtain the funds for the CBO and spread the responsibility for implementation among several CBOs—as it planned to do in Spring 2005, for example, with applications to the city's Department of Youth and Community Development (for a youth employment program to operate during out-of-school time) and to the Human Resources Administration for an adult literacy program to operate through *EarnFair* sites.

Seedco's fundraising efforts help the CBOs blend public and private funds, a practice that makes programs more viable but is hard to do. "Seedco has an ability to start off with demonstration funds—private money from foundations—and leverage that into much larger contracts and relationships" with public agencies, Shapiro notes.

The Alliance gives partners a structure for learning and collaborating. Program directors say their interactions with peers have helped them deal more effectively with other institutions, become aware of other strategies, and think more creatively about workforce development.

Seedco's role as a funding intermediary helps CBOs weather the constant shifts in funding streams. For instance, the task of administering federal Workforce Investment Act funds in New York City recently shifted from the city's welfare agency to the Department of Small Business Services. It would take CBO directors considerable time and effort to acquaint themselves with the new administrators and their system, but that isn't a difficult task for Seedco.

For Clients

EarnFair clients are retaining jobs at a higher rate than clients from other programs in New York City. Seedco calculates the program's retention rate at 60 percent, which is 15 percentage points above the citywide rate. *EarnFair* clients also are less likely to return to public assistance; their recidivism rate is 38 percent, compared with the citywide rate of 45 percent. (However, the retention rate for welfare recipients is lower than the rate for other clients, and now that *EarnFair* serves primarily welfare-to-work clients it will be a struggle to maintain high retention rates.)

EarnFair's individualized approach matters to clients. Participants universally appreciate the fact that CBO staff know their names and histories and relate to them as individuals. They also like the relatively small class sizes, compared with other programs that herd them through "like cattle."

Clients who are really motivated to find a job usually get one. They may have to start at a lower wage than they want, and they may struggle to stay employed, but *EarnFair* usually can help them get a placement.

EarnBenefits has not been implemented at a large enough scale to improve job retention

rates. More work needs to be done to make clients aware of the available benefits and to embed eligibility assessments into the CBOs' intake and case management processes.

“Our clients don’t get a fancy facility, but they do get staff who care about them and who focus on their long-term self-sufficiency, and they get individual attention.”

CBO program director

For Seedco

Partnership and networking concepts have become fundamental themes of other Seedco initiatives. The intermediary's housing counseling program now revolves around local CBO networks, and Seedco is applying the same structure to its work in youth employment services. For both new initiatives, Seedco provides a network, infrastructure, and management while community-based partners provide direct services.

EarnFair's successes have attracted substantial money and attention to the model. In 2002, all *EarnFair* programs generated \$6.7 million in revenues, or 26 percent of all Seedco revenues. “All of us were surprised; we didn't think it would get so big and become such a player in workforce development in New York City, both in terms of scale and the recognition it has received,” says Seedco Senior Vice President Andrea Phillips. In 2003, after two years of financial losses for Seedco, *EarnFair* generated about \$250,000 of revenue (which Seedco returned to sites as performance-based bonuses).

EarnFair has spawned new tools, supports, and related programs that could reach beyond the initiative. *EarnFair* Link, the Continuous Performance Improvement scale, SmartStat, *EarnBenefits*, and *EarnFair* LLC were all developed to help *EarnFair* partners meet their goals, but the products are useful for any workforce development program.

EarnFair has sent Seedco down the path toward becoming an operating intermediary. The success of the Alliance was one of several factors that prompted Grinker and Baillargeon to secure Workforce Investment Act (WIA) funding to provide services to job seekers at the Workforce1 Career Center in Upper Manhattan. That step helped to ensure that CBOs are part of the WIA trend in New York City. Three CBOs have workforce development staff stationed at the center, paid by the Workforce1 grant. Seedco serves not only as the center's management service but as its service provider—a function Grinker never contemplated when he created the intermediary two decades ago. That shift has required Seedco to beef up its own capacity by hiring more staff with specialized expertise and investing heavily in the organization's information technology system.

N-PAC's involvement in EarnFair gives Seedco a frontline presence. N-PAC's work helps to ground Seedco's concepts and philosophy in practical knowledge. It also provides a structure for piloting projects and collecting best practices.

For Other Entities Involved in Workforce Development

EarnFair's prominence has stimulated other funders' interest in the consortium model. A long-running summer youth employment program recently adopted the approach, for example. “When we started doing this a lot of government agencies were skeptical,” Baillargeon recalls. “Now, I think the model has a lot more respect.”

State policymakers view EarnFair as a potential tool for upgrading the workforce. According

to Margaret Moree, Director of Workforce Development and Training for the New York State Department of Labor, *EarnFair* has inspired state leaders to think about how to connect eligible low-income workers with career-building educational opportunities, using federal grants and the state's own tuition assistance program. A low-income resident can get almost all of his or her tuition paid at a public university in New York, Shea notes. Perhaps programs like *EarnFair* could assess clients' eligibility for the grants, thus increasing the flow of workers into higher education. "Should we be thinking less about quick computer training, perhaps, and more about the kind of credentialed training that gets these people into programs where they'll earn [college] degrees?" she asks.

Questions like Moree's are very much in the minds of *EarnFair*'s designers. The extent to which the initiative can influence workforce development policies, however, depends on how well constructed the model is and whether it can overcome key challenges. Chapter IV explores those issues.

IV. Strengths and Challenges

EarnFair doesn't have a silver bullet for the problems of workforce development, but the model has developed some effective attributes. Along the way, the initiative has also encountered obstacles. Both are summarized below.

Strengths

EarnFair's strengths cluster around six topics: the community focus; an outcomes orientation; economies of scale; shared goals, resources, and tools; communication; and Seedco's capacity and credibility.

THE COMMUNITY FOCUS

- Community-based organizations know their client populations particularly well,

and they can offer a more personalized, nurturing environment than large organizations can.

- Community partners are actively involved in designing *EarnFair* components, which makes the model more responsive to their needs and gives them a stake in its success.

MANAGEMENT AND ACCOUNTABILITY

- Target outcomes drive programmatic choices.
- Compensation is performance-based but tempered by shared financial risk.

- Sites continuously use data for program improvement, facilitated by technical assistance and systems for data collection and analysis.
- Field associates help partners stay on track and promote program quality.

