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The Alternative Staffing Work Experience: Populations, Barriers and Employment Outcomes

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THE ALTERNATIVE STAFFING WORK EXPERIENCE: POPULATIONS, BARRIERS AND EMPLOYMENT OUTCOMES

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Abstract

This paper presents results of a three-year study of workers and former workers at four Alternative Staffing Organizations (ASOs). ASOs are fee-for-service job brokering businesses created by community-based organizations and national nonprofits whose objective is to gain access to temporary and “temp to permanent” opportunities for workers facing barriers to employment. The paper looks specifically at the relationship between the personal characteristics of workers, their temporary work experiences through the ASO, and the subsequent employment status of former ASO workers, determined through a follow-up survey conducted by telephone six to eight months after workers had left the ASO. We found several factors influenced employment status at the time of follow-up. Workers with jobs at follow-up had worked substantially more weeks through the ASO, had higher earnings than other study participants, had received some additional services at the ASO, and, in some cases, had held ASO assignments at the ASO’s parent organization. However, workers without a valid driver’s license, those with children and those who were receiving public assistance had more trouble finding a job after their time at the ASO. This paper demonstrates how the complex relationships between individual worker characteristics and experience with an ASO affect future job prospects.

The monitoring and evaluation study on which this paper is based is part of the Alternative Staffing Demonstration II (conducted from 2008 through 2011). The study focuses on outcomes for workers who use ASO services to find employment and on customer businesses that fill jobs through these services. The Alternative Staffing Demonstration II (ASDII) is the second demonstration in a project launched by the Charles Stewart Mott Foundation (www.mott.org) which began the initiative in 2003.

Four organizations participated in the study: Emerge Staffing in Minneapolis, Minnesota; First Source Staffing (FSS) of Brooklyn, New York; Goodwill Staffing Services (GSS Austin) of Austin, Texas; and Goodwill Temporary Staffing (GTS Suncoast) of St. Petersburg, Florida.

The study entailed collection of administrative data for 2009 and 2010 as well as four rounds of site visits. Staffing interviews, a worker focus group, and an interview with a current customer business were conducted.

INTRODUCTION

In this paper, we examine outcomes for workers with barriers to employment who participated in community-based temporary staffing services to enhance their job prospects. Alternative Staffing Organizations (ASOs) offer temporary staffing services, primarily in the entry-level job market, for workers who face challenges to obtaining and keeping a job. The goal of the ASO model is to help mitigate barriers that job seekers face, provide immediate attachment to the labor market, and ultimately improve a worker's chance for regular employment. The staffing model primarily addresses job access and the need for immediate earnings, but it also helps unemployed job seekers establish a recent work history.

The focus of this paper is to examine the relationships between the workers, the ASO experience, and employment outcomes after workers leave the ASO. We address four sets of questions:

- First, what personal characteristics do workers bring with them to the ASO that could affect their job prospects? For example, do they have interrupted work histories because of family demands, health or disability issues, inadequate education, the lack of a driver's license, and/or a prison record? Is there evidence that poverty make it even more difficult to overcome these challenges?
- Second, do the workers receive any support services through the ASO? As job brokers, ASOs provide job matching and job placement for ASO workers, but do they also provide important support services such as personal counseling, transportation assistance, additional educational opportunities, financial counseling, or problem-solving services before or during placement?
- Third, what are the typical overall ASO experiences? What types of assignments do workers receive? What types of businesses employ them? What wage levels are associated with their assignments? How long do they work at an assignment? How much do they actually earn while working through the ASO?
- Finally, controlling for demographic and ASO site characteristics, what are the relationships between workers' barriers, services received, job placements and post-ASO job outcomes? Do former ASO workers subsequently find jobs? Is there a relationship between ASO mitigation efforts for workers' personal challenges and job outcomes? Do additional support services, or does the time spent engaged with the ASO or the type of job placement, affect eventual employment?

The ASO Model and Employment Outcomes

Through this study, we proposed to examine if the combination of worker characteristics and the ASO experience has an impact on employment outcomes. ASO staff expect to see their workers migrate to other job opportunities over time. Some of these opportunities will be located during an assignment; others may be found through a job search, with which another program might assist. The ASOs also understand that some workers will not gain regular employment or will discontinue work because of persistent barriers to employment or due to changes in personal or family circumstances.

Workers come to each ASO with ascribed gender, age and racial/ethnic traits. We know that they also have accrued barriers to work such as having a lower educational level, minor children, a disability, no driver's license, or a criminal conviction, and that they may be on public assistance. ASOs, aware of the challenges each individual worker faces, find community placements that can accommodate them. In different ways, ASOs also provide workers with some supportive services. These services, along with type of job, length of assignment, employer characteristics and total earnings are factors that influence a worker's overall ASO experience.

In this paper, we suggest that a WORKER'S PERSONAL TRAITS—demographic and barrier characteristics—influence their ASO EXPERIENCES, which in turn affect EMPLOYMENT OUTCOMES. Figure 1 shows a model of how these relationships, considered

Figure 1: ASO Model and Later Employment



together, can increase our understanding of the interaction of ASO experience and personal characteristics on future employment status.

