

Evidence review: **Supporting progression from low pay**

July 2019

Summary

- Support for in-work progression can positively effect individuals' earnings and progress in work but effects vary across different programmes and interventions tend to have greater impacts on those furthest from the labour market and on the lowest incomes. Evidence of impacts over the longer term are limited and outcomes are mixed.
- Recent evidence on the impacts of career pathway initiatives and occupational training suggests that, within a voluntary regime, making substantial skills investments in low-income individuals to enable them to get the 'right job' may be more effective than 'work first' approaches followed by in-work support.
- There is very limited evidence on the cost-effectiveness of progression-related programmes but evidence suggests that interventions can be cost-effective for more disadvantaged groups in particular.
- Studies highlight the importance of responding to local demand based on an understanding of growth sectors and opportunities for progression, and working closely with employers to design and deliver support.
- Engaging individuals is often one of the most challenging aspects of programme delivery. Effective marketing and referral networks play a crucial role.
- Individual-led support is viewed as more effective when needs assessment and tailored support from a named and trusted advisor are incorporated into the programme. Wider barriers identified by advisors can be addressed through a network of partners.
- Evidence on in-work progression support remains relatively limited and less is known about how to work with employers to support progression across different sectors.

Background

Whilst employment has steadily increased, in-work poverty has risen and a fifth of workers earn less than the voluntary living wage.¹ Job security is also a prominent issue, with one in nine workers in some form of insecure employment (zero hours, temporary, agency contracts and low-paid self-employment).² Evidence suggests that many workers are getting stuck or continuously cycling in and out of low pay, rather than using low paid, insecure work as a stepping-stone to higher paid jobs.³

Universal Credit (UC) means an increased focus from Department for Work and Pensions (DWP) on in-work progression. Working Tax Credit claimants typically had no ongoing support from, or obligations to, JobCentre Plus under the previous benefits system. Individuals in employment and claiming benefits will, for the first time, stay engaged with JobCentre Plus and receive support to increase their earnings and progress in work.

A range of local initiatives have also been designed to support in-work progression and new approaches are being tested as part of the ongoing employment support pilots. Two of the most recent, which are funded by the DWP, include the Health and Care Sector Progression Academy in Cambridgeshire and Peterborough and the West of England Employment Support pilot designed to support individuals in employment, claiming in-work benefit and resident in social housing to progress in work.

This review

The review draws on impact evaluations of progression-related initiatives to look at what types of intervention are most effective and, where possible, most cost-effective. We also use a broader range of evaluations, including implementation studies, to set out the issues that should be taken into consideration when designing and delivering progression-related initiatives.

It includes pre-employment programmes, such as career pathway initiatives, and in-work support designed to support progression from low pay. The types of intervention designed to support in-work progression include work coaches or advisors, occupational training, careers advice and job brokering, peer mentoring and employer engagement.

Definitions of progression can include an increase in earnings or hours, better job security, and greater flexibility. The primary outcome of interest in relation to the impact evaluations included in this review is earnings progression.

The review builds on several evaluations of in-work progression programmes undertaken by the Learning and Work Institute⁴ and the What Works Centre for Local Economic Growth's (WWG) review on in-work support.⁵

¹ Source: Annual Survey of Hours and Earnings, 2019

² TUC (2018) 1 in 9 workers are in insecure jobs, says TUC, Issue data: 10 May 2018

³ D'Arcy, C and Finch, D (2017) The Great Escape? Low pay and progression in the UK's labour market, Social Mobility Commission

⁴ Murphy, H. et al. (2018), "Step Up: Trialling new approaches supporting low paid workers to progress their careers", Learning and Work Institute; Colechin, J and Bennett, L (2017) Evaluation of Timewise Foundation's Earnings Progression Trial, Learning and Work Institute; Colechin, J et al (2017) Evaluation of the Skills Escalator Pilot: Final report, Learning and Work Institute

⁵ What Works Centre for Local Economic Growth (2018) In-work progression toolkit: in-work support, WWG

Quality and nature of the evidence

Studies from the United States offer the most robust evidence on the effectiveness of progression-related initiatives. These studies use Randomised Control Trials (RCTs), where individuals are randomly assigned either on to the programme or into a control group, to assess the effectiveness of interventions. This review draws on 11 studies that use RCTs covering a total of 27 different programmes. Two of these studies were from the UK, while the rest are from the US and Canada. These studies give us high degree of confidence that outcomes can be attributed to participation in that specific programme. The majority of RCT evaluations focused on employment and earnings outcomes.

At the next level down in terms of evidence quality are studies which used a matched comparator group to create a 'counterfactual'. The counterfactual was used to test the difference between the group that underwent 'treatment' and the group that did not in order to assess the level of impact. One study in this review, an evaluation of Workforce1 Careers Centres, uses this type of methodology.

Beyond these evaluations, studies tend to use 'before and after' designs to measure outcomes. These initiatives focused on recording registrations and participant attainment, alongside the use of qualitative evidence, to demonstrate the outcomes achieved by the initiatives, as opposed to assessing the level of impact. These studies often incorporate process evaluation which offers lessons for the implementation and delivery of progression-related initiatives.

The next two sections focus on the effectiveness of different progression-related initiatives and focus solely on programmes that have been robustly evaluated through RCTs or quasi-experimental design (as is the case for one study).

Key initiatives included in the review

- **Carreras en Salud (US)** – aimed at helping low-income, low-skilled adults (with a focus on low income-Latinos) access and complete training for healthcare occupations that can lead to increased employment and higher earnings
- **Employment Retention and Advancement (ERA) (UK and US)** – designed to improve the employment prospects of low-paid workers and long-term unemployed by means of post-employment job coaching and financial incentives
- **Per Scholas, WorkAdvance (New York)** – provides unemployed and low-wage working adults occupational skills training in targeted sectors that have 'good quality jobs and room for advancement within established career pathways'
- **Pima Community College Pathways to Healthcare Program (US)** – designed to improve the occupational skills of low-income adults by increasing their entry into, persistence in, and completion of postsecondary training
- **Project Quest (Texas, US)** – provides support (financial assistance, training, counselling, job placement assistance) to help low-income individuals access well-paying careers in information technology, manufacturing and healthcare
- **Self-Sufficiency Project (SSP) and SSP Plus (SSP+) (Canada)** – SSP offered a generous monthly earnings supplement for up to 3 years to single-parents who had

been on Income Assistance for at least a year and SSP+ combined the earnings supplement with employment services

- **Step Up (London, UK)** – aimed to improve earnings or employment prospects with specialist advisers or coaches providing tailored, one-to-one support to participants
- **Timewise Earnings Progression Trial** – participants received one-to-one adviser support (including emotional and motivational support, employability-related provision, for example job search, application and interview support, and links with wider support and job opportunities via a brokerage service) designed to improve in-work progression
- **West London Alliance Skills Escalator (London, UK)** – participants (individuals living in private rented or temporary accommodation in receipt of partial Housing Benefit) were offered personalised adviser support, alongside a funded skill offer and a wider package of support designed to help them tackle underlying barriers to progression
- **Workforce1 Careers Centres (New York, US)** – provide NYC residents with a range of employment services, including job placement, career advisement, industry-specific education and training, job search counselling, and skills training (some awarded scholarships for industry-specific training)
- **UK DWP In-Work Progression trial (UK)** – a trial designed to test the effectiveness of differing intensities of support and conditionality provided to current Universal Credit claimants in low-paid work or low income households
- **Year Up (US)** – a national sectoral training programme for young adults (18-24 years old), providing six months of customised training in the IT and financial service sectors followed by six month internships at major firms

How effective are progression-related initiatives?

