

## *Welfare to Work:*

— — —

### *An Employer's Dispatch from the Front*

*~ by the Cooperative Healthcare Network*

We address this paper primarily to public policymakers who shape welfare-to-work and employment training programs, and the practitioners within those programs who face the daily challenge of helping people transition from public assistance to stable employment. We want to share what we, as employers, have found to be effective within our businesses—in the home that, in turn, public transition programs can be designed and implemented with greater effectiveness. We welcome your response.

*Submitted by the:*

**PHI**

349 East 149<sup>th</sup> Street, Suite 401  
Bronx, New York 1045

Telephone: (718)4012-7766

Fax: (718) 585-6852

E-mail: [info@PHInational.org](mailto:info@PHInational.org)

**Steven Dawson**

President

**Peggy Powell**

Executive Administrator

**Rick Surpin**

Chairperson

We are employers: Together the Cooperative Healthcare Network employs more than 500 inner-city workers—primarily Latina and African-American women—more than 400 of whom came to us directly from dependence on public assistance.

In the current American debate on “welfare to work,” much is said about welfare, but little is said about work. In response, we believe a full policy discussion should focus equal attention on the employer’s perspective:

“What role does the *employer* play in helping people move from a welfare check to a pay check?”

The following are hard-won lessons from the front—lessons learned about low-income people attempting to change their lives; about employment and training programs; and most importantly, about what happens *after* the first day on the job.

## BACKGROUND

### THE COOPERATIVE HEALTHCARE NETWORK

The Cooperative Healthcare Network is a federation of three employee-owned home care cooperatives—based in the inner cities of the South Bronx, Philadelphia, and Boston—that each day provides paraprofessional healthcare to hundreds of ill and elderly homebound clients. The network includes:

**Cooperative Home Care Associates** of the South Bronx, now twelve years old, which employs 360 Latina and African American home health aides;

**Home Care Associates of Philadelphia**, now four years old, which employs 75 home health aides and also places paraprofessionals in other health care institutions; and

**Cooperative Home Care of Boston**, now three years old, which employs 70 home health aides.

The Cooperative network model integrates two distinct components: Each of the enterprises includes both a profitable *business* and an on-site, employer-based *training program*.

## INTRODUCTION

The lessons we offer in this paper are drawn directly from our experience employing and training inner-city women of color, typically those who are single

caretakers of young children<sup>\*</sup>. To introduce our lessons, we want to emphasize three main points:

- ⇒ **Long-term, secure employment with a stable employer** is the goal of a successful welfare-to-work program, and all else is a means to achieve that goal;
- ⇒ “Attachment to the workforce” requires **supporting a series of small successes over time**, not just a single push into the world of work; and
- ⇒ The **quality of the job** is an essential, yet often ignored, element in achieving long-term employment.

From a welfare-to-work perspective, the logic of these three points is quite simple: No matter how prepared the individual, no matter how effective the training program, if the job itself is poor—low-wages, no health benefits, inadequate training, poor supervisory support—the individual will soon leave or be fired. And clearly, a welfare participant’s long-term “attachment to the workforce” is far more likely if that worker is supported through a series of steps—steps that do not end the first day on the job.

As employers, our business logic is also quite simple: We excel in our industry by providing the highest quality of service available within our market. We can do so, however, only by creating high-quality jobs. On the contrary, creating poor jobs for workers who do not stay with us for the long term makes absolutely no business sense: The shorter the worker’s stay, the poorer the return on our investment. Therefore, investing in decent jobs is no frill—it is central to our competitive strategy.

We know from our own experience, however, that the process of hiring and then supporting people recently dependent on welfare is a daunting task for an employer to attempt alone. Therefore, we propose at the end of this paper several recommendations to policy makers—proposals designed to provide practical help to employers committed to undertaking this challenge as a permanent element of their business strategy.

---

<sup>\*</sup> See “Attachment” for a brief description of the home care industry and more detail on the Cooperative Network’s employer-based model.

## THE LESSONS LEARNED

### **1) Create a Decent Job: The employer's minimum responsibility is to provide "livable" employment.**

An individual transitioning from welfare—like any of the rest of us—requires a livable wage, health and other benefits, job stability and safe working conditions. Without the employer ensuring these essentials, any programmatic welfare-to-work effort will simply fail.

What constitutes a livable wage will vary from region to region. However, full-time employment, with health benefits, at 150 percent of the minimum wage—or \$7.65 per hour—after one year of service is a reasonable target. Furthermore, full-time work—more than 30 hours per week—is also essential to provide a stable income.

Changing one's entire way of life—from a welfare check to a pay check—requires enormous motivation. Although no one deserves an unconditional "right" to employment, the offer of a specifically defined, decent job is the strongest motivator a welfare-to-work program has to offer.