ECONOMIES OF SCALE

- The consortium model streamlines interactions between city agencies and community-based contractors and makes it feasible for funders to contract with multiple small organizations.⁵
- The administrative infrastructure provided by Seedco gives the initiative a citywide scope that individual CBOs could not achieve, and it augments the administrative and fiscal capacities of the partnering organizations. Subcontracting with Seedco is easier and more cost-effective for small CBOs than contracting directly with governmental agencies.

SHARED GOALS, RESOURCES, AND LEARNING OPPORTUNITES

- *EarnFair* partners are all working toward the same goals and using the same basic strategies to get there, which gives the initiative consistency and cohesiveness.
- *EarnFair*'s community partners get free access to high-quality management and program consultants (Seedco field associates) whom they could not afford on the open market.
- No technique works for all clients, but by sharing information about effective practices for job readiness training, job placement, case management, and job retention, *EarnFair* partners have a shot at helping the greatest possible number of people.
- Shared learning opportunities such as the monthly program design meeting and periodic retreats capture knowledge about the ingredients of successful workforce development, which helps to build the workforce development field. Examples include streamlined job development activities, job readiness preparation, coordination between case managers and job developers, job retention, and outreach to employers.

COMMUNICATION

- *EarnFair* keeps CBO partners well informed through contact with field associates, program design meetings, and the eBulletin.
- The network structure encourages communication among program directors.

“Communicating and reporting to Seedco, and letting them fight our battles with HRA, to me that’s a plus.”

SEEDCO’S CAPACITY AND CREDIBILITY

- Community partners describe Seedco staff as well-informed, intelligent, professional, capable, politically savvy, accessible, collegial, and helpful. They view Seedco staff as an important resource, both to individual CBOs and to the Alliance overall.⁶
- *EarnFair* benefits from Seedco’s strong reputation in the government contracting world. As far back as NSP Works, William Grinker and Diane Baillargeon have used their

CBO program director

5. The success of the Alliance prompted Seedco to join the New York Information Technology (IT) Career Ladder Consortium. Consortium members are developing a career ladder in IT for which CBOs recruit and case-manage clients, City University of New York trains them, the New York Software Industry Association facilitates access to jobs, and Seedco serves as managing partner. By belonging to the consortium, Seedco can pool clients with IT skills across sites, whereas any single CBO would not have enough applicants to make participation worthwhile.

6. The only criticism program leaders voice about Seedco staff is that their education and experience tends to be in business management, not social work. “Sometimes there’s a disconnect between our need for strategies that are psychology- or social services-based, and the Seedco staff’s [focus on] business performance,” a program director suggests. She adds, however, that the performance orientation also is a good thing, because it reflects the current state of the workforce development field.

professional connections and their organization's credibility to draw state and federal officials' attention to the initiative. The respect and familiarity that Seedco's leaders enjoy give them an edge when competing for funds or intervening on behalf of struggling sites.

Challenges

EarnFair's main challenges include: quality assurance and accountability, training and technical assistance, institutionalization and expansion, resource limitations, CBO staff turnover, time pressures, and administrative bureaucracy.

QUALITY ASSURANCE AND ACCOUNTABILITY

A few *EarnFair* sites have been cited for problems during agency audits, prompting concerns that Seedco/N-PAC is not monitoring sites' fiscal procedures closely enough. The following factors complicate quality assurance efforts:

- Decentralized operations. "A lot of times we find out about problems after the fact," an N-PAC staffer acknowledged. "We try to develop good lines of communication, but we don't have someone [onsite] every day. If a program is getting off course, it's very hard to catch it early."
- Evolving expectations. Government agencies' requirements frequently change. "I never know when a new goal or requirement is going to come at us," says a CBO program director:

Somebody gets a job—great, that was our initial goal. They retain the job: again, great. Now we want to offer them advancement opportunities... and then access to benefits. It's not bad—absolutely not. But there are more and more requirements as we go along. Are the employment programs the right [entities] to manage all of these other services, without adding staff?

- Quality vs. quantity pressures. The CBOs' payment rate per client increases the longer a client keeps his or her job. At sites with low retention rates, therefore, it is tempting to compensate economically by overperforming on placements. That encourages staff to make mediocre placements that will not last, and it diverts staff time and attention from the task of improving retention services.
- HRA's documentation requirements. Although the Human Resource Administration is not *EarnFair's* only funder, it is the largest one, and its requirements therefore have a profound impact on participating CBOs. HRA requires CBO staff to complete an Employment Assessment and Experience Plan for each incoming client. EAEPs must be submitted through the Web, but it isn't convenient for job counselors to complete the forms online. Instead, they print out hard copies and fill them in by hand. Often, staff fail to convert the written forms into electronic records by HRA's deadline, which means the site does not receive credit for serving all of its clients.
- Balancing results accountability with capacity building. Seedco has a complicated relationship with *EarnFair* sites. "We're rooting for them, cheering them on, and also challenging them," Shapiro observes. Moreover, the shared risk model puts Seedco's reputation on the line along with those of CBO partners. Generally, as long as a struggling partner is trying to improve, N-PAC staff will try to help out. If program staff seem careless or unethical, however, N-PAC comes down hard on them. "It is a partnership, but we have to let them know we can't always catch them when they fall," Shapiro adds.

TRAINING AND TECHNICAL ASSISTANCE

Although community partners praise the qualities of *EarnFair*'s training and assistance providers, it isn't clear that the trainers' efforts have really taken root at the site level. One problem is that CBOs are notoriously short-staffed, so it is difficult to justify frequent absences from the CBO to attend *EarnFair* training sessions. But it may also be the case that Seedco needs to rethink its training strategy.

The program director at a site that has partnered with Seedco since the NSP Works days says Seedco's role in providing technical assistance has changed—and not for the better:

In the beginning, the curriculum development and program design meetings were a big help. We would sit down and really talk about program design. Now the program directors don't even get to shape the agenda [for the monthly meetings]... It has turned from a partnership into a contractor-subcontractor relationship. Seedco's role as an idea incubator [has suffered], because we're so focused on the funders' outcomes.

To rectify this situation, in October 2001 Seedco held a retreat with program directors to discuss their concerns and reengage as partners.

INSTITUTIONALIZATION AND EXPANSION

The CBOs participating in the Alliance generally have not integrated *EarnFair*'s activities and supports into a coherent, organization-wide strategy, which would be an important step in expanding the model's influence. Community-based organizations tend to implement programs in silos, driven by funding streams. To date, Seedco has not pushed its partners on this issue.