Programmes designed to support progression from low pay can have significant impacts on individuals' earnings and progress in work. The Per Scholas WorkAdvance programme, which provided training and placement services to low income individuals, produced large impacts on employment and earnings.⁶ The early impact assessment for Year Up, a sectoral training programme from low-income, young adults, has also resulted in large earnings gains.⁷ It is not clear whether these programmes from the US are transferrable to the UK context.

A number of studies underscore how difficult it is for labour market interventions to impact on in-work progression. Of the 30 programmes reviewed in this study, 18 had positive impacts on employment and earnings (comparing the treatment group to a control group). Out of the 12 US ERA programmes, offering financial incentives, job search and post-employment services, just three produced positive economic impacts while nine did not.⁸ Effects can also vary within programmes. The impacts of the WorkAdvance programme as a whole, for example, varied considerably across the four different sites: while Per Scholas

⁶ Per Scholas WorkAdvance also replicates a study conducted eight years earlier, which offers greater confidence in the findings and increases the likelihood that it will work for other low-income individuals (Straight Talk on Evidence, 2017). Schubert, K (2017) Can sector strategies promote longer term effects? Three-year impacts from the WorkAdvance Demonstration, MDRC

⁷ Fein, D and Hamadyk, J (2018) Bridging the Opportunity Divide for Low-Income Youth: Implementation and Early Impacts of the Year Up Program

⁸ Hendra, R. et al. (2010), "How Effective Are Different Approaches Aiming to Increase Employment Retention and Advancement?"

delivered earnings gains, the St. Nicks Alliance had little to no effect on employment or earnings.

In-work progression programmes have worked for a range of different groups, but the gains are often largest for those furthest from the labour market and on the lowest incomes. Each of the US ERA programs that produced positive economic impacts served a different target group – including employed individuals in receipt of tax credits, those who were employed and had recently stopped receiving benefits and unemployed individuals – which suggests that employment retention and advancement programs can work for a range of populations. But, as highlighted by WWG⁹, comparisons of outcomes for different sub-groups in several studies suggest that increases in employment and earnings are often larger for more disadvantaged groups. The WorkAdvance evaluation found that the long-term unemployed or those who were only semi-attached to the labour market when they first came to WorkAdvance benefited the most from participation.¹⁰ The sustained impacts of UK ERA for the long-term unemployed (ND25+) group are also noteworthy given this group was so severely disadvantaged and difficult to employ normally, as suggested by outcomes for the control group.¹¹ UK ERA was also most cost-effective for this group. This may be because outcome levels are already relatively high for less disadvantaged groups (i.e. those already in employment) who may be in less need of support.

Young adults are also among those to benefit most from in-work progression programmes. WorkAdvance produced statistically significant results across all age groups but the effects were larger for young adults (18-24 years). The early impact evaluation of Year Up suggests that occupational training can produce large earnings gains for young adults (18-24 years old): average quarterly earnings were 53% higher among participants compared to the control group in the sixth and seventh quarters after random assignment. Findings from the DWP's in-work progression trial suggest that young people (18-24 years old) may benefit from more intensive support to a greater extent than other age groups, with significant differences in earnings progression between the different support groups.¹²

Evidence on the longer-term impacts of progression-related initiatives is mixed. There is relatively little evidence relating to the longer-term impacts of progression-related initiatives. Among the studies that examine the longer-term impacts, the evidence on impacts over time is mixed. Some studies found that programmes, such as WorkAdvance, had large impacts which grew over time. The latest evaluation of Project QUEST shows it had a large positive impact on career-advancement over a nine-year period.¹³ Yet in several cases¹⁴ the positive effects of programmes diminished over time, and the support and training provided to

⁹ What Works Centre for Local Economic Growth (2018) In-work progression toolkit: in-work support, WWG

¹⁰ Stronger effects for the long-term unemployed were eliminated when controlling for site

¹¹ Hendra, R et al (2011) Breaking the low pay, no-pay cycle: final evidence from the UK Employment Retention and Advancement (ERA) demonstration, DWP

¹² Participants in the 18-24 sub-group who were assigned to either frequent or moderate support earned around £12 more per week than those in the minimal support group. Department for Work and Pensions (2018) *Universal Credit: In-Work Progression Randomised Controlled Trial*, DWP

¹³ Roder A and Elliott E (2018), "Escalating Gains: The Elements of Project QUEST's Success", Economic Mobility Corporation

¹⁴ Michalopoulos C. (2005), "Does Making Work Pay Still Pay? An update on the effects of Four Earnings Supplement Programs on Employment, Earnings, and Income" and Hendra, R et al (2011) Breaking the low pay, no-pay cycle: final evidence from the UK Employment Retention and Advancement (ERA) demonstration, DWP

individuals did not appear to permanently lift them to higher-paying jobs. Effects over time can also vary between different groups within the same programme. The UK ERA programme produced longer term earnings gains for the long term unemployed but only short-term gains for lone parents.

What types of intervention are likely to be effective?

Programmes that offer financial incentives combined with post-employment support can lead to earnings gains. As highlighted by WWG¹⁵, several studies have shown that including financial incentives or 'retention bonuses' can lead to employment and earnings gains, and reduce welfare dependency.¹⁶ The effects of financial incentives often fade over time but combining them with post-employment services can lead to larger and more sustained earnings gains. The SSP Plus programme in Canada provided a monthly earnings supplement alongside employment service.¹⁷ It had a larger impact on individuals earnings compared to the SSP regular programme (representing an increase in individual income of about 10 per cent). The effects of the regular programme gradually disappeared towards the end of the programme period, while the SSP Plus programme had long lasting effects on participants' earnings. This may be because services improved the jobs that individuals obtained rather than just incentivising them to work longer hours.¹⁸

The *intensity* of in-work support from work coaches has been demonstrated to have a small, but statistically significant, impact on earnings. Work coaches or advisors were included as part of the package of post-employment support in a number of programmes that were found to have positive impacts on employment and earnings. The DWP In-Work Progression RCT aimed to test whether increased work coach support with conditionality (i.e. sanctions for failing to attend an interview with a work coach) drove behaviours that led to earnings progression. Participants who received more frequent support (Work Coach support and compliance checking through fortnightly Work Search Reviews) experienced small, positive earnings progression relative those who received minimal support (two 'light touch' telephone interviews).

Training appears to be more effective when programmes target specific sectors or occupations. Training often features as part of progression-related initiatives as many low-income individuals have low skills levels and as some jobs require specific technical skills that can only be gained through training. Eight programmes included this review (Jewish Vocational Service-Boston, Pathways to Healthcare, Per Scholas, Project Quest, the Wisconsin Regional Training Partnership, WorkAdvance, Workforce 1 Careers Centres and

¹⁵ What Works Centre for Local Economic Growth (2018) In-work progression toolkit: in-work support, WWG

¹⁶ This includes the Self-Sufficiency Project (SSP) in Canada, Minnesota Family Investment Program (MFIP), New Hope Project in Milwaukee and Jobs First in Connecticut.