### **2) Invest in Workers for the Long Term: To ensure long-term retention, the employer should offer a range of opportunities for career and educational advancement.**

One key ingredient to a decent job is a clearly defined framework for advancement—otherwise, remaining in a dead-end job without prospect of promotion will deaden any new employee's motivation. In addition to a clearly defined job ladder within the firm, advancement may take many other forms:

- ▼ An employer can construct discrete steps of new competencies and new responsibilities for the entry-level worker—even within the entry-level job title. Early steps need not be highly compensated, but can be rewarded with formal "certification" and other types of company recognition.
- ▼ The employer can facilitate access to other educational opportunities outside the walls of the business (e.g., a G.E.D. degree, an English-as-a-Second-Language course, a community college program), encouraging a range of options for advancement for the individual transitioning from welfare to work.

Whatever the specifics, the construct is one of a *continuing investment* in the individual, as both a worker and a learner. The return will be not only a *long-term* transition off of welfare for that individual, but a far more valuable worker for the employer.

**3) Prepare for the Shocks of Transition: An individual's move from welfare to work is not a single transition; instead it is a series of transitions—some predictable, some not—which the employer must be prepared to assist.**

Although the first steps off of welfare—entering a training program, interviewing for a job, trying to arrange child care—are indeed significant, challenges to the individual's old way of life do not stop after the first day at work.

In fact, while that first paycheck is undeniably a good thing, it also presents an entirely new set of problems: The former recipient's old sources of public support begin to shift—not all at once, but in a bewildering process of “income disregards” and “asset limitations”:  
“...Will my food stamps be cut? ...When? ...How much? ...How long will I have Medicaid?”

Furthermore, going to work each day changes the former recipient's life completely—and it takes time not just for her, but for the others in her life, to adjust. No longer is she home when her child has a problem at school, or when her mother gets sick. Fortunately, her attitude about herself begins to change—she is more confident, more independent—on the other hand, others in her household may feel threatened by that change.

Change creates friction, and the employer must be prepared to help the individual ease that friction. For example, each of our cooperatives has a full-time counselor on staff—not simply for trainees, but available to new employees as well. The counselor is trained to help our employees problem solve to reduce the friction of their transition—whether it's the predictable friction of re-certifying children for Medicaid every three months, or the unpredictable, although not necessarily unexpected, “friction” of domestic abuse.

**4) Be Flexible—but Tough: As these multiple transitions mount, they can often threaten to overwhelm not only the worker, but the workplace as well.**

As noted above, the friction of transition is often intense, and when that friction erupts into crisis, individuals who had been dependent on public assistance frequently have little to fall back on—they don't have savings,

and they often do not have a second family member with a stable income. The workplace may become one of the first places to turn to for help.

Therefore, if the employer is successful in helping absorb the first few shocks of transition, the workplace can become one of the few “safety zones” in that individual’s life. This is, of course, good—in that work must become for the individual a stabilizing experience in what is otherwise a relatively chaotic and threatening world.

However, the danger is that the individual’s personal life can continually spill over into the workplace, not only reducing the quality of that individual’s work, but also draining the limited reserves of the business.

In response, the employer must be prepared to enforce rigorously high standards of work performance and professional behavior—an argument at home does not give anyone the right to yell at a co-worker. Conforming to strict rules of conduct and high quality are essential—or else the worker must leave.

**5) Create and Support Systematic Responses: To avoid turning the business into a social service organization, the employer should help arrange for an array of structured support systems.**

The hard truth remains that people transitioning from welfare experience a relatively high level of life crises. These events might seem minor—such as a refrigerator breaking down—but they can cause a welter of disruption for someone with little or no assets.

In the absence of personal assets, the employer should be prepared to help compensate, but it should do so in a *systematized* way. Otherwise, the temptation will be for the company, or even individual supervisors and managers, to offer assistance on a one-to-one basis—with, say, a personal loan—that will end up causing a tangled web of heightened expectations and perceptions of unequal treatment.

For example, the employer could make available a credit counselor, to help employees adjust to difficult personal events, or even set up a small loan fund that was managed by a committee of employees. We consider these “compensating assets” that the business helps to create within the company.

In addition, employers can encourage their workers to create additional compensating assets—a buying club, an informal rotating credit association, a mutual aid network—that are related to the workplace, but are not governed by, or a direct responsibility of, the employer.

Finally, the employer can identify and help strengthen compensating assets outside the business—within the local community—such as local churches, civic organizations, a community credit union, and even the local government. In this way, community assets will be more readily accessible to the workforce when crises arise.