History and Purpose of ASOs

ASOs were first conceived in the 1970s. Their numbers grew in the 1990s during the expansion of the temporary staffing industry. Nationwide there are currently just over 50 organizations that identify as ASOs: fee-for-service job brokering businesses created by community-based organizations and national nonprofits. Their objective is to gain access to promising temporary and “temp to permanent” opportunities for workers facing barriers to employment. ASOs are designed to help disadvantaged and unemployed workers find temporary jobs to increase their immediate access to earnings and augment their work experience (thereby improving their recent work history), with the goal of converting a temporary assignment into a permanent job. ASOs find customer businesses that use temporary staffing for varied purposes, but particularly for screening entry-level workers for regular hiring. Companies that provide jobs with above-minimum wages and safe working conditions are targeted.

The barriers to employment that ASOs aim to help workers overcome can include a broad range of challenges. They can be common hurdles such as limited work history, no recent record of employment or a lack of formal credentials, or quite specific barriers such as having a criminal record, or suffering discrimination based on race or disability.

The ASO model is flexible. It recruits workers with a variety of demographic characteristics and barriers and exposes them to the ASO experience,

providing some services and job placements that allow workers to earn wages during the time they are there. ASOs look for job assignments in their local communities that maximize worker strengths, provide an opportunity for growth, and, ideally, lead from temporary to permanent work.

ASOs offer a window into the job search and brokering processes at the bottom of the job market. Their worker population is unemployed at time of intake, usually low-skilled, and almost always possesses few formal credentials. Earlier research has provided some information that suggests job seekers with few formal skills or credentials have difficulty finding jobs,¹ and the jobs they do find are mainly in secondary labor markets that include high turnover and rarely lead to wage progression and job stability. Other studies have found that access to better job opportunities can require working through mediating structures such as staffing firms or job brokers, which often screen out workers with multiple barriers to employment.² ASOs have dual goals: (1) to provide assignments for workers with barriers; and (2) to provide reliable workers to customers in communities where the ASOs are located.³ ASOs aim to serve a specific population that varies by organization, and seek out customers in their local areas who can provide jobs for the specific workers the ASO serves.⁴

This paper reviews the experiences of four ASOs in a study that ran from 2008 through 2011, during the great recession. It examines personal characteristics, ASO work experience and employment job outcomes for a cohort of 855 workers who had at least one ASO assignment from 2009 through 2010. The workers were interviewed about their employment status six to

eight months after their experiences at the ASO. Four ASOs—Emerge Staffing in Minneapolis, Minnesota; First Source Staffing (FSS) in Brooklyn, New York; Goodwill Staffing Services (GSS Austin) in Texas; and Goodwill Temporary Staffing (GTS Suncoast) in St. Petersburg, Florida—participated in this study. Emerge Staffing and FSS are community-based organizations and GSS Austin and GTS Suncoast are affiliated with large Goodwill nonprofit organizations. The paper draws primarily on in-depth analyses of these four organizations.

The audience for this paper includes other ASOs, other organizations that might be interested in forming or collaborating with an ASO, and others interested in opportunities to develop employment strategies for workers who face challenges to securing employment because of multiple barriers that limit their access to finding and keeping a job.

Barriers Faced by Workers

A goal of the study was to gather individual worker information and relate it to their ASO experiences and post-ASO employment status. More than a third of workers consented to share their personal information gathered at ASO intake with the study. The data show that workers at the four ASOs were generally similar in their gender, age, and racial/ethnic characteristics, with a few exceptions.⁵ Table 1 shows the similarities and

variation in the demographic characteristics at the four ASOs.

During the data collection period for this study (2009 through 2010), the U.S. Bureau of Labor Statistics (BLS) noted that unemployment rates increased dramatically for all racial/ethnic categories but that rates were consistently higher for African American or Black and Hispanic men and women than for white workers.⁶ The four ASOs in this study served primarily minority workers who were struggling with unemployment.

The barrier characteristics of ASO workers are frequent ones among members of minority populations, women, and older adults. While the barriers vary by site geography and missions, they are all representative of poorer populations. The workers in this study had been hampered in their ability to access jobs because many lived in poverty, which aggravated the barriers that we investigated.

Most workers had more than one barrier. Workers at Emerge and GTS Suncoast lived in poorer communities and so, not surprisingly, had more barriers than workers at FSS and GSS Austin. Any of the barriers mentioned could block access to permanent employment. For example, having a child under the age of 18 means a worker needs access to reliable child care for a pre-school child, for an older child after school, or if the child

Table 1: Demographic Characteristics of Workers by ASO***

Workers	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Percent with Demographic Data	33%	23%	37%	40%	35%
Female	44%	49%	61%	41%	51%
Black	72%	82%	21%	43%	41%
White	10%	8%	46%	42%	35%
Hispanic	14%	8%	26%	13%	19%
Ages 18-29	25%	50%	37%	38%	35%
Ages 30-39	51%	26%	25%	27%	33%
Ages 40-69	24%	24%	38%	35%	32%
Median Age (years)	32.0	29.5	35.0	34.0	32.0