¹⁷ Robins, P K et al (2008) 'Are two carrots better than one? The effects of adding employment services to financial incentives programs for welfare recipient', *Industrial and Labor Relations Review*, Vol. 61, No. 3

¹⁸ A substantial financial incentive was offered as part of the Texas ERA model (\$200 for each month in which participants worked at least 30 hours per week) through all three programme sites, along with pre- and post-employment services. Two sites that had implemented the programme as designed delivered employment and earnings gains. The third, which offered financial incentives but with limited post-employment services due to implementation issues, had no statistically significant impact.

Year Up) featured sector- or occupation-based training.¹⁹ With the exception of Pathways to Healthcare²⁰ where it was deemed too early to evaluate economic impacts, these programmes have had large (in some cases growing) impacts on employment and earnings. Project Quest, an occupational training programme in the US focused on supporting individuals to obtain and progress in jobs in the healthcare sector. Participants were significantly more likely to participate in training and gain credentials, and six years on from random assignment saw an increase in earnings of \$5,080 compared to the control group. Training was also a core component in the WorkAdvance programme. The programme increased the likelihood of completing occupational skills training in the targeted sector by 31 percentage points (or more) at every site – increases that act as a good test of whether it was effective in increasing economic outcomes. Two of the providers — Towards Employment and Madison Strategies Group — initially took a ‘placement-first’ approach, in which some participants skipped training and sought immediate employment. This approach was phased out in the early stages of the initiatives after it became apparent that individuals were entering low wage jobs and not getting the skills needed to advance. Evidence suggests that, within a voluntary regime, making substantial skills investments in low-income individuals to enable them to get the ‘right job’ may be more effective than ‘work first’ approaches followed by in-work support.²¹

Other programmes which offered training had smaller and, in some cases, no impact on employment and earnings. None of the ERA models in the US and UK targeted specific sectors. UK ERA contributed towards participants’ tuition for training courses (provided they took courses while they were working at least 16 hours) and paid a training completion bonus. This led to a small but statistically significant increase in training participation, but cross-office and cross-subgroup analyses suggest that it did not lead to longer-term improvements in labour market outcomes. The Riverside Phase 2 ERA test in the US examined whether the two education- and training-focused programmes helped employed benefit recipients move into higher-paying jobs, compared with a welfare agency-based program that did not encourage individuals to participate in education and training. The education- and training-focused programmes had a limited effect on training participation and no impact on employment and earnings, even by the fourth year of follow-up.

How cost-effective are progression-related initiatives?

There is limited evidence on the cost-effectiveness of progression-related initiatives. Of the studies included in this review, full cost-benefit analysis is only available for the UK and US ERA models. Several other studies include a summary of programme costs, but the majority include no information on programme costs even where there are strong reported outcomes.

Available evidence suggests that progression-related initiatives can be cost-effective but there is considerable variation across programmes. Cost-benefit analysis was conducted for three US ERA programmes (delivered via four sites) that were found to have increased employment and earnings. The net operating costs ranged from \$1,000 to \$1,800 per participant across the four sites. Participants in all four sites were financially better off as a result of the ERA programmes, with gains resulting primarily from higher earnings. With the

¹⁹ It is worth noting that some of these programmes use screening to assess potential participants readiness and motivation.

²⁰ Gardiner, K et al (2017) *Pima Community College Pathways to Healthcare Program: Implementation and Early Impact Report*, Pathways for Advancing Careers and Education

²¹ See also What Works Centre for Local Economic Growth (2018) In-work progression toolkit: in-work support, WWG for a discussion on job placements

exception of Riverside PASS where participants gained financially and the government broke even, the programmes did not produce net savings from a government perspective. Dividing total gains by the net costs to government suggests that programmes at all four sites were cost-effective. The cost-effectiveness ratio ranged from \$1.38 to \$3.53 for each dollar invested by government. Overall, the US ERA programmes were financially beneficial to society as earnings gains exceeded the costs to government.

Cost-effectiveness also varies within programmes across different sub-groups. Cost-benefit analysis was conducted for the three sub-groups with the UK ERA programme, which showed considerable variation in cost-effectiveness. The total net costs of ERA (all of which accrued during the post-employment phase) were £1,236, £1,261, and £2,625, respectively, for a typical participant in the unemployed lone parents (NDLP), long-term unemployed (ND25+), and lone parents working part-time and receiving Working Tax Credits (WTC) target groups. UK ERA was most cost-effective for the ND25+ group, producing a net economic gain for participants and a positive return on the Government's investment. For every £1 spent on ERA, ND25+ participants gained £1.20 in increased income, the Government saved £4.01, and society received £5.22 in benefits. There were no sustained gains for the NDLP and WTC lone parent groups, resulting in a net loss to government and society as a whole. It is worth noting that there were differences within the NDLP group, however, with large positive gains for parents with school-age children and for those with A-level qualifications. Cost-benefit analysis for the latter NDLP sub-group indicates a return on government investment and to society as a whole.

The full cost-benefit analysis is yet to be published for WorkAdvance but simple comparison between operating costs and participant gains suggest that the Per Scholas' WorkAdvance programme has been cost-effective.²² Net costs for WorkAdvance are about \$3,500 per participant for Per Scholas (computed by subtracting the costs that would have occurred in the absence of WorkAdvance from the costs of operating the program), and in the range of \$4,900 to \$5,900 at the other three sites. If earnings gains coupled with savings to the public purse are sustained, then the benefits are likely to far outweigh the costs of the programme.

Delivering progression support services

This section draws on the findings from the impact evaluations reviewed above, as well as qualitative evaluation studies that offer lessons for the design and delivery of progression-related initiatives.

Responding to local demand

Targeting jobs with better wages and benefits can lead to more significant economic impacts. The focus of several the initiatives reviewed in this study was to enable individuals to gain entry to good-quality employment opportunities which provide the opportunity for future progression and career advancement. A first step in designing WorkAdvance was to identify sectors where there was high demand for workers to fill entry-level and middle-skill jobs with opportunities for advancement. These were jobs that where the skills required could be gained from short technical training courses rather than degree-level qualifications.²³ Evidence suggests that low-wage workers often advance by changing jobs, and that matching

²² Clayton, N. (2018) An exemplary training programme – will it work here? What Works Centre for Local Economic Growth

²³ Kazis, R and Molina, F (2016) Implementing the WorkAdvance Model Lessons for Practitioners, MDRC

individuals with jobs in particular firms that pay higher wages can be an effective strategy to promote advancement.

Insufficient consideration of local demand may limit the effectiveness of interventions.

Contrary to other progression-related initiatives, the evaluation of US ERA found that increases in training did not lead to long-term earnings gains. This may be because training was not well-aligned to local labour market opportunities or because there was insufficient complementary support to help individuals make a switch to a better paying role following training completion.

There is limited evidence on ‘demand-side’ interventions to promote progression from low pay.

The majority of studies included in this review sought to address ‘supply-side’ or worker-based barriers to progression. As a result, there is relatively little evidence on what types of intervention are likely to be most effective in influencing employer behaviour. This includes hiring, staffing and promotion practices used by employers, as well as some of the management practices, such as employee engagement, that impact on in-work progression.

Working with employers

It is important to engage with employers to understand where opportunities and skills needs lie.

