Introduction [to Strategies for Improving Economic Mobility of Workers]

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Citation


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Introduction

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On November 15–16, 2007, the Federal Reserve Bank of Chicago and the W.E. Upjohn Institute for Employment Research cosponsored a conference at the Chicago Fed, “Strategies for Improving Economic Mobility of Workers.” The conference’s purpose was threefold: 1) to bring together researchers, practitioners, and policymakers to discuss policies affecting low-wage workers and other vulnerable or disadvantaged populations; 2) to identify best practices in workforce development initiatives; and 3) to extract lessons for devising effective policies. This book is an outgrowth of that conference.

The chapters in this book aim at offering a fresh review of the economic circumstances of disadvantaged segments of our population, as well as providing a provocative but nuanced assessment of the effectiveness of various policies and practices geared to redress a number of issues affecting them. Examples of programs discussed include housing allowances that address the spatial mismatch between poor inner-city neighborhoods and areas with job growth, education retention programs and financial aid for older low-income students, employment and training programs for former welfare recipients, and labor market reentry programs for the hard-to-employ/ex-offenders in distressed communities. This diversity of programs reflects the variety of challenges and varying issues that vulnerable populations and communities confront; it also reflects the many creative ways of approaching these problems.
CHAPTER CONTENT

The book presents a compilation of chapters from leading experts commissioned to present papers at the conference, in which they discuss key ongoing and emerging issues facing policies affecting the poor. The chapters include studies that address the following specific questions:

• What are the trends in wages, work, occupations, and economic resources—the “material circumstances” of low-income workers—and what are their implications for economic mobility?
• How effective are the Earned Income Tax Credit (EITC) and welfare reform in improving the lives of single women with children?
• How well do education retention programs work in meeting the needs of low-income adults?
• What are the shortcomings of financial aid policies in serving nontraditional students, and how can policies be altered to better serve them?
• How effective are residential mobility programs?
• How effective are various workforce investment programs in linking workers to work and to greater economic opportunities?
• How well do correctional programs work in helping ex-offenders reenter the labor market?
• In evaluating community-based programs and services, what should practitioners know about the limits of such evaluation, and what should they do?

The first part of the book comprises this brief introductory chapter and the lengthier chapter that follows, which contains an overview of the research and discussion from the conference. In this introductory chapter we will quickly run through the book’s authors and their topics, but in the next chapter Maude Toussaint-Comeau will address in greater detail the specific contributions of the papers that make up this volume, as well as the substance of the remarks by speakers at the conference. Then she will identify key challenges and opportunities for moving forward.
The second part of the volume is formed by the 10 remaining chapters; each tackles specific aspects of the questions outlined above.

The first chapters in Part 2 of the volume provide an overview of the data analyses and research surrounding the trends in the wages, income, employment, and poverty of low-wage workers in the United States. These trends provide the background for policy considerations discussed for the situation of workers today.

David Autor sets out the main facts about the trends in wages and occupations for low-income workers in his chapter, “Past Trends and Projections in Wages, Work, and Occupations in the United States.”

Hilary Hoynes, in her chapter, “The Earned Income Tax Credit, Welfare Reform, and the Employment of Low-Skilled Single Mothers,” analyzes the trends in employment for less-educated single women with children in comparison with other groups and discusses the role of the EITC and welfare reform in shaping these trends.

Bruce Meyer, in “Reflections on Economic Mobility and Policy,” looks at additional indicators of the overall material circumstances of workers, including change in consumption as well as income.

One recurring policy topic throughout the conference was access to education. This is the theme of two chapters, “Low-Wage Workers and Postsecondary Education Persistence: A Review of Several Community College Strategies,” by Lashawn Richburg-Hayes, and “Financial Aid and Older Workers: Supporting the Nontraditional Student,” by Bridget Terry Long.

Spatial mismatch between residents of the inner city and areas with job growth remains a potential challenge when it comes to moving certain segments of workers in the labor market. Housing allowances and residential mobility programs help potential workers move outside areas of poverty concentration. James Rosenbaum addresses this subject in his chapter, “Can Residential Mobility Programs Improve Human Capital? Comparing Social Mechanisms in Two Different Programs.” He discusses the results of impact evaluation of two programs, the Gatreaux program and the Moving to Opportunity (MTO) program.

Three subsequent chapters focus on policies and programs that provide employment training and assistance and that generally fall under the umbrella of workforce development. Collectively, those chapters offer a provocative look of the state and effectiveness of some major policies and programs.
Harry Holzer, in “What Might Improve the Employment and Advancement Prospects of the Poor?” proposes various potential alternatives and discusses the effectiveness of existing programs that have been targeted at three different groups: 1) the working poor, 2) disadvantaged youth, and 3) hard-to-employ ex-offenders.

Burt Barnow and Jeffrey Smith, in “What We Know about the Impacts of Workforce Investment Programs,” discuss the state of knowledge of the effectiveness of various programs, including the Workforce Investment Act, Job Corps, and Worker Profiling and Reemployment Services (WPRS). Barnow and Smith also discuss employer-focused programs, which provide on-the-job training (OJT), customized training, and sectoral training.

Continuing with the theme of worker training program evaluation but targeted at hard-to-employ/ex-offender populations, John H. Tyler and Jillian Berk discuss research results for programs designed to help ex-offenders reintegrate into mainstream society in their paper, “Correctional Programs in the Age of Mass Incarceration: What Do We Know about ‘What Works’?”

Finally, Robert Lalonde discusses the inherent analytical and methodological problems and challenges associated with evaluating the impact of programs from small, community-based organizations and makes some recommendations as to what these organizations can do in his chapter, “Comparing Apples to Oranges When Evaluating Community-Based Programs and Services.”