EarnFair's resource-intensiveness also restricts the model's reach. "[The Alliance] works beautifully but it takes a tremendous amount of time, effort, and resources to get it set up," says the Workforce Investment Board's Marilyn Shea. "It takes a very special organization like Seedco, with very talented, persuasive people" to make such a model work—and that may limit its replicability.

RESOURCE LIMITATIONS

EarnFair's community partners are committed to helping an extremely hard-to-serve population. They cannot select the clients most likely to succeed, as a for-profit program can; they simply have to try harder to get the same results. The biggest resource challenge comes from clients with chronic needs, a program director explains:

We troubleshoot clients' housing problems all the time, even though we don't have a specialist on staff. We do interventions between parents and young adults living together. We place some of the same clients over and over because they can't keep a job, even though you can't get [paid] for more than one placement [per client]. And we're still helping clients who first came to us one or two years ago, even though we don't get paid for it. It all takes a lot of time—a lot of quality time.

Seedco/N-PAC feel the pinch, too, as they stretch to help multiple sites in multiple ways. "If I had more time I would spend it in the sites so I'd know more about what sites want," a staff member says.

CBO STAFF TURNOVER

The high rate of staff turnover in CBOs can undermine the initiative's consistency across sites. "It's hard to find experts in this field, because by the time people become expert they've burned out," a program director says. "We're always working on staff cohesion."

TIME PRESSURE

There is a six-month cap on payments for any specific *EarnFair* client. CBO staff say it is unrealistic to expect marginally employable clients to find work within that timeframe. If a client doesn't find work within the specified period, HRA moves him or her to another job training program operated by a different vendor, which may or may not be an *EarnFair* site.

ADMINISTRATIVE BUREAUCRACY

CBO program directors like having their interactions with HRA buffered, but they chafe at the additional reporting they must do so Seedco can fulfill its obligations as prime contractor. Many are frustrated by having to enter data into three separate databases (NYCWAY, *EarnFair* Link, and their parent organization's system). "The management of paperwork and accountability can get in the way of doing the work," says an experienced CBO staffer who recently became a program director. Still, the directors concede that the administrative burden is a relatively small price to pay for the resources they gain through *EarnFair*.

V. Lessons and Observations

The *EarnFair* Alliance has evolved over its six-year history. When it began, a cornerstone of the model was the concept of providing flexible staffing at minimal risk to employers (*EarnFair* LLC). Temp-to-perm placements are now only a small fraction of what the Alliance does. Today, the initiative has more to do with partnerships, especially with community organizations.

EarnFair gained additional partners and broader geographic coverage over the years, growing from three sites to a dozen. Growth came slowly, because Seedco didn't have funding to expand the program. As Seedco obtained additional

public contracts and private grants, *EarnFair*'s scope of operations grew.

Over time, Seedco added industry-specific components to the mix. *EarnFair* forged a partnership with the New York Information Technology Career Ladder Consortium to develop an IT career ladder; and, through *EarnFair* LLC, the initiative offered customized recruitment and training for companies in the health care field.

Some modifications were driven by funders' changing priorities. When the HRA grant began in 2000, *EarnFair* sites were allowed to serve two populations:

public assistance recipients and people eligible for services under the Workforce Investment Act (WIA), which meant virtually any low-income adult. With such latitude, *EarnFair* sites could focus on clients in their immediate communities, and they enrolled anyone who walked in the door and asked for help. About 70 percent of all clients placed during those early years were WIA clients but not recipients of public assistance.

After about three years, however, the HRA contract became funded by the Welfare-to-Work Program, and services were completely restricted to clients transitioning off welfare. It wasn't a perfect fit for the community-based model, because CBOs had to wait for referrals rather than taking walk-in clients, and they had to accept whatever clients were referred to them. Suddenly, the majority of clients some CBOs served came from outside the neighborhood and even the borough. There weren't always enough referrals to give every *EarnFair* site the number they needed to meet their performance (and payment) targets.

To regain the initiative's previous scale, Seedco began to diversify *EarnFair*'s funding streams, with the goals of returning to a community-oriented approach and reaching a broader array of clients. For a year and a half, *EarnFair* sites worked with about 1,800 people who had lost their jobs after September 11, 2001, including some mid-career professionals. About one-third of these clients found work. Also, with WIA funds, Seedco began providing services at the Workforce1 Career Center in Upper Manhattan that serves both jobseekers and employers.

Through this evolution, *EarnFair* partners have learned some important lessons. They now offer the following advice:

About Relationships

Help clients and employers see themselves as partners of the CBOs and Seedco/N-PAC.

Clients have to get personally engaged in the job-seeking process. Employers have to sympathize with *EarnFair*'s mission and understand that even if a specific hire doesn't pan out, it doesn't mean the program doesn't work.

Link CBO staff to other organizations doing similar or related activities in the community.

EarnFair clients have myriad, interrelated needs. CBOs can't solve all problems on their own, and they shouldn't try to. They need relationships with other providers to fill the gaps.

Reach out.

Seedco/N-PAC field associates are in constant contact with their sites—attending community events, engaging as many people as possible in casual conversation, and looking for new ways to be of service. Seedco also conducts client and staff satisfaction surveys at least twice a year.

***EarnFair* isn't for everyone.**

The shared-risk funding model probably works best for CBOs that are not already financially stressed. The model also may be more appropriate in urban settings than in rural ones, which tend to have fewer eligible clients.

Communicate.

Don't initiate anything new without first discussing it with site representatives. Ask program directors what they need to do their jobs better. Ask clients what elements of the program they like best. Ask CBO staff if they feel well-supported and comfortable with the program design.

“We don't wait for [CBO staff] to call us. We make sure they know we're there not just to talk at them but to talk with them.”

FRANCINE DELGADO,
Seedco

Be candid.

The only way to create a productive alliance is for each member to be honest about his or her organization's strengths, assets, needs, and weaknesses.

About Job Readiness Training

Augment the curriculum with frequent live presentations.

At the Center for Family Life, for example, clients get information and personal advice from a steady stream of guest speakers. A counselor from a nonprofit housing organization visits to talk about eviction prevention, financial literacy, and home purchasing issues. A lawyer from South Brooklyn Legal Services talks about transitional benefits, the legal rights of public assistance recipients, unemployment compensation, and child support payments. Employers conduct workshops on their expectations and give tips for getting and keeping a job. A representative from the nearby community college visits to tell clients about the courses available to them.

Don't push too hard too fast.