***Significant differences by site, $p = .001$.

Table 2: Barriers Reported by Workers at the ASOs***

Barriers	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Average Number of Barriers	2.01	1.33	1.25	1.98	1.61
Percent with Barriers Data	32%	21%	38%	40%	35%
Any Barrier	90.4%	78.3%	73.5%	83.1%	79.9%
No Barrier	9.6%	21.7%	26.5%	16.9%	20.1%
Disability	NA	NA	55.5%	3.8%	36.6%
Children under 18	66.3%	70.8%	25.1%	24.1%	36.3%
No Driver's License	48.7%	46.0%	9.7%	59.1%	33.2%
Public Assistance	46.9%	43.1%	23.5%	28.7%	31.3%
No High School Diploma	26.3%	15.8%	5.5%	47.3%	21.7%
Conviction	21.7%	25.4%	11.1%	35.0%	20.8%

***Significant differences by site, p = .001. NA Not available

becomes ill. More than a third of the workers in the demonstration had a child under 18, leaving them vulnerable to an interruption in their availability for work. Lack of a driver's license can limit the ability to get to a job: a third of workers (33 percent) did not have a license. Close to a third were receiving public assistance at intake.⁷ About 22 percent lacked a high school diploma or a GED; 21 percent had a criminal record reported as a conviction for a felony or misdemeanor. These characteristics are shown in Table 2.

Poverty Exacerbates Barriers

Workers who receive public assistance live in poverty. Poverty itself aggravates the limitations imposed by any barrier on obtaining and holding a job. It can reduce a worker's ability to have enough money for gas to drive to work, to pay for child care, or to deal with a housing crisis.

Poverty exacerbates different barriers for men and women. Women reported being a parent of a minor child twice as often as men; they indicated higher rates of disability; and they were also more likely to live below the poverty line, as indicated by their receipt of public assistance. On the other hand, men more often lacked a driver's license; they had higher rates of a criminal conviction; and a higher percentage of men than women were without a high school diploma or a GED.

Table 3: Gender Differences by Barriers**

Barrier	Male	Female	Total
Disability	30%	42%	37%
Children under 18	31%	41%	36%
No Driver's License	43%	24%	33%
Public Assistance	27%	35%	31%
No High School Diploma	27%	16%	22%
Conviction	31%	11%	21%

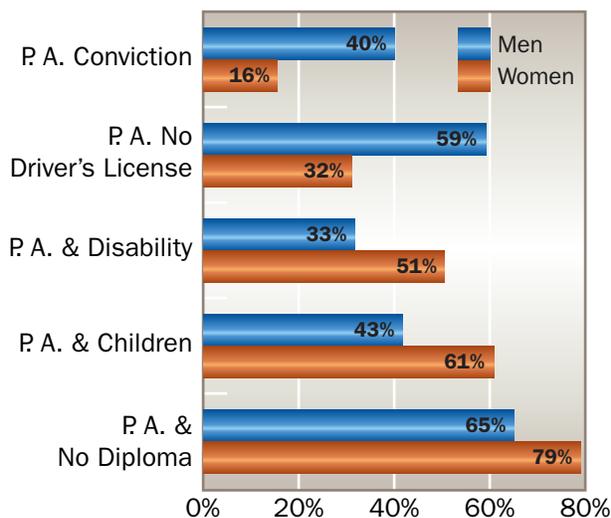
** All differences statistically significant, p = .01.

Nearly a third of the workers in this study were receiving public assistance at intake. According to the Center on Budget and Policy Priorities (CBPP), benefits made available through public assistance are not sufficient to cover basic family needs.⁸ For example, the public assistance provided by combined TANF eligibility and benefits levels in 2010 for a family of three, typically a mother and two children, are less than \$700 in two sites in this study—Florida (\$673) and Texas (\$661)—and are less than \$1,800 in Minnesota (\$1,756) and New York (\$1,596). These amounts indicate how little money workers who received TANF income benefits actually had available for daily living expenses. Families receiving public assistance,

even with access to subsidized housing, SNAP (Supplemental Nutrition Assistance Program) and public health insurance, are living with limited financial resources.

We found a clear association between poverty, gender and barriers (see Figure 2). More than a third of women were receiving public assistance, but more than three fourths of women who lacked a high school diploma were receiving public assistance. Women on public assistance were also far more likely to have minor children or a disability than men. On the other hand, more than a quarter of all men were receiving public assistance but close to 60 percent who had no driver's license were receiving public assistance. Men receiving public assistance were also much more likely to have a criminal record.

Figure 2: Impact of Barriers on Receipt of Public Assistance (P.A.), for Men and Women**



**All differences statistically significant, $p=.01$.

Notably, the data suggest that the lack of a diploma is highly correlated with receiving public assistance for women, but less so for men. Close to 80 percent of women receiving public assistance at intake also lacked a diploma, compared to 65 percent of men. The earlier analysis (Table 3) that includes both those with and without public assistance shows men face an educational barrier much more frequently than women (27 percent

for men and 16 percent for women). Clearly, men and women living in poverty had different barriers to work. Lack of a high school diploma, having a disability, and minor children are associated with receiving public assistance for women, limiting their access to work. Men receiving public assistance at intake more often had no license and/or a criminal conviction. In the next section, we discuss how ASO workers' experiences are related to their barriers.

