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PRESS RELEASE

November 13, 2008

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Research Report Finds \$160 Million Welfare-to-Work Contracts Failing Clients in Program, Vendors Implementing Program and Taxpayers Funding the Program

*City Called on to Make Systemic and Implementation Improvements
As Economy Suffers and Contract Renewal Approaches*

New York, NY - According to a report released this morning at a packed public briefing, the \$53 million a year New York City allocated for a program to prepare and place welfare recipients in jobs and get them off of welfare is failing to serve its purpose and meet its goals. Research points to an extremely weak program with a number of shortcomings: poor job placement, weak job retention, high rates of recidivism, limited access to education and training, punitive sanction policies, and many people falling through the cracks without receiving needed services.

The report, *Missing the Mark: An Examination of NYC's Back to Work Program and Its Effectiveness In Meeting Employment Goals for Welfare Recipients*, finds that the work-first approach to welfare policy has failed again. The work-first model of serving welfare recipients appears to be a poor match for the current welfare caseload, preventing the Human Resources Administration (HRA), the city's welfare agency, from connecting clients to good, long-term jobs. The research also reveals that despite setting extremely low goals for the program's outcomes, HRA is still falling short of those goals.

"The public assistance caseload may be dropping," said NYC Councilman Bill de Blasio, Chair of the City Council General Welfare Committee, "but we have to ask ourselves – where are these people going? Especially in this economy, we need to ensure that we're doing everything possible to help New Yorkers prepare for and obtain living wage jobs. In far too many cases, city programs like Back to Work can sometimes function as a bureaucratic revolving door for people, despite our best efforts to fix them. The report by Community Voices Heard demonstrates that we can and we must do a better job of assisting low-income New Yorkers to become self-sufficient."

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According to the report, released by the organizing, advocacy and research group Community Voices Heard (CVH), New York City's Back to Work (BTW) Program, which was allocated up to \$160 million over the past three years in city contracts and serves approximately 12,800 people a month, has a poor track record in actually getting people jobs. The research finds that only 9 percent of clients who begin the program get jobs through the program. Of those placed in jobs, three out of every four BTW participants lose their jobs after six months and within 9 months of leaving the program for employment, 50 per cent of former BTW participants are back on public assistance and must re-start the BTW Program.

The research drew from a variety of sources, including: 954 short conversations with participants, 152 phone surveys, 5 focus groups with 50 participants, 10 vendor interviews, and a review of HRA contracts, policy manuals, training materials, site visit summaries, and Vendor Stat Reports (monthly performance evaluation reports prepared by HRA).

The report also finds that education and training programs and services are seriously lacking and that many welfare recipients, who are in desperate need of education and training programs, are not accessing these programs. Only 1.7 per cent of HRA's engageable cash assistance recipients are enrolled in education and training programs, and 72 per cent of BTW clients surveyed said that they were never told about Individual Training Account (ITA) vouchers (resources available to participants for pursuing education and training), either by HRA or a BTW vendor.

High rates of barriers to employment among participants (including but not limited to low levels of education, homelessness, lack of childcare, and formerly incarcerated status), contribute to the low placement and retention rates, and yet, the report finds little done in the program to address this issue. 76.7 per cent of BTW participants surveyed identified a barrier to employment. However, of those clients who identified one or more barrier, 75 per cent said that the BTW Program had not helped them to address any of these barriers.

The research also concludes that instead of providing services to meet the needs of its clients, the program often sanctions people for not being able to meet its requirements, resulting in the loss or reduction of cash benefits. As of July 2008, one out of every four HRA clients was in a process of being sanctioned or had a sanction in effect. HRA reports show that 68% of applicants and 28% of recipients receive a Failure to Comply while in the Back to Work Program (an FTC is the status given by HRA to clients that are deemed to be in non-compliance before the sanction goes into effect). Interestingly, while HRA often blames the client for the failures, 60% of all Failure to Comply notices are found to be in error after HRA reviews the case at a conciliation hearing.

“With the economic crunch that we are currently experiencing, the situation will only worsen if HRA and the City don't do something to address the program's shortcomings and effectively meet the needs of low-income people,” said Brenda Beal, welfare recipient and member of Community Voice Heard, who was the facilitator of the release briefing. The money allocated for the program is drawn from a combination of city, state, and federal funds that are designated for programs for people under 200% of the poverty line. Additionally, NYC and NYS must meet federal work participation rate requirements in order to maintain full federal funding for the state's welfare programs. Better use of these funds could lead to improved outcomes – both for the welfare system and for the individuals served by it.

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Community Voices Heard recommended a number of ways the program could be improved including: elevating education and training to a core component of the program, prioritizing job retention services, conducting trouble-shooting outreach with clients before putting them into sanction status, enhancing the case management aspect of the program, directly addressing barriers to employment, and more.

Alexa Kasdan, the primary researcher said, “HRA should implement and expand the types of programs that have shown strong success in meeting the needs of welfare recipients such as subsidized jobs programs like the Parks Opportunity Program and career ladder training programs and ensure that BTW participants can access these opportunities.”

The Back to Work (BTW) Program started in 2006, after contracts for the previous program – the Employment Services and Placement (ESP) Program - expired. Most of the organizations paid by HRA to implement the program remained the same. This report is a follow-up study to an earlier CVH report, *The Revolving Door* (2005), and focuses on how the new BTW Program compares to the older ESP Program. Once again, HRA’s work-first approach is shown to fail the clients directed to the program, the vendors administering the program, and the public that is funding it.