A staff member at the Center for Family Life says she doesn't probe too deeply during her first meeting with a new *EarnFair* client. "I try to let them speak about themselves, and based on what they say I will ask follow-up questions," she says. "Some people are upset because they've just divorced, or are pregnant, or have dropped out of school. When I know what their situation is, I can ask better questions."

Follow up immediately.

Don't waste any time after a client expresses interest in learning a new skill. Keep the momentum going by immediately connecting him or her to other services within the CBO or making a referral.

Tailor the response to each client.

There is no formula for making a person ready for work, especially given all the personal issues that may need attention first.

About Job Development

Aim high when making initial placements.

Whenever possible, *EarnFair* seeks first placements that pay more than the minimum wage, so new workers start with a leg up on the career ladder.

Give businesses a safety net for gambling on new workers.

EarnFair LLC's strategy of paying workers on behalf of the employers, and then seeking reimbursement, gives employers some incentive to hire transitional workers.

Target a broad array of employers and get to know them well.

Over the years, one CBO job developer has built relationships with many large employers, including Home Depot, Costco, Time Warner Cable, Lutheran Hospital, and a home care provider. "With those employers, I can pick up the phone and say we have someone who might make a good customer service employee or technician, because I know what their requirements are," she says.

Always tell potential employers the truth—but work around their biases.

Be honest about the client's positive and negative attributes. Don't promise something the client can't deliver. On the other hand, some employers are automatically leery of any candidate who comes to them from a social service program. "They think [program participants] are all drug users, hookers, and ex-offenders, so we've learned to edit the word 'program' out of our spiel," an experienced job developer says.

Be aggressive about employer outreach.

Successful job developers tell everyone they meet about their clients, the training program, and the support services offered through *EarnFair*. Sooner or later, that practice opens new doors.

About Job Retention

Provide extensive post-placement supports.

By staying in touch with clients after they begin working, *EarnFair* case workers and job retention specialists are able to address workplace problems before they become grounds for dismissal.

Help workers find career paths, not just a single job.

Case managers try to show *EarnFair* clients how their entry-level jobs might lead to even better employment. When workers have a clear sense of what it takes to move from one job to the next, they are more motivated to adopt good work habits and increase their skills.

Be a good listener.

"Put yourself in [the clients'] position," advises a retention specialist:

People often take jobs not because they're excited about the position but because they're pushed to find work. So most of them start the job being a little unhappy. Our job is to let them vent and help them see things in a different light.

Think holistically.

Retention isn't just about keeping people from getting fired, it's also about keeping clients motivated to stay at work. Thus job retention can't really be reduced to one staff position or isolated within a staffing unit. It needs to permeate the entire operation.

Intervene early.

When a workplace problem occurs, don't wait for it to become a crisis. Find out why each party is unhappy and propose actions to resolve the situation. If it clearly is not a good match, salvage the relationship by replacing the worker with another *EarnFair* client.

About Program Staffing

Program staff are the key to the success or failure of programs like *EarnFair*. Seedco's community partners say they look for program staff who are:

- Caring and compassionate
- Non-judgmental
- Committed both to the social mission and the performance standards
- People-oriented, but not so empathetic they won't push clients
- Entrepreneurial and creative

- Enthusiastic, and able to transfer their enthusiasm to other partners
- Flexible; able to learn as well as teach
- Able to work on a team and to integrate their work with that of colleagues
- Open to constructive criticism
- Efficient
- Respectful and cooperative

“I love seeing people do well and succeed, helping somebody make a difference in their life and move forward. In helping them, I feel I help myself.”

CBO job developer

What Does It Take to Implement *EarnFair*?

1. Trusting, mutually supportive relationships
2. Consistent engagement of top-level executives and program directors
3. Continuous, high-quality training and technical assistance to counteract staff turnover onsite
4. Good communication within partnering organizations and between CBOs and Seedco
5. Clear standards for success, and a process for enforcing expectations
6. Centralized resources and administrative infrastructure
7. A comprehensive package of services, benefits, and supports
8. Shared financial risk
9. Active participation by all members
10. A system and process for collecting real-time data and using them to guide decisions

VI. Conclusions

EarnFair's success speaks for itself. As of January 2005, Alliance partners had placed 6,686 clients in jobs. Of those, 62 percent remained in their jobs for at least 13 weeks, and 42 percent stayed for 26 weeks. The average starting wage was \$8.47 an hour. Moreover, the initiative continues to attract major funding, and the shared-risk arrangement has proved viable for both CBOs and Seedco.

EarnFair is a work in progress, however. Its designers hope to make the model more efficient, higher-achieving, and better known among policymakers. They intend to revamp the curriculum, making it more modular and more culturally

responsive, and build out the case management functions of *EarnFair* Link. They would like to expand the initiative into underrepresented boroughs, especially Queens, and possibly other cities around the country where Seedco operates. They could add other target populations, such as youth transitioning out of foster care, non-custodial parents, Food Stamp recipients, and other unemployed clients who are not on welfare.

Expansion of the initiative may require Seedco to give community partners more financial assistance and administrative support so they can better control their

expenses. Expansion also will require Seedco's own infrastructure and staffing capacity to grow.

EarnFair's growth will take considerable financial commitments from federal, state, and city funders. Seedco will need to diversify *EarnFair's* funding streams if it intends to serve a broader base of clients. And, if incoming clients become more diverse, Seedco will have to establish an intake system that directs each person to the most appropriate program component rather than to a standard package of services and supports.

Site-based program staff have their own list of requests for new services: Help us establish long-term relationships with hard-to-reach businesses. Provide more market research. Set up a process for sharing job listings across sites. Consult us even more frequently so we can contribute our expertise.

EarnFair is generating useful knowledge, tools, and relationships that benefit all of its partners. Now, as Senior Vice President Andrea Phillips notes, "It's time to recognize that we're doing very well with the basics...and ask, 'How do we take it to the next level?'"

Appendix:
Profiles of Selected
EarnFair Sites

Citizens Advice Bureau, Bronx: A Motivating Force

Context

Citizens Advice Bureau (CAB), founded in 1972, is a settlement house. Its mission is “to improve the economic and social well-being of individuals, families, and communities who are most in need” (Annual Report, 2000-01). CAB is located in the South Bronx, an area of both intense economic distress and community revitalization. More than a third of the area’s residents live in poverty. Most of those who are employed have low-wage, low-skill jobs, and about half lack a high school diploma. Many residents get by without adequate housing, health care, and other important supports. (Annual Report, 2000-01).