**6) Value the Individual: People transitioning from public assistance are neither a blank slate, nor just a bundle of problems. Instead, they bring with them a range of talents, experiences and skills—often not the least of which is a remarkable level of resourcefulness.**

Most importantly, people transitioning from public assistance are individuals. They bring with them both a cultural heritage and a personal history. They deserve, as do we all, respect and fairness. That respect must be displayed by all levels of the organization, from the President to the receptionist—and in turn must be demanded of each new person entering the workforce.

Furthermore, that respect must be displayed on a daily basis—in the core of the work, not just in the president having an “open door” policy when problems arise. And clearly, the quality of wages and benefits is a core part of how respected an individual feels in the workplace.

In particular, the employer should seek out those core characteristics that best match the type of work to be undertaken and build them into core competencies. For example, in our home care cooperatives, we select for a genuinely caring attitude—which is essential for a successful home health aide, yet may have little to do with either formal work experience or academic success.

**7) Create a “Community within Work”: A successful transition to the world of work requires a re-alignment of the individual’s social system—away from those individuals who are a part of the participant’s “old life on welfare,” and attached to a new system of friends and acquaintances who are themselves gainfully employed.**

Socialization to work includes not only a change in behavior, but also a change in—or at least a strengthening of—self-concept. Attempting such a metamorphosis is simply too difficult to achieve alone—particularly if surrounded by an “old social system” that may be deeply threatened by such a dramatic change.

Clearly, accomplishing fundamental personal change occurs most easily when surrounded by others attempting similar change—and in particular, when surrounded by others who have been where the

participant is now and have *successfully* moved to where the participant wants to be.

This self-evident fact has informed the design of our Cooperative Healthcare Network's welfare-to-work program in several ways. Transition for an individual will be more successful if:

- She is one of many, not one of a few, who is attempting the same life transition;
- She remains with the same cohort of participants throughout the process—from the first day of training through to employment with the same employer; and
- She is trained, supported, and supervised by, among others, peers who were themselves once dependent on public assistance but are now successful in the world of work.

These design elements reinforce each other to encourage new friendships and mentor relationships that in turn create a new “community at work”—which is the only force we know of strong enough to overcome the pull of the “old social system.”

**8) Emphasize the Front-Line Supervisor: Although top management may “set the tone” within the organization for how new employees transitioning from welfare should be treated, the day-to-day role of the *front-line supervisor* is centrally important for a successful welfare-to-work program.**

The quality of any new employee's job is deeply affected by her interaction with her immediate supervisor. Therefore, that supervisor must understand the special circumstances of a workforce in transition from welfare.

The job of the front-line supervisor is particularly difficult in this circumstance, for she must constantly balance what are often two conflicting goals: Develop this new employee who is attempting a fundamental life change, while at the same time, ensure from that employee the highest possible quality of service.

This balance can best be maintained through a “coaching” model of management—where the supervisor reinforces an *internal motivation* for high-quality performance within the employee. Using this coaching

model of management, constant development of the internal strengths of the employee is a central and explicit goal, not an afterthought.

**9) Invest in Employer-based Training: Each year, billions of federal dollars are wasted on ineffective welfare-to-work training programs that ignore the practical needs of employers. The challenge is to design a training *process* that prepares the welfare-to-work participant, quickly and inexpensively, to become a valuable employee to the company.**

To meet that challenge, the individual, the government, and the employer each have responsibilities:

The **individual** must meet the standards and respect the rules of the training/employment program and must manage her personal life so that it does not intrude on her successful training and employment.

The **government** must pay for training programs and employment intermediaries that successfully place individuals in decent jobs—financially rewarding successful, *long-term placement* rather than paying for the mere provision of training.

The **employer** must participate directly in the design, implementation, and monitoring of the training process—“contextualizing” the training to ensure that both training content and performance expectations are entirely consistent with what the participant will find when she first walks through the employer’s door.

Blended together, this process of preparation becomes an *employer-based model* of welfare-to-work training. The companies within our Cooperative Healthcare Network each run their own welfare-to-work training program housed within their own company headquarters—which gives them maximum control over the training process. Other companies, however, might choose to work in close partnership with industry-targeted employment intermediaries.

10) **Recognize that “Context is Everything”**: In employer-based welfare-to-work training programs, three elements are essential:

- ◆ Socialization to the world of work;
- ◆ Job-specific skills and knowledge; and
- ◆ Transferable “critical thinking” skills, such as problem-solving and communication.

**Our experience indicates not only that all three of these elements are necessary, but also that all three must be fully integrated within the training and employment process.**

Successful training is neither isolated nor abstract: How can an individual be encouraged to build self-esteem—to “be somebody”—without first knowing what type of work she is being prepared for? How can she develop successful “work habits,” without first building a vivid image in her mind of *what* she will be doing, and *where* she will be doing it?