Services for ASO Workers

The ASOs strive to hire job-ready workers who can quickly be placed in appropriate assignments. They screen applicants to identify those who may have barriers that can be mitigated. The ASOs know their workers and look for customers who will offer jobs with requirements their workers can meet. The ASOs provide support services for some workers to help make them job ready.

In an earlier report, we described how supports range in breadth and intensity across workers and also across ASOs.⁹ Sites see themselves as more engaged in their workers' futures than traditional temporary staffing agencies, but they are aware of the limited resources they have for directly providing services. In the words of one staff member, "[We] talk, listen and understand—counseling—and that's the support they need. There isn't anything else that we can provide. We have to know where to draw the line."

All sites provided some services but they differed in how they delivered services. Emerge, GSS Austin, and GTS Suncoast either provided services directly to workers or referred workers to other services off site. FSS outsourced most service referrals to a one-stop service center directly affiliated with their parent company, the Fifth Avenue Committee.¹⁰ The following discussion investigates differences in services offered by the sites.

Types of Services

While job brokering and job matching are the main functions of ASOs, data from sites also shows they provide services such as counseling, transportation, education/training, troubleshooting, basic needs, and financial

coaching.¹¹ We collaborated with the sites to develop a list of services, but the sites themselves identified, classified and reported to us quarterly the services their workers received.

Based on their philosophy and in-house resources, sites varied in their rates of providing any services and in the average number of services they provided to workers. Overall, more than 43 percent of workers received at least one service, with some workers receiving many services. Workers received an average of 1.6 services, ranging from 1.06 services at FSS to 2.04 services at Emerge. The range and intensity of service delivery varied by the needs of the ASO's dominant populations and the site's capacity to provide these services.

The ASOs tend to specialize in type of service delivery. GTS Suncoast, serving a population with an average of 1.98 barriers (Table 2), provided counseling services to nearly all workers but relatively low rates of other types of services. Emerge concentrated on troubleshooting and transportation services, insuring that workers without driver's licenses or access to public bus service could reliably get to their jobs. Emerge began this as a free service when a government grant initially supported it and continued afterwards, charging workers at cost. Emerge, like GTS Suncoast, had a population with more barriers, and made the highest percentage of

referrals to meet workers' basic needs for food, clothing and shelter. GSS Austin provided services to 20 percent of their workers but delivered relatively high rates of counseling and financial training services to the 20 percent of workers who received services.

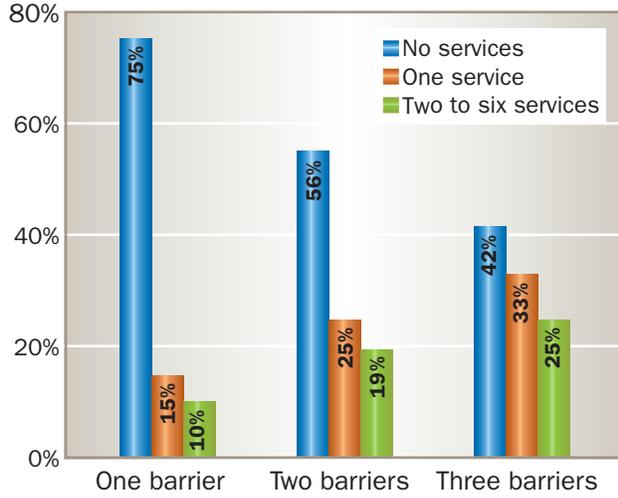
We were interested in how well ASO sites, with scarce resources to provide support services, targeted services to those with more barriers. We found that workers with more barriers received significantly more services. Figure 3 shows that significant relationships exist between service delivery and the number of barriers a worker has. While proportionately few workers received services, there is a significant correlation between the number of barriers and number of services provided. ASO staff saw themselves as committed to finding assignments for people challenged to find work and as more caring than traditional staffing agencies. But their goal, ultimately, was to recruit job-ready employees for whom they could quickly find appropriate placement. They saved services mostly for workers with many barriers or where they could target services to address specific problems that they could resolve.

Workers with more barriers received more services to help workers obtain and retain job assignments. In the next section we will examine ASO work experiences.

Table 4: Services for ASO Workers by Site

SERVICES	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Average Number of Services (1 to 6)	2.04	1.06	1.80	1.35	1.60
Percent Receiving Any Service	47.6%	20.4%	19.9%	96.0%	43.4%
Counseling	22.3%	0.6%	51.0%	93.0%	57.7%
Transportation	84.9%	4.5%	3.5%	1.5%	21.0%
Education/Training	21.6%	17.8%	34.2%	15.8%	21.0%
Troubleshooting	84.9%	4.5%	3.5%	1.5%	21.0%
Basic Needs Referrals	32.2%	12.1%	7.8%	4.4%	12.2%
Financial Coaching	–	9.6%	31.1%	–	7.3%

Figure 3: Number of Services Received by Number of Barriers * *



* *All differences statistically significant, $p = .01$.