CAB provides direct services, community outreach, education, and advocacy, often through partnerships with other organizations. It operates 23 sites throughout the borough, including four walk-in information and referral centers, and serves more than 25,000 residents per year, of all ages. In addition to workforce development services, CAB’s specialized programs include: assistance to immigrant families and individuals; education, youth development, counseling, and recreation for children and school-age youth; teen pregnancy, substance abuse, and gang activity intervention programs; assistance getting licensed as a family child care provider; eviction prevention and transitional housing for homeless residents; intensive case management for individuals living with HIV/AIDS; and nutritious meals, recreation, housing referrals, and crime victim’s support for senior citizens.

CAB’s involvement in workforce development began with three small-scale projects, followed in late 1998 with participation in NSP Works, the precursor to *EarnFair*. Today, CAB is one of the Alliance’s strongest sites and frequently exceeds its performance targets. In 2003, CAB had total revenues and other support worth \$18.2 million, and total program service expenses of \$15.7 million.

Clients

CAB serves about 700 *EarnFair* clients per year. About 65 percent are female and 35 percent are male. Half are in their thirties, and 35 percent are in their twenties. Equal proportions (48 percent) are African American and Hispanic. About 20 percent have limited English proficiency, and 35 percent have a high school degree or its equivalent.

Staffing and Roles

CAB's staff includes the following people interviewed for this study:

Sara Farimani is the Director of Workforce Development at CAB. She oversees eight workforce development programs that serve different populations, including *EarnFair*, and supervises the director of a shelter-based workforce development program. Farimani joined CAB halfway through the NSP Works demonstration program, after serving as administrative coordinator of a workforce training program for students at Queensboro Community College.

Farimani describes her program's role as, "To help [clients] manage their personal life with their job and professional life—to tackle multiple issues that would otherwise make the job search process a humongous task. There's a lot we do to help them become job-ready: finding childcare, making appointments with city [service] agencies, case management."

Farimani is assisted by **Jonathan Daniels**, CAB's Coordinator of Business Development. Daniels has a background in psychology and case management; previously, he was a case worker for the city's Administration of Children's Services, a counselor for the mentally disabled, and a medical counselor. He came to CAB four years ago as a job readiness trainer, and then began screening clients and building relationships with local employers. Now, his full-time role is to engage local businesses in CAB's workforce programs while two other job developers screen CAB's clients.

Jessica Nathan, CAB's Workforce Development Specialist, coordinates workforce contracts that serve two populations: West African immigrants and workers trying to move up the information technology career ladder. She also helps the job readiness instructor develop lesson plans and compile material, especially for clients who have limited English proficiency. Nathan's academic training is in psychology. Before joining CAB two years ago, she created behavioral training programs at a residential facility that served people with profound mental retardation and physical disabilities.

At the time of the site visit conducted for this profile, Nathan also was in charge of job retention services, a job she had shared with a job readiness trainer until his recent departure. CAB was in the process of hiring a replacement, but Nathan was pushing the idea that retention should be done by all workforce development staff, not just post-employment specialists. "We're moving to a more retention-focused operation, but this is all very new," Nathan said. Typically, CAB retention staff meet with clients once a week for the first month, then biweekly for two months, and then once a month for three more months.

Lorenzo Barcelo is CAB's Job Readiness Trainer, a role that draws on more than 25 years of experience in employment training. He develops lesson plans and teaches the *EarnFair* curriculum (which he supplements with his own materials). Barcelo is part teacher and part inspirational speaker; his role is to challenge, encourage, and inform the clients, some of whom have never been successfully employed.

Edna Perez is one of six Case Managers. She has worked for CAB's job programs since 1998, first as an intake specialist and now in social services case management. At any given time, Perez works with 40 to 60 clients, meeting their changing needs as they move from the assessment phase to training, employment, and job retention.

Strategies

CAB's workforce development program has four components: job readiness, case management, job development, and retention services. Clients move among these components as their needs and capacities change.

Activities are guided by three core values (Job Readiness Program Memo, June 2004):

- All individuals are welcomed by an inviting, accessible environment.
- All individuals are treated with respect and courtesy from the point of entry at [the job readiness program] through delivery of whatever continuum of core services they access.
- All individuals receive advice, guidance, and support throughout all activities.

The philosophy behind the program when it began was “to help clients stand on their own feet and become self-sufficient,” recalls program director Sara Farimani. Now, faced by the reality that most clients have very limited skills, the focus has shifted primarily to connecting clients with jobs, although staff continue to stress the importance of self-sufficiency and of advancing in a career.

Motivate the clients.

CAB's workforce development staff work especially hard to motivate their clients—to want to work, to give employment a chance, to be open-minded. “A lot of our clients are apprehensive about trying something new,” Daniels notes.

Keep clients both hopeful and realistic about their job opportunities.

“I don't expect them to be completely aware of the competitiveness of the job market,” Farimani says. “But at the same time they are right to have high expectations, because they need to have a job to be able to pay their expenses.”

Emphasize four practical tasks.

In job readiness training, CAB's strategies translate into four practical tasks: completing a job application, creating or updating a resume and reference list, convincing Barcelo during a mock job interview that the client is employable, and working with one of CAB's job developers to find a job. To support these objectives, Barcelo uses *EarnFair's* job readiness curriculum; two books by Curriculum Associates, “Understanding Work and Myself” and “Finding a Job and Success”; videotapes on the application and interviewing processes, workplace behavior, and effective communication; materials provided by the federal and state departments of labor; and materials downloaded from national workforce and welfare-to-work Web sites.

Barcelo faces several challenges in his job readiness training classes. The level of learning skills varies dramatically across participants; a typical group includes people who can and cannot read, experienced workers, and people who have never worked before. Daily attendance also fluctuates, which means lessons frequently must be repeated. Students' attention spans are short, which makes individual instruction difficult. And there is little time for evaluation of students' progress. Nonetheless, Barcelo manages to reach a core group of clients.

During a class observed in September 2004, 14 clients showed up (of the 37 referred by the Human Resources Administration). It was Day Three for a new cohort, and Barcelo walked them through activities designed to match the potential workers with appropriate jobs. “Tell me about yourself,” Barcelo said as he assigned a writing exercise. “Make a statement about

yourself. This is not about you as a person, it's about you as a worker.”

A well-groomed young woman sitting at the front of the class busily read the materials Barcelo handed out, while an older woman at the back of the room grumbled incessantly that “I ain't gonna get a job till after I move. Doesn't make no sense.”