In order to target jobs with progression opportunities, it is important to pursue approaches that combine intimate knowledge of a sector or industry with an in-depth understanding of employers’ workforce needs and the changes that are taking place in that sector. Evaluations of sectoral initiatives highlight the importance of employer involvement to identify specific business needs and how best to address them within a local context. The differences in the achievements of providers within WorkAdvance in part relates to their links to employers and the way they worked with them, as many of the jobs targeted required specific technical skills that can be gained only through focused training that is closely linked to the needs of local businesses.

There are a number of other ways in which employers can be involved in progression-related activities that might help improve outcomes.

Engaging employers at a strategic level from planning stages can help ensure that any training and advice provided is relevant and up-to-date. Employer involvement can include: redesign of job roles to increase the variety of positions that are available to those wanting to work flexibly; identification of existing staff who would benefit from opportunities to progress within their organisations; offering work experience placements to individuals looking to change career and direct marketing to secure vacancies.

Targeting support

It is important to give careful consideration to who is being targeted through a specific programme.

As discussed above, more disadvantaged groups, such as the long-term unemployed, often benefit the most from progression-related initiatives. Limited evidence on the cost-effectiveness of different programmes suggests that the returns to government and society as a whole are often greater for these groups. Careful consideration needs to be given to whether to focus interventions on these groups or to find ways in which programmes can have greater impact on other groups where the impacts have either been smaller or negligible. Linked to this, is the question of whether to target unemployed individuals to promote longer term career progression or targeting those already in work. Due to in part to recruitment challenges, programmes that pursue the former approach have tended to be more effective in increasing earnings gains.

Programme design and support packages need to reflect the needs of target groups. A key feature of Step Up was that support packages were designed with for particular groups, such as flexible jobs brokerage for working parents (Timewise), a construction course delivered in Spanish for low paid Latin American workers (IRMO), and networking events with industry specialists for young people in the creative sector (Creative Soc).²⁴ Differences in outcomes for different subgroups within progression-related initiatives highlights the importance of designing programmes around the needs of target groups. For example, the DWP In-Work Progression RCT found that more frequent support led to larger gains for young people in particular.

Recruiting participants

Engaging individuals in programmes is often one of the most challenging aspects of delivering effective progression-related initiatives. Increases in participation beyond control group levels were not consistent or large in a number of cases with implications for the outcomes delivered by those programmes. Engaging individuals in services at levels above what they would have done in the absence of the programs was a consistent challenge.

Effective marketing is an important part of raising awareness of initiatives. Messaging that emphasises the benefits of participating in programmes in an accessible and tailored way has been found to be crucial to effective engagement. The types of messages that appear to be most effective in recruiting low-income individuals include: avoid jargon and using ‘earning more’ rather than ‘progression’; tailoring messages to individuals specific needs and circumstances; focusing on clear tangible outcomes with pathways and timescales to achieving them; clarity on the offer and eligibility; and providing testimonies from past participants.

Referral networks can play a crucial role in recruiting participants on to programmes. Evaluations have highlighted the need to develop recruitment channels from the outset via a range of services that potential participants come into contact with. It may be necessary to identify and develop new partnerships and find ways to ensure there is a clear understanding of the programme offer among stakeholders. Trusted networks are often the most effective recruitment mechanism – either through partner organisations, from within the provider’s own services or through informal word-of-mouth signposting. Providers who are more strongly embedded in their local community and are well-networked tend to be able to do this most effectively. Consideration should also be given to other ways to engage and motivate individuals.

Needs assessment and tailored support

Participants often face a range of barriers to in-work progression. These can include: a lack of understanding of what’s required in order to progress or find better jobs; lack of relevant skills or qualifications; lack of relevant work experience; lack of confidence or motivation; and insufficient time or resources to dedicate to personal development, learning opportunities or job searches. The most effective support has been found to be flexible and tailored to the needs, capabilities and aspirations of individual participants. This is highlighted through evaluations of outcomes for different sub-groups. The UK ERA programme was found to be more effective for lone parents who had A-level qualifications indicating a different approach may have been needed for those with low or no formal qualifications.

²⁴ Murphy, H et al (2018) *Step Up: Trialling new approaches supporting low-paid workers to progress their careers*, Learning and Work Institute

Disaggregating barriers and assessing needs is a fundamental and early requirement of effective programme delivery. Support is deemed most effective when guided by an in-depth assessment of needs and aspirations, including subjective assessment (through interviews and conversations with individuals) and objective assessments (through skills tests, for example).

Programmes should provide a clearly structured, tailored package of support following an initial assessment. Participants in some progression-related initiatives felt that the support delivered was too generic to meet the specific progression goals identified in their needs assessment. Taking a personalised approach to support for progression based on individual need rather than following a prescribed process is viewed as important in managing diverse constraints and maintaining engagement. Qualitative research undertaken as part of DWP's In-work Progression trial found that 'extent to which the intervention was tailored to the participant's needs and personal barriers had a greater influence on progression than the frequency of meetings'.²⁵

One-to-one support from a named and trusted advisor is often viewed as a crucial part of support. Coaching and mentoring helps to develop participants' motivation and confidence, which were important in sustaining engagement in programmes and enabling participants to take steps to improving their employment situation. This was particularly important for higher need participants, those with lower levels of self-confidence or those with a limited support network.

Increasing participation in training

Flexible training offers with clear links to real jobs and progression opportunities can help increase participation in training. Participants are often time poor with multiple commitments that can make it difficult to participate in training. Providers have responded by developing flexible schedules which are based around the schedules and needs of participants, rather than education providers. It is also important that potential participants can see a clear pathway to job and progression opportunities from education and training offers. The Pathways to Healthcare programme in the US found that mapping 16 existing occupational training programs into five 'pathways' helped students who might otherwise find the course catalogue confusing understand how completing one credential can lead to a higher credential and higher paying job.

Financial assistance may increase the likelihood of individuals participating in education and training. Some staff reported difficulty in convincing disadvantaged workers to cut back their hours or time devoted to family in order to attend training sessions or courses. Participants who are unemployed or leave work may opt to look for work instead of participating in training. Providing financial assistance with tuition fees, course materials or travel to training may help to support individuals to participate. There is some evidence (from interviews with staff), however, that financial incentives to encourage training can result in individuals undertaking training that bears little relation to progression goals.

Providers attribute high training completion rates to activities that help to ensure suitable matches between participants and programmes, as well as proactive support and reengagement during training. Needs assessment and screening plays an important part in training-based initiatives, as well as other types of support. It may be necessary, in some instances, to direct learners towards other forms of support if they are not ready to

²⁵ Ipsos MORI (2018) Universal Credit: In-Work Progression Randomised Controlled Trial Findings from quantitative survey and qualitative research, DWP

complete a technical training programme. Flexible provision of training with evening classes, for example, alongside regular, prompt feedback to trainees on their performance and weekly meetings with career coaches at training sites can help to maintain engagement.

Using financial incentives

Less frequent lump sums can provide greater incentive for individuals to remain and progress in work. Financial incentives have been found to be an effective way of promoting job retention and progression. UK ERA offered up to six payments of £400 when participants worked 30 or more hours per week. Scheduling larger payments on a less frequent basis was viewed as providing greater incentive to participants than smaller more frequent (weekly) payments. Payments also provided another opportunity for interaction with adviser.

Making full-time work a condition in the use of financial incentives may reduce the likelihood that individuals reduce their hours. Evidence from some programmes suggests that earnings supplements may allow individuals to cut back their hours while still maintaining their overall level of income, particularly where policies supplement part-time work. Some providers reduced work cutbacks by making full-time work a condition of receiving earnings supplements.