The ASO Experience

In an earlier study, we showed that higher ASO earnings are associated with subsequent employment after workers leave the ASO, and specific assignment characteristics and receipt of services are associated with higher earnings and longer periods of working for the ASO.¹² We also know that site variation by region, volume, mission, the local economy, as well as worker characteristics, influenced workers' experiences at the ASO. Workers experienced differences in their exposure to the ASO, the jobs they held, the types of customers they worked for, their average pay rates, and their total earnings.

Exposure to the ASO

We were interested to know if time spent with an ASO and financial rewards earned there would have an impact on working at follow-up. We used the weeks spent at the last ASO assignment and total earnings for that assignment as the most complete indicators of ASO experiences. Workers worked the most weeks at GTS Suncoast but GSS Austin workers had the highest average pay rates and total earnings (see Table 5). The ASO experience at GSS Austin differed significantly from all the other sites, probably because of many worker placements in state agencies. GTS Suncoast differed from Emerge and FSS with much longer assignments and much lower pay rates. Emerge and FSS were not significantly different in the total paid per worker.

Jobs Held at the ASO

The most commonly held jobs at the ASOs were clerical assignments and jobs in maintenance, production and other types of manual labor. The distribution of jobs across sites differed according to customers at the ASOs and the local economy. More than two thirds of jobs at Emerge and GTS Suncoast were blue collar jobs, while white collar clerical jobs were predominant at FSS and GSS Austin.

The flexibility of the ASO model is evident in how ASOs provide varied exposures and earning experiences to workers based on their ability to work. This model can be tailored to

Table 5: Last Assignment at ASO: Total Paid, Weeks Worked and Average Pay Rate

	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Length in weeks^a	6.6	5.7	15.1	18.7	13.2
Average pay rate^b	\$10.51	\$12.17	\$15.12	\$8.15	\$11.81
Total paid^c	\$1,283	\$2,278	\$7,636	\$6,152	\$5,259

^a Differences between GSS Austin and GTS Suncoast, Emerge and FSS are statistically significant, $p = .01$. Differences between Emerge and FSS are not statistically significant.

^b Differences between all sites are statistically significant, $p = .01$.

^c Differences between GSS Austin and GTS Suncoast, Emerge and FSS are statistically significant, $p = .01$. Differences between Emerge and FSS are not statistically significant.

Table 6: Type of Last Job at ASO**

	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Clerical	15.7%	62.4%	81.9%	16.9%	48.7%
Maintenance, Production, Other Labor	3.3%	33.9%	15.4%	64.7%	32.3%
Building and Security	68.6%	0.0%	1.0%	4.7%	11.7%
Food Preparation	12.4%	0.0%	1.0%	6.7%	4.2%
Other Jobs	0.0%	3.6%	0.7%	7.1%	3.1%

** Differences between ASOs are statistically significant, $p = .01$.

differences in organizational mission and local economic parameters. It also can accommodate workers with diverse demographic and barrier characteristics. The following section examines how barriers, services and the ASO experience affect employment status after workers leave the ASO.

Employment Status after Workers Leave the ASO

The ASO model is designed to enhance the ability of entry-level workers with numerous challenges to access and then retain jobs. ASOs target employers with jobs their workers can do. Their goal is for workers to find permanent jobs after they leave the ASO. ASO staff expect workers to migrate to other job opportunities, some located during an assignment, others through a job search with which another program might assist. They also expect that some former workers will not continue to work because they cannot address individual barriers or because they lack qualifications for available jobs.

Telephone Follow-up Survey

A telephone follow-up survey was carried out by ASO staff after we provided them with a list of eligible workers who had completed their first assignment six to eight months earlier.¹³ Because of the transience of work experience, and disconnected phone numbers, it was not easy to follow workers over time. The response rate averages 43 percent across all sites, and ranges from 25 percent (FSS) to 58 percent (GTS Suncoast). Locating former workers was difficult

but, once located, nearly all those contacted agreed to participate. It is not clear whether those currently employed are more, or less, likely to be reachable than others. Being employed makes a worker easier to reach, while being unemployed can make a former worker eager to return calls from the ASO because it is the source of potential employment.

We tested the representativeness of the sample through a one-way analysis of variance, a statistical test that compares group means to identify any significant differences for three or more groups. As we had complete assignment data for all workers, we used assignment length and total earnings for workers' final ASO assignments, variables associated with better ASO outcomes.¹⁴ We compared working respondents with those not working; compared non-respondents with those working; and compared non-respondents with those not working. We compare results for Emerge, GSS Austin and GTS Suncoast. FSS results are not included in these findings as we found no significant differences between FSS non-respondents, those not working and those working.

Importantly, we found:

- significant differences in assignment length and total paid between those employed ("working") and not employed for Emerge, GSS Austin and GTS Suncoast former workers.
- significant differences between non-respondents and those working for Emerge and GTS Suncoast former workers.