Barcelo ticked off a list of tips for successful job interviews. The first few were pretty standard: Be prepared. Arrive early. Dress appropriately. Stand until the interviewer tells you where to sit. Don't slouch. Make eye contact, but don't stare. Make sure your application is complete. Make sure your resume is correct and that you know it well; don't think you can hustle the interview. Be enthusiastic and positive.

Then he customized his advice for the audience at hand: “If you're going for a customer service job it will be especially important to smile, but a lot of people don't want to smile because they're ashamed of their teeth. If you have your Medicaid card, get your teeth taken care of. And don't say too much. If someone asks how things are going, it doesn't mean you have to tell them about your children in foster care. All you have to say is, ‘I have my life in order and I'm ready to work.’”

As students reviewed their responses to a self-rating checklist, Barcelo shifted into a carefully framed pep talk. “You are not going to get a job because you're broke or because you need the job,” he said. “You're going to get it because the employer finds you interesting, because you can do the work, and because you convince the interviewer you are the best person.” He continued: “If they are looking for oranges, you are an orange; you cannot be a banana. In other words, if you're a home health aide, you'd better talk about how you like to help people feel better... You have to start seeing yourselves as human beings with skills.”

Center for Family Life in Sunset Park, Brooklyn: Seeking a Holistic Solution

Context

The Center for Family Life (CFL), established in 1978, is a neighborhood-based social service center in Sunset Park, a three-mile area about 30 minutes from Manhattan that is “densely populated, multi-ethnic, low-income... with a large percentage of recent immigrants” (mostly Hispanic and Asian; from CFL Progress Report, 2003). CFL’s mission is “to provide a comprehensive range of preventive family services necessary to sustain and nurture the family, ensure the well-being of the community’s children, and create a supportive environment where neighborhood youth can emerge as confident, capable adults” (Progress Report, 2003).

Like many inner cities, Sunset Park struggles with a lack of affordable housing, overcrowded schools, a decline in blue-collar jobs, and a lack of parks and recreational space. Less than a quarter of adult residents graduated from high school or have an equivalent degree. The adult employment rate in 2000 (before the fallout from September 11, 2001) was slightly over nine percent. There is great demand for social services: the neighborhood’s population grew more than 30 percent between 1980 and 2003, and today, about a third of the 113,000 residents are children and youth under age 18.

Sunset Park also has great strengths, however. “Unlike the many segregated neighborhoods throughout NYC, Sunset Park is a true melting pot,” notes the Center’s 2003 annual report. “The Latino community largely dominates the community’s historic commercial strip... while Eighth Avenue is the heart of Brooklyn’s Chinatown. [Moreover], the leaders of the community have come together through [a] Human Services Cabinet to address many challenges and create support within the community.”

The Center for Family Life builds on those strengths through a belief that people function within a community context, and therefore the solutions to their needs must be holistic and integrated. Child development, adult job development, family development, and community building are all viewed as essential parts of a healthy, supportive environment.

CFL’s services include: counseling (family, individual, and group); neighborhood-based foster care; an advocacy clinic, emergency food program, and thrift shop; youth leadership, mentoring, and school-to-work programs; adult employment services; and comprehensive in-school and after-school partnerships at two elementary schools and one middle school.

Clients

CFL joined the *EarnFair* Alliance in 2001. In 2003, 475 families participated in CFL's adult employment services. From these families, about 250 individuals enrolled in the full job readiness program, while others received information and referrals. By the end of 2003, 226 of the Center's clients had obtained employment through the program.

The program operates out of CFL's satellite office on 39th Street. Many clients are referred by social workers at the main CFL building or are walk-ins from the community. Many have limited English language or literacy skills that make them especially hard to employ—like “M,” a Ukrainian émigré in his late 50s. “M” was an electrician and mechanic in his home country, but the certifications didn't transfer and his age makes the prospect of recertification unlikely. He has no driver's license and speaks very little English but spends nearly every day in CFL's computer lab, searching for a job.

Staffing and Roles

CFL's staff includes the following people interviewed for this study:

Maria Ferreira is Coordinator of CFL's Adult Employment Program. A social worker by training, she has been at the Center for 20 years—first as a counselor and then, beginning in 1993, as the workforce development coordinator.

Job Counselor **Amparo Lemos** grew up in Columbia and immigrated to New York City about the time the Center was founded. She began her career at the Center in 1989, serving first as the intake specialist for Spanish-speaking clients. As a job counselor, Lemos handles about 50 clients at a time.

Julie Cohen, CFL's Computer Instructor, teaches *EarnFair* clients and other participants in the Adult Employment Program how to use the Microsoft Office software suite—often tutoring them individually—and helps clients with computerized job searches on the Internet. For each client, Cohen establishes a free e-mail account on Yahoo! where they can send job inquiries and receive responses—a valuable asset for those who have no fixed mail address. During the two-week orientation period, Cohen helps clients type resumes, cover and thank-you letters, and lists of job references. During the job search phase, she helps them fill out online job applications and take computerized tests, follow up on job listings, conduct research on possible employers, and scan the online classified ads.

Deloris Cook is an Employment Specialist/Job Developer at the Center. Her own job trail encompasses theater, writing, serving as account executive for a radio station, and a stint as an assistant vice president at E.F. Hutton. After conducting workshops at New Horizons Urban Bankers Coalition in the late 1990s, Cook decided to become a certified job development trainer. She joined CFL seven years ago.

Cook conducts workshops on job interviewing and job searching for *EarnFair* clients. She calls employers to explain the program and encourage them to hire CFL's clients, writes up job announcements, and assesses clients to determine the best match. If an employer has trouble with a CFL client, or vice versa, Cook visits the job site to troubleshoot, and may even conduct an onsite workshop if there are multiple clients involved.

Strategies

Address the factors that interfere with employment in an integrated, holistic way.

CFL's new client orientation isn't restricted to job skills; it also includes a workshop by Francisco Quiles, Housing Specialist for an organization that addresses affordable housing and tenants' rights. During a typical session, held in September 2004 for nine clients, Quiles offered practical advice about getting repairs made to rental housing. "If an appliance stops working, don't ask for a new appliance. Ask the landlord to send someone to check the appliance," he advised. "Chances are, the repairman will have it replaced. But if you ask for the replacement, your landlord has the right to charge you \$14 or \$15 a month extra for it, for as long as you live there."

He also covered the legal intricacies of Section 8 housing, which has closed its rolls to new applicants. "New York City's [housing authority] is the fastest way to get subsidized housing now," Quiles advised. "Go to [the agency's headquarters] or come to my office for help filling out the application."