Services can be provided on a voluntary basis and achieve high participation rates. Conditionality has been applied in several programmes – the DWP In-Work Progression RCT being one of the most recent examples. Evidence from the SSP and SSP Plus evaluations suggests that it is not necessary to make participation mandatory. SSP Plus programme participants were not required to use the employment services provided but encouraged by staff to use them as a benefit in addition to the financial supplement. Despite the voluntary nature of service provision, virtually all SSP Plus participants completed an employment plan and more than half used the CV service, received job coaching, and received job leads.

Working in partnership

Working in partnership with different stakeholders can help address barriers to progression. Some participants require support and resources beyond those that can be provided through employment services. These can be effectively addressed through a network of partners, including learning and skills, housing, employers, childcare and Jobcentre Plus. Trade unions or workforce representatives can help to make sure that worker needs, and aspirations remain in focus, and encourage participation amongst incumbent workers. Community organisations also play an important role in that they are often best placed to encourage engagement and participation and offer support to specific participant groups. They can also play a key role in signposting individuals onto other specialist agencies they work with to meet individual needs. Having a strong network of partners and the ability to signpost effectively is crucial.

Coordination and partnership working needs to be factored into the design and implementation of programmes. Mapping complementary provision in an area and building alliances at a strategic level will help programmes to deliver a more coherent service that adds value rather than duplicates existing services. Relationships with partner organisations may take time to establish and should be prioritised early on. There also a range of factors that can either encourage or inhibit partnership working. Different outcome frameworks and funding mechanisms can prohibit partnership working, for example. Mapping the infrastructure around existing programmes will make navigating this easier for new in-work progression programmes, while introducing opportunities for collaborative and shared working may help to foster partnerships.

Provider and staff expertise and skills

Working with experienced providers can help to deliver programmes more quickly and effectively. Experienced providers tend to have existing relationships with employers and within local networks and have a greater understanding of what types of approach are likely or be most effective. Per Scholas' experience running sector programs gave them an advantage over some of the other providers who were newer to the WorkAdvance model, and its advantage is evident in the economic impact findings for the site.

Staff working with participants on a one-to-one basis (for example, work coaches or advisers) need a wide range of skills and expertise, and strong interpersonal skills. Advisers and work coaches often provide a range of support to participants and need to be adept at identifying clients' needs, building rapport and trust, coaching and challenging participants, jobs brokerage, networking, and referring participants to additional support. They will also need to provide tailored careers guidance that is attuned to the local labour market. Ensuring that these staff are given the appropriate support and opportunities to update and develop their skills is important, alongside ensuring they have good knowledge of the local labour market and wider support services available. Experience also suggests that caseloads must be kept low are to provide intensive support to workers.

The evidence

Study 1: Schubert, K (2017) *Can sector strategies promote longer term effects? Three year impacts from the WorkAdvance Demonstration*, MDRC

- WorkAdvance (US) supported low income individuals to access and progress in 'quality' jobs in specific sectors
- Training and placement services with five main components: intensive screening, career readiness services, occupational skills training learning to a credential, job development and placement, retention and advancement services.
- Randomised control trial with 2,564 individuals assigned at random to the programme or control group
- Findings varied considerably across the sites [add figures]
- Net costs (computed by subtracting the costs that would have occurred in the absence of WorkAdvance from the costs of operating the programme) were between \$3,500 and \$5,900
- Working with employers.
- Targeted unemployed and low-wage working adults with a family income below 200 per cent of the federal poverty level

Study 2: Hendra, R et al (2011) *Breaking the low pay, no-pay cycle: final evidence from the UK Employment Retention and Advancement (ERA) demonstration*, DWP

- UK Employment Retention and Advancement (ERA) programme (UK)
- Improve the labour market prospects of low-paid workers and long-term unemployed.
- Post-employment job coaching and financial incentives added to the job placement services that unemployed people would normally receive through JobCentrePlus
- Randomised control trial with 16,000 individuals assigned at random to the programme or control group
- Short-term earnings gains for single parents
- Net costs were between \$1,236 and \$2,625. ERA was most cost-effective for long-term unemployed participants, producing a gain to the Exchequer of \$4.01 for every \$1 it spent on ERA.
- Largely implemented as designed

Study 3: Hendra, R. et al. (2010), "How Effective Are Different Approaches Aiming to Increase Employment Retention and Advancement?"

- Programme and mechanism - The US ERA programs: intended to promote steady work and career advancement. The programs provided a financial incentive for those leaving TANF (Temporary Assistance for Needy Families) for work, coupled with job search assistance and postemployment services.
- Evaluation type - random assignment evaluation design, over 45,000 individuals were randomly assigned starting in 2000 and ending in 2004. In each site, individuals in both the treated and control groups were followed for 3 to 4 years following their random assignment, using administrative records.
- Impacts - Out of the 12 ERA programs reviewed, 3 produced positive economic impacts (increased employment retention and advancement) and 9 did not
- Cost-effectiveness – Not discussed
- Who it works for – A range of populations

Study 4: DWP (2018), “Universal Credit: In-Work Progression Randomised Controlled Trial”

- Programme and mechanism - The In-Work Progression (IWP) Randomised Controlled Trial (RCT): two treatment groups and a comparison group – which received different levels of intervention:
 - Frequent support group – Work Coach support and compliance checking through fortnightly Work Search Reviews (WSRs).
 - Moderate support group – Work Coach support and compliance checking through eight-weekly WSRs.
 - Minimal support group (the comparison group) – two “light touch” telephone interviews
- Evaluation type - RCT
- Impacts - Additional progression of £5.25 per week for the Frequent support group and £4.43 per week for the Moderate support group compared to the Minimal support group at 52 weeks
- Cost-effectiveness – Not discussed
- Who it works for – The subgroup analysis did not find significant differences between subgroup impacts in general. The one exception indicated that at 52 weeks, participants aged 18-24 saw a greater progression of £14.57 on average than those aged 25-34 (for the Moderate support group versus the Minimal support group).

Study 5: P.K. Robins et al. (2008), “Are two carrots better than one? The effects of adding employment services to financial incentives programs for welfare recipient”.

- Programme and mechanism - The Self-Sufficiency Project (SSP) and SSP Plus (Canada): SSP offered a generous monthly earnings supplement for up to 3 years to single-parent families in Canada, who had been on Income Assistance for at Least a year. SSP Plus set of services included an employment plan, a résumé service, a job club, job coaching, job leads, a self-esteem workshop, and other workshops covering specific employment-related issues such as job loss or job upgrading.
- Evaluation type - RCT
- Impacts - While SSP had large effects on full-time employment during its peak years, these effects gradually disappeared toward the end of the program period. The financial incentive increased employment and earnings and reduced IA receipt. On average, it induced program group members to work more than 6 additional months of full-time employment during this period, when compared to the control group (a 60% difference). Program group members also had \$3,628 higher earnings (a 24% difference) and 5+ months’ less Income Assistance receipt (a 14% difference) than control group members. For the SSP Plus program group, full-time employment was not statistically significantly higher than for members of the SSP Regular program group, but earnings were \$3,206 (17%) higher, and IA receipt was almost three months (8%) lower.
- Cost-effectiveness – Not discussed
- Who it works for – The services provided by SSP Plus improved economic conditions somewhat for families with the very lowest incomes.