Table 7: Significant Differences in Mean Values of Total Paid and Assignment Length between Working, Not Working and Non-Respondent Groups*

Total Paid Last Assignment	Survey non-respondents	Not Working	Working	Total
Total	\$4,516	\$3,412	\$7,145	\$4,754
Emerge	\$ 880	\$ 833	\$1,788	\$960
FSS	\$2,437	\$2,085	\$2,844	\$2,357
GSS Austin	\$7,400	\$5,340	\$9,311	\$7,466
GTS Suncoast	\$3,905	\$4,064	\$7,803	\$4,867
Assignment Length in Weeks				
Total	10.76	10.06	16.38	11.54
Emerge	3.79	5.28	8.11	4.35
FSS	6.07	5.24	7.07	5.89
GSS Austin	13.48	11.70	17.63	13.94
GTS Suncoast	16.61	16.09	20.82	17.52

* Differences statistically significant between those working and not working (p = .01) at all sites but FSS. Differences statistically significant (p = .01) between non-respondents and those working for Emerge and GTS Suncoast, and approaching significance for GSS Austin (p = .09).

- no significant differences in ASO experiences between non-respondents and those not working for Emerge, GSS Austin and GTS Suncoast former workers. This finding hints that non-respondents are less attached to the workforce and may have had similar outcomes to former workers not working at follow-up.

Half of the former workers were employed at follow-up (Table 8). Post-ASO employment rates were higher than the average at the Goodwill organizations (GSS and GTS) but were close to 50 percent at Emerge. Rates were lowest at FSS. In the following sections we examine the effects of workers' barriers and services they received at the ASO on later employment status.

Impact of Barriers on Later Employment Status

ASOs look for employers with job opportunities their workers can do. ASOs mitigated some barriers better than others. They were successful in placing workers in jobs that could accommodate a disability or did not require a high school diploma

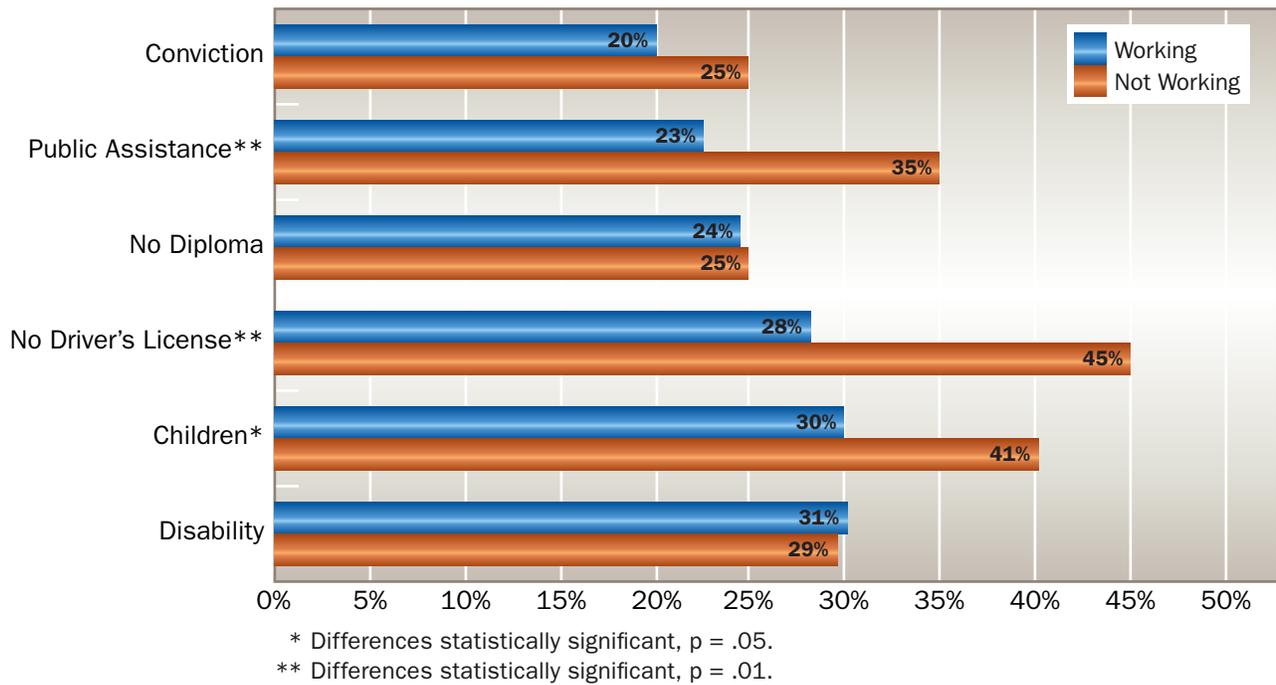
Table 8: Percent Working and Not Working at Follow-up**

Site	Not Working	Working
Total	50.5%	49.5%
Emerge	52.9%	47.1%
FSS	74.5%	25.5%
GSS Austin	42.2%	57.8%
GTS Suncoast	44.1%	55.9%

** Differences statistically significant, p = .01.

or a clean criminal record. Evidence of the ASOs' success is that workers with these barriers were just as frequently employed at follow-up as workers without these barriers, which were specifically targeted in some instances. For example, GSS Austin purposely hires people with disabilities, per their state set-aside contract,¹⁵ and finds appropriate placements for them. Similarly, GTS Suncoast places many workers with convictions in jobs on their Goodwill campus, where the goal is to employ people with barriers. Emerge and GTS

Figure 4: Impact of Barriers on Later Employment Status



Suncoast find assignments, typically blue collar jobs, that workers without a high school diploma can perform. Probably because sites were able to address these barriers, there are no significant differences between those employed and not employed at follow-up if they had barriers such as a criminal record, no high school diploma, or a disability. However, some barriers proved harder to overcome. Figure 4 shows the impact of barriers on employment status at follow-up.