Set high expectations and help clients meet them.

At the beginning of a session on job interviewing, Deloris Cook explains that she will "interview" each person in front of the class so that all can learn from the experience. Cook is firm with the students, correcting a young woman who looks down at her lap when introducing herself. "That's a habit, and unless you work on breaking it you'll do it in job interviews," Cook admonishes. "Sit up and sound like that person who's going to get a job."

Cook begins with a few interviewing tips: You have to make yourself understood, and in order to do that you have to speak clearly and give specific responses. A job interview is a chance for you to see if you want to work for the company and whether they want to have you there; it's about finding the right fit. At the end of the interview, express interest in the job even if you've decided you're not interested. Keep your options open; don't decline a job until it's been offered. And don't go in there thinking you know everything.

Cook then takes each student through a mock interview followed by a class critique. Each time, Cook blends encouragement with constructive criticism aimed at building the client's skills. "D," for example, worked as a home health aide at a publicly funded entity for 20 years until her hours were cut. Now she is looking for a private placement. She has a tenth-grade education, certification as visiting nurse assistance, and says she doesn't plan to get a GED.

"D" earns points for saying that she loves working with people, especially sick ones, and describing herself as a hard worker. She gets a little testy, however, when Dolores asks follow-up questions about her resume. Cook points out that some of "D's" answers weren't very diplomatic; she raised the question of how much the job pays too early in the interview; and she expressed personal opinions about federal policies for home health care reimbursement. "Be careful with your attitude," Cook advises, after first praising "D" for responding to questions readily.

Help clients harness their emotions and personalities productively.

A monthly workshop taught by CFL Co-Director Julia Jean-Francois is ostensibly about workplace communication, but it has an equally important goal of helping clients express and experience their emotions and personalities in ways that make them viable job candidates. At a recent session for eight clients ranging in age from 30 to 60, Jean-Francois introduced the concept of "emotional IQ"—being able to read situations and respond to people effectively.

“Looking for a job feels discouraging after a while, and you might go into an interview frowning or with an attitude,” Jean-Francois tells the group. “Try to reach clarity about what you want from the interview and from the job itself. Why is that job important to you as a person?” Using a real-life example from the class, Jean-Francois walks through the process of figuring out (1) which previous experiences the client should mention in an interview and (2) how her desire to help other people makes this an important job to her.

Jean-Francois then turns to some newer clients and asks them to apply the exercise to their lives. One woman had had a job checking trades for a broker at the World Trade Center, making sure the money was correctly accounted for. It seems as if she likes things done correctly and precisely, the instructor observes. “She could say, ‘I want to work in a job where people have confidence that their needs are being handled appropriately, where I can help people feel that their financial affairs are in order.’ That may help distinguish her from [job applicants] who just say, ‘I can do data entry and I want this job.’ You want people to know you’re not just fast on a calculator but also people-focused.”

Next, Jean-Francois works with her clients on managing workplace stress through productive communication. Good questions to ask of one’s boss, she notes, are: How soon do you want this done? What is its priority in relation to other tasks? Will there be anyone to assist me with this? “The message we want to give the employer is that we want to get the job done the best way possible,” she advises. “When you say, ‘I’ll do the best I can,’ you’re telling the employer you care about his or her priorities.”

Take a long-term perspective.

“We try to let people stay as long as possible. Some people just take a little longer to get on their feet, to get confidence,” Cohen says. Clients know the Center staff are with them for the long haul, and some say it inspires them to work even harder at finding a job.

Involve everyone in retention efforts.

All of CFL’s adult employment staff provide retention services, and clients’ files remain active for a year after job placement. Cook checks back with employers by phone to see how the match is working out, and after three months she sends a letter requesting feedback. When employed clients come in for their free Metrocards, the counselors probe informally for workplace issues that might disrupt their employment. When clients come for their final Metrocard, after six months of employment, there is a more in-depth conversation about how the job is going and where it might lead.

Pius XII Youth & Family Services, Bronx: Helping Clients Help Themselves

Context

Pius XII began in 1985 as a residential school for neglected and dependent boys in Chester, NY, under the auspices of the Brothers of Holy Cross. Today, Pius XII Youth & Family Services provides a variety of residential, community, educational, corporate, and chemical dependency services to more than 20,000 children and adults a year through 30 locations in the Hudson Valley and New York City (CBO fact sheet, April 2000).

Pius XII's community services are located in the Riverdale area of the Bronx, a 3.4-square-mile-area with about 101,300 residents. About 16 percent of the population receives public assistance, Supplemental Security Income, or Medicaid. Forty-four percent of residents are white non-Hispanic, 37 percent are of Hispanic origin, and 12 percent are black or African-American/non-Hispanic.

Riverdale participates in the Empire State Economic Development Zones program, which is bringing new economic development to the community. In mid-2004, a new Target store opened; other chain retail stores, supermarkets, and banks have also come to the area. Target, an A&P warehouse, Wachovia Bank, Hertz car rental, and a community health center are all employers of Pius XII's clients.

Pius XII's services include: family counseling, day care, afterschool programs for latchkey children, employment training, ESL and GED preparation, diversion counseling for persons in need of supervision, dropout prevention programs at local high schools, and recreation activities. The CBO's job readiness program is called the Marie Smith Urban Street Academy. It operates in a spacious modern building with two computer labs and six classrooms.

Clients

Pius XII has about 380 *EarnFair* clients on the rolls at a time, but the typical daily attendance rate after the orientation period is about 10. Sixty percent of the clients have been on public assistance for some time or off and on since childhood. Eighty percent are women, and 20 percent are men. The average age of *EarnFair* clients is about 35.

Staffing and Roles

Pius XII's staff includes the following people interviewed for this study:

Patrice Bey joined Pius XII three years ago as Director of the Workforce Development Program. Originally from Jamaica, she moved to New York City as a child. Bey has a background in research and development for nonprofit organizations, especially in educational curriculum design. Her previous employers include Our Children's Foundation, Manhattan Valley Youth Agency, and the Ministry of Education for St. Lucia. Bey became certified as an employment trainer in 1994.

Bey oversees the contractual elements of Pius XII's partnership with Seedco/N-PAC—maintaining a relationship with *EarnFair*'s leadership and site monitors, collecting and reviewing data, and managing the intricacies of the reimbursement process.