Therefore, employer-based training is *not* a serial process of first socialization, then generic skills, then job-specific knowledge. Instead, it is an iterative, mutually reinforcing process of becoming enculturated to the world of work—while strengthening generic capacities through the learning of a specific occupation.

Most importantly, from the first day of training to on-the-job supervision, the employer should engender “critical thinking”: A truly valuable employee is not only one who has appropriate job-specific skills, but also one who can problem-solve and communicate quickly and effectively when anomalous situations arise. Engendering these *transferable* “critical thinking” skills requires special types of training—and trainers.

Unfortunately, problem-solving and communication skills cannot be taught through conventional lectures, or worse yet, through videos and pencil-and-paper tests. Required instead is *experiential* learning, including role plays, games, hands-on demonstrations, and finally, structured opportunities to reflect on and discuss real-life, on-the-job experiences.

We believe that the development of these transferable skills—within the context of a specific occupation—is the hallmark of an effective welfare-to-work program.

## POLICY RECOMMENDATIONS

### BARRIERS TO SUCCESSFUL PROGRAMS

Our lessons learned about employment and training derive from having created three profitable enterprises and from running three successful training programs. Yet each day we face challenges that threaten to limit our continued success.

The following are three recommendations we offer to government policy makers that would greatly help us—and similar employer-based welfare-to-work programs—to move people *permanently* from a welfare check to a pay check:

**1) Reward Long-Term Retention: Financially reward long-term retention of former public assistance recipients, rather than simply the provision of training or initial placements.**

Training programs, employment intermediaries, *and* employers should be paid to help people transition effectively off of welfare. The mechanics for doing so are varied, but the principle should remain constant: that long-term retention (*at least* six months) is the only goal worthy of government support.

**2) Reward Employer-Based Programs: Financially reward transition programs that are *employer-based*—and require in return that the employer guarantee a decent job for all successful training participants.**

Employer-based training programs are those that are either directly controlled by the employer, or that ensure a close partnership between the employer and the training program—perhaps through an industry-targeted intermediary—that includes employer participation in the design, implementation, and monitoring of the entire training and placement process.

**3) Reward Work.**

Ensure that the transition from welfare to work is not more punishing financially for the individual than remaining on welfare. An effective design for such a system is far beyond the scope of this paper, but would include: ensuring that employers, trainers, and intermediaries who are publicly subsidized are delivering decent jobs, providing adequate child care support, arranging for efficient transportation to distant job centers, and allowing participants to keep a larger proportion of benefits during the early stages of employment.

ΩΩΩΩΩ

## ATTACHMENT

### THE INDUSTRY

Home health care provides one of the few jobs available to women who have little formal schooling and limited job experience—in fact, in recent years home care has become one of the first stops off public assistance for literally hundreds of thousands of low-income women.

Home care aides provide paraprofessional care: “hands on” assistance with health care needs, bathing, toileting, grooming, and meal preparation.

These and other closely-related front-line health care jobs—home attendant and personal care positions, as well as certified nurses aide positions in hospitals and nursing homes—employ nationwide more than 2.2 million people, of whom 85 percent are women and 30 percent are women of color.

Unfortunately, home care jobs are typically of very poor quality: Most employers pay \$5.50 to \$6.00 per hour and provide little training—two weeks is the federal minimum requirement and therefore the norm. Further, many of these jobs are part-time, averaging 25 hours per week—and, in a bitter irony, the majority of these health care workers do not receive health care benefits.

Therefore, not surprisingly, women rarely stay in any one home care job for long: The industry experiences an annual turnover rate of between 40 and 60 percent. The result is that many low-income women enter low-quality employment in home care and then—whenever the next family crisis necessitates—“cycle” back to welfare.

### THE COOPERATIVE HEALTHCARE NETWORK MODEL

In contrast, our employer-based training and employment program offers women on public assistance decent jobs within the home care industry—after five-to-seven weeks of training, participants are employed as Medicare-certified “home health aides,” earning between \$7.00 and \$7.50 per hour.

Furthermore, we work hard to make these jobs full-time, with employment ranging between 32 and 35 hours per week among the three sites. And finally, we offer health care and other benefits to those who remain with the company beyond six months.

The result is that more than 50 percent of those entering our training programs *will still be employed after six months*. Thereafter, turnover remains low, averaging between 18 and 25 percent per year.

Finally, employees within our network can choose to become full worker owners, enjoying the right to share in the profits of their cooperative, as well as the right to participate in the election of—and serve on—the corporate board of directors.

ΩΩΩ