The more intractable barriers had to do with the more severe forms of poverty. Former workers who were very poor at intake and received public assistance were significantly less likely to be employed at follow-up than those that were not receiving assistance at intake. Having minor children, frequently the case for women receiving public assistance, continues to be a significant barrier to employment as well. Former workers with children were employed significantly less frequently at follow-up than those without children. In addition, former workers without a driver's license were employed significantly less frequently at follow-up. ASOs are aware that some workers will not be able to overcome their barriers sufficiently to find employment after their time at

the ASO, but their hope is that these individuals may improve their overall chances of finding a job at a later date.

Impact of Services on Later Employment Status

ASO site staff reported that support services can help alleviate some of the barriers, but they are well aware of their organization's limited capacity to provide more than basic supports. As mentioned earlier, the primary function of the ASO was job brokering for job-ready workers. Half of the follow-up survey respondents had associated services data, ranging from 19 percent of former workers at FSS to 97 percent of former workers at GTS Suncoast. While the majority of those who had received services were working at follow-up (56 percent), the only statistically significant relationship found is at GSS Austin, where those who were not working (33 percent) had received at least one service. It may be that a site provides services to workers with the most barriers, and these may be the same workers who were not able to sufficiently overcome these multiple barriers to have employment at follow-up.

We examined the difference between those working and those not working in terms of services received during affiliation with the ASO. Only in the case of counseling is there a statistically significant difference between those working and those not: 69 percent of those working at follow-up had received counseling during their time with the ASO, as compared to 59 percent of those not working at follow-up. There were no statistically significant differences in employment status for any of the other types of services.¹⁶

Predictors of Employment Status at Follow-up by Site

The previous discussions presented bivariate analyses of ASO experiences, barriers and services that were associated with employment status at follow-up. In this section we use logistic regression, a type of multivariate regression that can show significant relationships between a single characteristic and being employed at follow-up, while controlling for the effects of other personal or background traits. For example, logistic regression can show whether living in poverty, while controlling for gender, has a statistically significant relationship with employment status at follow-up.

We conducted two sets of analyses, first investigating how site differences may have influenced later employment status. We examined the effects of independent variables related to the

ASO experience, including assignment length, type of job, employer ownership characteristics, and total earnings. We focused the analyses of job characteristics on aspects most relevant to the ASO site.¹⁷ We also included average pay rate for the last ASO job, the quarter that the assignment ended, and whether the individual had received any services through the ASO.

Analyses by site provide some particular examples under different conditions at each site. We calculated predicted probabilities for some case examples that we found relevant to each site's conditions.¹⁸

The Importance of Assignment Length at Emerge

For Emerge, assignment length was the only variable that was significant for predicting employment status. Figure 5 shows that the predicted probability for employment for those who worked 20 or more weeks was considerably greater than for those working five weeks or less. Having longer assignments might be associated with a higher likelihood of rolling over onto the customer company's workforce, or indicate a worker better able to perform reliably (thus more employable), or both. Job characteristics at Emerge had little impact on the probability of working at follow-up. Emerge typically has shorter assignments than the other sites, but even in an ASO with short assignments on average, longer assignments were predictive of employment at follow-up.