Esther Tzanetatos is PIUS XII's Job Readiness Trainer. In her five years at the organization, she has served as evening program coordinator, receptionist, intake specialist, and trainer. Tzanetatos handles much of the clients' early contact with the jobs program: introducing them to Pius XII and to *EarnFair*, figuring out which people are ready for immediate placement and which have problems that require case management, explaining program expectations, helping clients fill out forms, and delivering the curriculum. During the program's second phase, she shows clients how to use the computers for job searches and for writing resumes, and she creates Yahoo! e-mail accounts for clients who don't already have them.

Yvonne Harden and **Patrice White** are Job Developers. Each has been with Pius XII more than two years, and each works with 40 to 50 clients at a time. Both have prior experience in jobs where they had to figure out problems and defuse them quickly. Harden has a degree in human services; her previous employers include a bank and the Department of Motor Vehicles' office of traffic violations. White worked for MCI/WorldCom, assessing the needs of international clients.

At Pius XII, Harden and White's tasks vary each day. "We may see one person five or six times in different situations in a given day, and not get to anyone else. We pound the pavement trying to meet employers. We will hold classes if we feel a number of clients need to brush up on interviewing skills or conflict management," Yvonne says. "We're case managers as well—we assess barriers. If someone can't stand for a long time, or has a low literacy level, I don't want to put them on a job that requires [those capacities]."

Artie Johnson is Pius XII's Job Retention Specialist, and he also assists with job development. The former manager of a printing shop, Johnson came to the CBO in 2004. He visits the orientation classes to tell clients about *EarnBenefits* Online and the free Metrocard program (resources developed by Seedco/N-PAC and described in the full report that accompanies this profile). When clients become employed, they bring documentation to Johnson and he provides a weekly or monthly transportation card. He also uses the opportunity to find out whether they're happy in the job, have childcare or cash flow issues that might become barriers to work, or need another placement (if, for instance, the client has a seasonal job that is about to end).

After talking with the client, Johnson takes steps to address the problem—calling the employer if it is work-related, intervening with a creditor, advocating on behalf of the client with a landlord. "My goal is to get them to think long-term, so they can get off [public] assistance and be self-sufficient forever," Johnson says.

Strategies

Be honest and transparent in dealings with clients.

As Patrice White explains, “I’ve dealt with job developers in the past who gave you no idea what job development was, so you had the idea there was a magic machine in the back room that would just find you a job and say, ‘Start here on Monday.’ We try to cut that off at the pass.”

Pius XII’s job developers visit the orientation classes to introduce themselves and to reinforce the idea that job placement is a partnership between the job developer and the client, with the job developer helping the client help him or herself. “What we actually do is increase their chances of finding employment,” Harden explains. “We’re not here to enable them or to be a crutch.”

Get to know the clients personally.

Finding jobs for *EarnFair* clients is not a formulaic process, because the clients’ needs and capacities vary so widely. “We might get a class that’s all maintenance workers, then one that’s all clerical, then one that is a bit of everything,” notes White. “We have people with psychology degrees and with Ph.D.s. If you have years of education and a job developer sends you to [a job at the drug store], that’s not a good match... and you won’t stay. But to make a good match, you have to know your clients.”

Harden and White meet weekly with Patrice Bey to talk about who each client is and what the job developers are doing with him or her. Harden and White are proud that they know their clients so well, “[Bey] can pull out a folder and just based on the name we can explain everything about them. We don’t even have to open the file.”

Knowing her clients has helped White find creative solutions that meet both the client’s dreams and their reality. One woman wanted to be a nurse but said she couldn’t because she would have to go to college. White outlined a career track for her that would lead from home health aide certification to intermediate training to nursing. Another client, who had a “wonderful” work history but had been laid off by a merger, was particularly touched when White asked him what he wanted to do. “He said no one had ever asked him that before,” she recalls.

In these and other cases, White and Harden’s affection for their clients, and their knowledge about their lives, sends an inspiring message to clients. “We really like the people,” White says. “When they start working, we go see them at the job. I had one client who, when he was placed, we actually danced.”

Empower clients to overcome their sense of victimization.

Many clients, especially those who come out of the public assistance system, have a victim’s mindset. The job developers say they have to undo that sense of helplessness just to get the client to the starting gate.

Harden, White, and Tzanetatos encourage these clients to stop them in the hallway, to ask questions, to take a stab at using the computers as a strategy for jumpstarting the process. They ask questions about the clients’ interests, and they try to point them toward career paths or job searches in which the client can make choices. “I’ve noticed that once people realize they have choices, they’re more receptive to what you’re telling them,” Harden says. “Even those that don’t find employment...they always feel empowered in some way.”

Help clients boost their life skills along with their employability.

Some clients who obtain jobs don't want the CBO to verify their employment (a necessary step in the *EarnFair* reimbursement process) because they don't to lose their public assistance payments. Usually, these clients have no experience creating a household budget. The job developers help them do so and then add up all the benefits they receive from public assistance. Usually it amounts to about \$68.50 per week plus rent and Food Stamps. Then they compare the benefits to the income that comes from the client's new job. "Even if they're working a job that pays \$6 an hour, they're probably making three times what they would be getting" from public assistance, Harden says, and realizing that is an important step toward self-sufficiency.

Illiteracy is another barrier to both employment and quality of life that the program helps clients address. Tzanetatos describes one client, age 24, who is a hard worker, very friendly and smart, and follows directions cheerfully. He can't read, however, so he can't conduct computerized job searches, create a resume, or read the newspaper classifieds. Back problems prevent him from doing heavy lifting jobs, such as warehouse stocking. So the job trainer has helped him register for a city-run literacy program, hoping it will give him the extra skills he needs to succeed. Meanwhile, he comes every day to Pius XII to help the staff with office tasks—and to experience the empowering, personalized environment that they foster.

Endnotes

- ⁱ “From Welfare to Work: Who Should We Help and How?” (1999). Prepared for the National Issues Forums Institute. Dayton, OH: The Kettering Foundation. pp. 4-5.
- ⁱⁱ NSP Works Report, p. 1.
- ⁱⁱⁱ NSP Works Report, p. 4.
- ^{iv} Seedco Positioning Statement. July 2004.
- ^v Pat Jenny, NSP Project Director at the New York Community Trust, cited in NSP Works Report, p. 6.
- ^{vi} NSP Works Report, pp. 11-12. Citing evaluation by the Chapin Hall Center for Children.
- ^{vii} NSP Works Report, pp. 23-24.
- ^{viii} NSP Works Report, p. 66.
- ^{ix} Notes from Seedco Retreat, December 2003.