Study 6: Michalopoulos, C. (2005), “Does Making Work Pay Still Pay? An update on the effects of Four Earnings Supplement Programs on Employment, Earnings, and Income.”

- Programme and mechanism - Four programs: the Canadian Self-Sufficiency Project (SSP), the Minnesota Family Investment Program (MFIP), the Milwaukee’s New Hope Project, and the Connecticut’s Jobs First program.

- Evaluation type – Random assignment
- Impacts - The programs increased employment, earnings, and income. The effects of the programs diminished over time. Combining earnings supplements with employment services produced larger effects than supplements alone.
- Cost-effectiveness – Earnings supplements typically cost the government money. Costs ranging from about \$100 to about \$2,000 each year per family.
- Who it works for – Effects of the policies on employment and earnings were larger and more persistent for a group of very disadvantaged families

Study 7: Murphy, H. et al. (2018), “Step Up: Trialling new approaches supporting low paid workers to progress their careers”

- Programme and mechanism - Step Up programme (UK) delivered by 6 voluntary sector organisations. In all projects, a specialist adviser or coach provided tailored, one-to-one support to participants. Other support activities delivered by providers included peer mentoring, group support sessions, and jobs brokerage. On average, participants received 11.2 hours of support in total, and an average of one hour a month of one-to-one support.
- Evaluation type – Qualitative analysis plus MI analysis
- Impacts - 1/3 (179 individuals) saw their employment improve, either by taking on a new or additional job, getting promotion in their current job, improving their contract or terms and conditions or improving their working hours. 17% increased their hourly wage by more than 10%. 14% of participants increased their hourly wage to the level of the London Living Wage or above. 15% of participants increased their weekly earnings to above the equivalent of the London Living Wage for 36 hours a week
- Cost-effectiveness – Each participant would need to improve their weekly earnings by £4.66 more than a comparison group, on average, in order to achieve a positive return in a cost-benefit analysis (CBA).
- Who it works for – Targeted to low-paid workers. Compared to the population of low-paid workers in London, Step Up participants were more likely to be female, from an ethnic minority and to be highly qualified (to degree level).

Study 8: Roder A and Elliott E (2018), “Escalating Gains: The Elements of Project QUEST’s Success”

- Programme and mechanism - Project QUEST (San Antonio, US) provides comprehensive support and resources to help individuals complete occupational training programs at local community colleges and professional training institutes, pass certification exams, and obtain jobs in targeted industries – measuring earnings gains.
- Evaluation type - Between April 2006 and October 2008, 410 individuals enrolled in the study, of whom 207 were assigned to the treatment group and 203 to the control group. The final results are based on the outcomes of 175 treatment group members and 168 control group members who completed a baseline survey at the time of enrolment and a follow-up survey six years later.
- Impacts - relative to the control group, QUEST participants worked more consistently, earned higher hourly wages, were more likely to earn a credential, and were less likely to report financial difficulties six years after study enrolment. The earnings impacts grew over time, from \$2,286 in year three to \$5,080 in year six.
- Cost-effectiveness – The average cost per participant was \$10,501 (which varied by career track). No CBA.

Study 9: Gardiner, K et al. (2017), “Pima Community College Pathways to Healthcare Program: Implementation and Early Impact Report”

- Programme and mechanism - Pathways to Healthcare program (US). Aim: to improve the occupational skills of low-income adults by increasing their entry into, persistence in, and completion of postsecondary training. These students are primarily older and non-traditional students
- Evaluation type - Experimental design to measure differences in educational and employment outcomes between individuals randomly assigned to a Pathways to Healthcare (treatment group) vs a control group.
- Impacts - Treatment group members were significantly more likely than control group members to obtain a credential from a college (23% vs 10%) and from any source (35% vs 29%). 60% of those who participated in occupational training completed their program in an average of 6 months, and 25% were still in their training program at the end of the follow-up period. The program had a limited effect on employment-related outcomes 18 months after random assignment. However, more treatment than control group members were still enrolled in training at the end of the 18-month follow-up period, suggesting it may be too early to expect positive effects on career-path jobs
- Cost-effectiveness – No CBA
- Who it works for – Target group was low income adults

Study 9: Maguire, S. et al. (2010) “Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study”

- Programme and mechanism - The Sectoral Employment Initiative: The Wisconsin Regional Training Partnership (WRTP), Jewish Vocational Service–Boston and Per Scholas
- Evaluation type - The 3 sites recruited 1,286 people for the study over a two-year period, all of whom had been through their program’s application process and met its eligibility criteria. Half of these applicants were selected at random to participate in the program (the treatment group); the remaining half (the control group) could not receive services from the study sites for the next 24 months.
- Impacts – Participants: earned 18%—about \$4,500—more than controls over the 24-month study period; and were significantly more likely to be employed, working on average 1.3 more months than controls. The likelihood of ever working a job that paid at least \$11 an hour was 14 percentage points higher for program participants (59%) than controls (45%).
- Cost-effectiveness – No CBA
- Who it works for – All subgroups (men, women, African Americans, Latinos, immigrants, people who were formerly incarcerated, welfare recipients and young adults) had significant earnings gains

Study 10: G. Schrock (2013), “Reworking Workforce Development: Chicago’s Sectoral Workforce Centers”.

- Programme and mechanism - Sectoral Workforce Centers (Chicago). The ManufacturingWorks (MW) Center and the ServiceWorks (SW) Center aims: to increase access to good jobs for low-income and disadvantaged jobseekers. MW offered businesses a broad suite of services, reflecting the center’s relationships to industrial retention and training organizations. SW’s business service activities were almost exclusively recruitment related.
- Evaluation type – non-experimental
- Impacts - In 2007, MW’s third year of operation, the center made 456 job placements, at an average placement wage of \$12.49 per hour. SW - out of 117 companies that worked

directly with SW during program year 2007, 90% placed a “job order,” in which the business identified a specific job opening for which SW provided recruitment assistance

- Cost-effectiveness – No CBA

Study 11: Washko, M. et al. (2007), “Extended Care Career Ladder Initiative (ECCLI) Qualitative Evaluation Project: Final Report”

- Programme and mechanism - The Extended Care Career Ladder Initiative (ECCLI)(Massachusetts). ECCLI is a competitive, multiple round grant program available to Massachusetts nursing homes and home health agencies to support development of career ladders and other training initiatives for the LTC frontline workforce. ECCLI’s primary goal is to enhance the quality and outcomes of resident/client care while simultaneously addressing the dual problems of recruiting and retaining a skilled direct care workforce.
- Evaluation type - Qualitative
- Impacts - Outcomes observed across most if not all organizations were improvements in communication, clinical skills, teamwork, respect and self-confidence, wages, retention and recruitment, organizational culture and practice change and resident/client quality of care and quality of life.
- Cost-effectiveness – No CBA

Study 12: Werner, A. et al. (2016), “Descriptive Implementation and Outcome Study Report: National Implementation Evaluation of the Health Profession Opportunity Grants (HPOG) to Serve TANF Recipients and Other Low-Income Individuals”.

