

Making Economic Development Work for the Poor

The Full Employment Program

by Ted Abram

The main purpose of the Full Employment Program (Jobs Plus, in Oregon) is to provide employment to all persons needing public assistance. Immediate attachment to a job and on-the-job training for injured and displaced workers and welfare recipients best transitions them to work and income self-sufficiency. In a report to the President and Congress, the Advisory Council on Unemployment Compensation states:

Investing in the employment and training of unemployed individuals is intended to affect the quality of the labor supply. A mounting body of empirical evidence, however, suggests that such efforts are often not cost-effective when they are provided by the government. ... Firm-provided education and training, on the other hand, appear to be quite effective in increasing the earnings of an individual and reducing the probability of his or her unemployment.

Another objective of the program is to expand eligibility for work by eliminating the wasteful and unnecessary regulations that presently characterize the major public assistance programs. Therefore, instead of determining eligibility and paying benefits, caseworkers should be matching their clients with jobs—preferably unsubsidized or short-term subsidized.

The Adult and Family Services Division of the Oregon Department of Human Resources (AFS) has placed more than 1,000 people in subsidized jobs with mostly small, private employers. They provide a real job, training and a mentor—a fellow employee who can help the trainee learn the policies, procedures, and expectations of the business. A Jobs Plus worker can stay with an employer for four months and, with the agreement of employer and case

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worker, can work an additional two months that include eight hours a week of paid job search.

Critical to the success of the program is the job placement specialist who matches clients' abilities with the needs and expectations of employers. Oregon employers have enthusiastically embraced the Jobs Plus program and are willing to give participants the opportunity to learn and gain skills if they are prompt and willing to work. According to Phil Laymon, the state's Jobs Plus coordinator, between July 1, 1996, when the program went state-wide, and February 28, 1997, the state signed 2010 Jobs Plus contracts with employers, resulting in the creation of 454 unsubsidized jobs.

Linda is an example of such a success. After her husband died, leaving her with four children to raise on her own, she set up a daycare business in her home and applied for Food Stamps and medical coverage. As months went by and the parents didn't always pay her, she asked her case manager for help in improving her situation and was placed in the Jobs Plus program. After a short computer class, she interviewed for a Jobs Plus position as a general office intern with a large architectural firm. She began work in July 1996 for \$5.50 an hour. By mid November, she was offered a permanent job with an increase to \$6.50 an hour. After three months she was eligible for benefits from the firm. The same company is now creating another Jobs Plus position, and Linda will train the new employee. She feels that her going to work every day makes her a good role model for her children.

Partly because AFS has embraced the work attachment model, in less than three years there has been a 41% reduction in families receiving Temporary Assistance to Needy Families. Caseworkers are spending less time determining eligibility and are helping more people find employment. However, what is most responsible for the drop in the number of applicants is the very

nature of the program. Economist William B. Conerly, in Oregon's Welfare Caseload, found no correlation between Oregon's economy or unemployment rate since 1970 and the number of persons receiving welfare. Instead, Eloise Anderson, welfare director for California, posits that the new federal five-year limit on public assistance has caused many potential participants to adapt to the rules even before they have gone into effect. The federal Administration for Children and Families described Jobs Plus as

a model of a public and private partnership that transformed the conventional operations of a welfare system into a system that promotes client independence. ... Through Jobs Plus, an effective partnership has been established between the state welfare agency and the private sector, businesses have benefited from the labor provided, and clients have obtained useful job experience and self-confidence.

William Conerly estimates that if applicants for unemployment were required to

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enroll in the Jobs Plus Program, the state's expenditure for unemployment benefits could drop by 70%. It is time for Oregon to require of applicants for unemployment the same it now requires of recipients of welfare and food stamps.