- Programme and mechanism - The Health Profession Opportunity Grants (HPOG) Program. It funds training programs in high-demand healthcare professions, targeted to Temporary Assistance for Needy Families (TANF) recipients and other low-income individuals. HPOG is intended to meet the dual policy goals of demonstrating new ways to increase the supply of healthcare workers while creating career opportunities for low-income, low-skilled adults.
- Evaluation type – Mixed methods
- Impacts - Two years after program entry (N=12,251), nearly 70% of participants were employed in a job in any sector, an increase from about 50% in the first quarter of program entry. Participants who had completed at least one training course were about 10% more likely to be employed than those who had dropped out before completing training. For those who had completed training and were employed, average quarterly earnings were \$3,942 following course completion, increasing to \$5,357 at two years after course completion.
- Cost-effectiveness – No CBA but costs were: \$5,802 per program for a participant year; this ranged from \$1,712 to \$17,646 for individual programs.

Study 13: Gasper J. and Henderson K. (2014), “Sector-Focused Career Centers Evaluation: Effects on Employment and Earnings After One Year”

- Programme and mechanism - Workforce1 Careers Centres: The Workforce Transportation Career Center, the Workforce Manufacturing Career Center, and the Workforce Healthcare Career Center (New York). Workforce1 Career Centers (WF1CCs) provide NYC residents with a full array of employment services, including job placement, career advisement, industry-specific education and training, job search counselling, and skills training. Workforce1 services prepare and connect New Yorkers to job opportunities. Additionally, jobseekers may be awarded scholarships for industry-specific training.
- Evaluation type – Quasi-experimental design

- Impacts - Sector-focused career center (SFCC) participants: were more likely to work in each of the 4 quarters after exit (48% vs 34%); increased earnings by an estimated \$5,800 per participant—or about 53% (sustained over the year after exit); who received industry-specific training increased earnings an estimated \$9,071—or about 82%, while those who received no training gained \$5,620 (or 51%). All three sector-focused programs resulted in significant increases in the likelihood of employment and stable employment and earnings gains for participants. Earnings gains in the Healthcare Career Center were somewhat larger than in the other 2 programs
- Cost-effectiveness – No CBA
- Who it works for – All groups

Study 14: Morgan, J. et al. (2012), “Evaluation of the Jobs to Careers: Promoting Work-Based Learning for Quality Care Program”

- Programme and mechanism - Jobs to Careers: Transforming the Front Lines of Health Care initiative (US)
- Evaluation type – non-experimental
- Impacts - About half of FLWs received a wage increase during the course of the grant period. However, of those who had completed the entire program, more (67%) received wage increases. Many workers (65% of total; 71% of completers) were able to acquire a certification. Participants in the Humility of Mary Health Partners Jobs to Careers program received a wage increase and transitioned from part-time positions (16 – 20 hours per week) that lacked benefits to full-time positions (32-40 hours per week) that qualify for full benefits.
 Roughly 60% of workers now have career and education plans. Specific and detailed information related to possible career ladders both within the organization, and in healthcare generally, helped workers to develop career goals.
- Cost-effectiveness – No CBA

Study 15: Robert Wood Johnson Foundation (2011), “Better Jobs Better Care: Building a Strong Long-Term Care Workforce”

- Programme and mechanism - Better Jobs Better Care (US). The program supported changes in long-term care policy and provider practices to reduce high vacancy and turnover rates among the paraprofessionals who provide direct care (nursing assistants, home health aides and personal care attendants) and to improve the quality of care provided to older adults
- Evaluation type – non-experimental
- Impacts - Contrary to the program's intent, job satisfaction declined slightly, and the percent of workers reporting that they were likely to leave their job increased slightly. Turnover among certified nursing assistants at the 16 sites with retention specialists declined significantly: from 21% to 17% in the first six months and to 11% at 12 months. There was no significant decrease in the 16 sites that did not have the specialists. In one community, when the wages of family and friends paid as caregivers went from \$5 to \$10 per hour and individual health insurance was offered to virtually all workers, turnover fell from 61% to 26%.
- Cost-effectiveness – No CBA
- Who it works for – Mature workers (55+)

Study 16: Center on Wisconsin Strategy (2005), “Skilled workers, strong economy: preparing for jobs with a future in South Central Wisconsin”

- Programme and mechanism - Jobs With a Future (JWF) (US). JWF has built partnerships of employers to: 1) develop solutions to workforce problems common to area firms; 2) design training programs that provide local workers with relevant skills; 3) implement strategies for linking skilled workers to quality jobs; and 4) provide a forum for strategic discussions on regional economic and industry trends. The project provided partnership-based training for incumbent and dislocated workers in health care and manufacturing - both industries with a growing need for skilled workers
- Evaluation type – non-experimental
- Impacts - 102 participating employers in health care and manufacturing; 41 courses offered and attended, with multiple sessions offered; 897 residents of South Central Wisconsin receiving training; Nearly 29,000 hours of training logged
- Cost-effectiveness – No CBA but cost to JWF partners is over \$1 million

Study 17: Morgan, J. and Konrad, T. (2008), “A mixed-method evaluation of a Workforce development intervention for nursing assistants in nursing homes: the case of WIN A STEP UP”

- Programme and mechanism - WIN A STEP UP (US). A workforce development program for nursing assistants (NAs) in nursing homes (NHs) involving continuing education by onsite trainers, compensation for education modules, supervisory skills training of frontline supervisors, and short-term retention contracts for bonuses and/or wage increases upon completion.
- Evaluation type - Qualitative
- Impacts - Overall turnover rates were lower on average at participating sites than were the rates for controls in the 3-month window following program completion. During the 3 months after program completion, turnover for all NAs at comparison sites increased somewhat (10%), whereas it declined slightly (2%) at participating sites.
- Cost-effectiveness – No CBA

Study 18: Martinson, K. et al. (2018), “Instituto del Progreso Latino, Carreras en Salud Program: Implementation and Early Impact Report”

- Programme and mechanism - Carreras en Salud Program (Chicago). Aim: to help low-income Latinos improve their basic skills and enrol in occupational training to gain the necessary skills and credentials for jobs as a Certified Nursing Assistant (CNA) and Licensed Practical Nurse (LPN).
- Evaluation type – quasi-experimental
- Impacts - Over an 18-month follow-up period, treatment group members attended 210 hours of occupational training compared with 164 hours for the control group, resulting in a 46-hour impact. Carreras increased employment in healthcare occupations by nine-percentage points: 25% of treatment group members reported working in a healthcare occupation at follow-up compared with 16% of control group members. However, no impacts were detected on other employment measures, including working at a job paying at least \$12 per hour or working at a job requiring at least mid-level skills.
- Cost-effectiveness – No CBA

Study 19: Roder A. et al. (2008), “Targeting Industries, Training Workers and Improving Opportunities: The Final Report from the Sectoral Employment Initiative”

- Programme and mechanism - Sectoral Employment Initiative (US). 6 skills training programmes. Focus on both developing workers’ skills to meet the needs of the sector’s employers and addressing its entrenched practices in hiring, promoting and training workers

- Evaluation type – non-experimental
- Impacts - Positive changes for participants included higher hourly wages, increased income and better-quality jobs. Key findings:
 - Participants in skills-training programs increased their wages and earnings.
 - Participants in skills-training programs had decreases in poverty, from 64% to 35%.
 - Participants in skills-training programs also accessed higher-quality jobs. The percentage of participants with health insurance available through their employers increased from 49% to 73%, while the percentage with paid sick leave increased from 35% to 58%.
- Cost-effectiveness – No CBA

Study 20: Hendra R. et al. (2011), “Breaking the low-pay, no-pay cycle: Final evidence from the UK Employment Retention and Advancement (ERA) demonstration”

- Program and mechanism – The UK Employment Retention and Advancement (ERA) programme. Participants had access to ‘post-employment’ job coaching for at least 2 years and financial incentives in addition to the services typically received by unemployed people through Jobcentre Plus.
- Evaluation type – Large-scale randomised control trial (involving 16,000 participants from 6 regions).
- Impacts – The programme produced short-term earnings gains for the two lone-parent target groups mostly made up of women which resulted from an increased proportion of participants working full time. Results also demonstrated modest but sustained increases in employment and substantial and sustained increases in earnings in the ND25+ target group (long-term unemployed people aged 25+, mostly men). Little evidence was found of the impact of ERA on parental well-being and outcomes for children.
- Cost-effectiveness – ERA was most cost-effective for the ND25+ group with a net economic gain for participants and positive return on government investment.
 - ND25+ group: ERA resulted in average net gains of £725 for each participant and a little over £1,800 per participant for the government.
 - NDLP (unemployed lone parents) group: ERA caused a negligible net loss for participants and a very small net loss for the government.
 - WTC (lone parents in part-time employment) group: providing ERA to this group was much more costly due to larger expenditures on bonus payments, training and operating costs. Losses to the government far exceed gains by WTC participants.
- Who it works for – ND25+ participants. ERA had substantial and longer-lasting positive impacts on earnings for those with higher education qualifications and no earnings effects for those with lower qualifications.

Study 21: Michalopoulos C. (2005), “Does Making Work Pay Still Pay? An update on the effects of Four Earnings Supplement Programs on Employment, Earnings, and Income.”

- Program and mechanism – Four programmes: the Canadian Self-Sufficiency Project (SSP), the Minnesota Family Investment Program (MFIP), the Milwaukee’s New Hope Project, and the Connecticut’s Jobs First program. The programmes were intended to encourage work and boost the income of adults in work.
- Evaluation type – Randomised Control Trial.
- Impacts – The programmes increased employment, earnings and income while effects on welfare receipt varied with the structure of the earnings supplement offered. The

effects of the programmes diminished over time, in part because they ended and in part because the early employment effects did not lead to lasting wage gains. Combining earnings supplements with employment services produced larger effects than supplements alone.

- Cost-effectiveness – Costs ranged from about \$100 to about \$2,000 per family per year. To reduce costs earnings supplements could be tied to full-time work which is more likely to increase self-sufficiency than part-time work. However, this would also reduce the number of families likely to benefit.
- Who it works for – The effects of the programmes on employment earnings were larger and more persistent for very disadvantaged families.

Study 22: Gasper J. and Henderson K. (2014), “Sector-Focused Career Centers Evaluation: Effects on Employment and Earnings After One Year”

- Program and mechanism – Workforce1 Careers Centers (WF1CCs) provide NYC residents with a full array of employment services including job placement, career advice, industry-specific education and training, job search and counselling. Jobseekers might also be awarded scholarships and vouchers for training.
- Evaluation type – quasi-experimental design matching W1FCC participants with sector-focused career center participants with similar demographic characteristics and work histories.
- Impacts – Sector-focused career center participants were more likely to be employed at least one quarter of the year after exit (83% vs. 73%) and were more likely to work in each of the 4 quarters after exit (48% vs. 34%).
- Participation in the sector-focused programmes increases earnings by an estimated \$5,800 per participant or about 53% and this effect was sustained over the year after exit.
- Cost-effectiveness – no CBA.
- Who it works for – Groups that faced barriers in the labour market including young people, racial and ethnic minorities, low skilled and low paid workers and individuals with an unstable work history. There were no differences in earnings gains by educational level, disability or employment status suggesting all groups benefitted.

Study 23: Webb, J. 2018, "Promoting job progression in low pay sectors"

- Program and mechanism – The Welsh Government’s Economic Action Plan and Employability Plan. The Welsh Government has set out its intention to support progression into higher graded work (to achieve higher hourly pay), increasing hours of paid employment and job security in both the Economic Action Plan (Welsh Government, 2017) and Employability Plan (Welsh Government, 2018).
- Evaluation type – evidence review.
- Impacts – There is strong evidence that key intermediate qualifications – such as GCSEs, A-levels and apprenticeships – contribute to people benefiting from increased earnings at the aggregate level.
- Cost-effectiveness – no CBA.
- Who it works for – Targeted to low paid workers in Wales. Participating in lifelong learning increased earnings for women by 10%; however, for men, the qualifications they had when entering the labour market were the dominant factor in determining their pay increases, rather than additional qualifications obtained through adult learning.

Study 24: Morgan, J. and Konrad, T. (2008), “A mixed-method evaluation of a Workforce development intervention for nursing assistants in nursing homes: the case of WIN A STEP UP”

- Program and mechanism – WIN A STEP UP (US). A workforce development programme for nursing assistants in nursing homes involving continuing education by onsite trainers, compensation for education modules, supervisory skills training and short-term retention contracts for bonuses and/or wage increases on completion.
- Evaluation type – qualitative.
- Impacts – The overall qualitative assessment was decidedly positive. Managers at 7 of the 8 participating sites reported that they would repeat the programme as is. In general, they felt that the program had an impact in 2 main areas: increased job satisfaction and improved quality of care. 76% of participating nursing assistants reported improved communication with managers and almost 70% believed that the quality of care had improved. There was no statistically significant difference between the turnover of nursing assistants at the participating and non-participating sites.
- Cost-effectiveness – Employers bear around one third to one half of the total cost. The high cost of the WIN A STEP program is likely to be a barrier to its wide-scale implementation unless major supportive changes in funding and policy environments occur.
- Who it works for – The programme targeted nursing assistants in North Carolina’s nursing homes.

Study 25: European Commission (2017), “Digital Transformation Monitor”

- Program and mechanism – Industrie du Futur (IdF) programme (France). IdF aims to support companies to deploy digital technologies to develop their business leading to growth and jobs. IdF creates a network of regional platforms to help companies test technologies, offers financial and personalised support and upskills workforces.
- Support is primarily aimed at SMEs, mid-tier companies as well as technology providers, academia and public sector.
- Impacts – IdF has supported 3,400 companies with diagnosis for modernising production tools and provided loans to 800. 10 field labs have been set up and another 14 were expected by the end of 2015.
- Cost-effectiveness – A mixture of public funding from loans and tax aid and private investments in R&D and production lines. All public financing tools are conditioned on private financing and are deployed to encourage private investments. Expected to generate €45.5 billion in value added – nearly 40% of which will come from exports.

Study 26: Fein, D and Hamadyk, J (2018) *Bridging the Opportunity Divide for Low-Income Youth: Implementation and Early Impacts of the Year Up Program*

- Program and mechanism – provides six months of full-time customized training in the IT and financial service sectors followed by six month internships at major firms
- The programme aims to support young adults with a high school diploma or equivalent to overcome challenges and build successful careers in fast-growing technical occupations
- Evaluation type – Randomised Control Trial with 2,544 young adults randomly assigned to treatment (1,669) and control (875) groups
- Impacts – average quarterly earnings (in the sixth and seventh quarters after random assignment) were \$1,895 higher for the treatment group (\$5,454) than for the control group (\$3,559) – a 53% impact
- Cost-effectiveness – forthcoming

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