Figure 5: Predicted Probability of Employment at Emerge: Length of Assignment

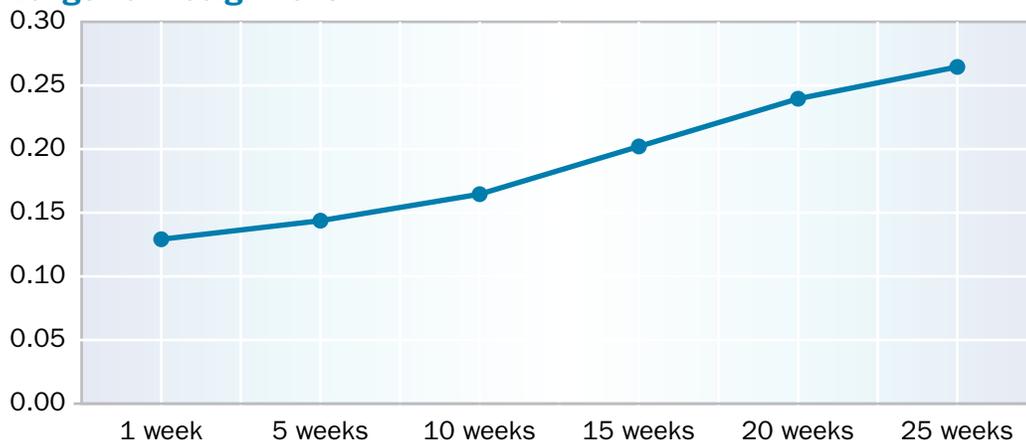
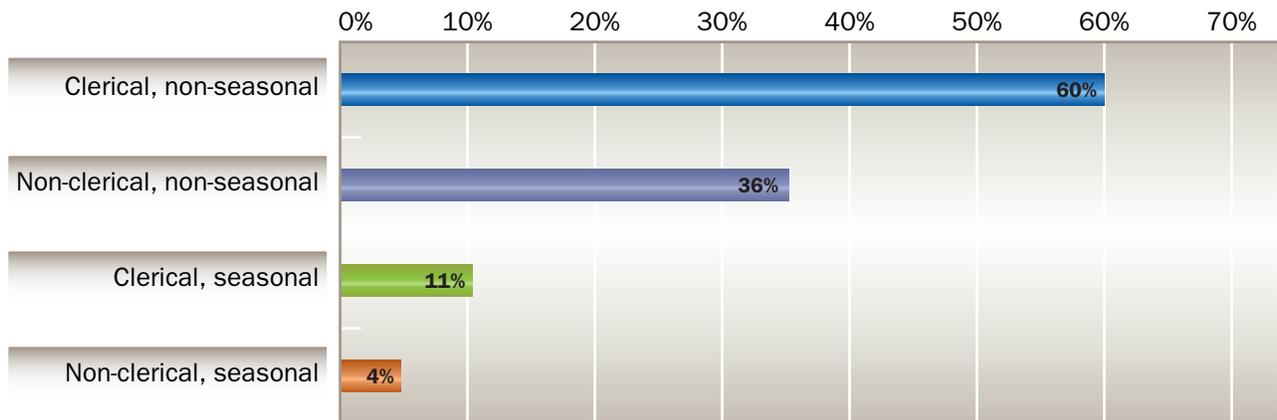


Figure 6: Predicted Probability of Employment at FSS: Seasonality of Assignment



The Effects of Assignment Seasonality at FSS

FSS had seasonal and non-seasonal customers who were looking to fill clerical and other jobs. Clerical positions are typically administrative, white collar jobs, often seen as providing a more reliable path to permanent employment. Seasonal customers used FSS to fill clerical positions for tax preparation during income tax season. Non-seasonal customers offered a mix of clerical and non-clerical assignments. We found a difference in follow-up outcomes based on job type (clerical or non-clerical) and seasonality (tax preparation customers or other customers). We calculated predicted probabilities for four groups of workers at average pay rate on an average length assignment, as shown in Figure 6.¹⁹

The data show that if we control for seasonality, former workers with non-seasonal clerical assignments had a 60 percent probability of having a job at follow-up. Other non-seasonal workers without clerical assignments had a 36 percent probability of employment at follow-up. Workers with seasonal assignments are predicted to be employed at much lower rates: seasonal clerical workers, 11 percent; seasonal non-clerical, 4 percent. The data suggest that seasonality reduces the potential for clerical assignments to lead to more stable employment possibilities, even when white collar clerical assignments are considered.

The Effects of Support Services at GSS Austin

ASO sites used service delivery for enhancing retention on the job and/or developing skills for post-ASO employment. Receipt of services

appeared to be associated with a lower probability of employment at follow-up for former GSS Austin workers. Worker supports available through GSS Austin may be helping with retention while on assignment, but are still targeted to people who need services the most, so it follows that there could be a lower employment rate for these workers later on.

The Effects of Customer Placement and Length of Assignment at GTS Suncoast

Both customer ownership type and greater assignment length are significant at GTS Suncoast. Longer assignments are associated with greater probability of employment at follow-up. This is the case not only for assignments within Goodwill as we expected—given its emphasis on hiring internally the workers placed by its ASO—but also with external placements at its for-profit customers. Of note, GTS Suncoast workers with a Goodwill assignment had a 43 percent chance of being employed at follow-up if their assignment had been 5 weeks, but this climbed to almost 48 percent after a 15-week assignment. This is nearly twice the rate for GTS Suncoast workers who were on assignment for a for-profit business customer, but here too, longevity of assignment had an impact. Five-week assignments for a for-profit customer led to a 22 percent chance of being employed at follow-up, while 15-week assignments increased the chance to 25 percent.²⁰

In summary, former Emerge workers with longer ASO assignments were more likely to be working at follow-up. Former FSS workers who received

non-seasonal placements, particularly clerical non-seasonal assignments, worked more often at follow-up than workers placed for seasonal work. Former GSS Austin workers were less likely to work at follow-up if they had received any service when controlling for average pay and length of assignment. Former GTS Suncoast workers were more often employed at follow-up if they had received a Goodwill or ASO placement while at the ASO, and not a for-profit customer placement, and if they worked for longer periods of time. These findings suggest that the site effects on employment status at follow-up influence post-employment status through differences in the ASO work experiences.

In the following analyses, we look at the entire group of former workers who responded to the telephone survey and estimate the effects of workers' personal characteristics and their ASO experiences, one at a time, while controlling for other issues. We find some important differences using this more comprehensive analysis.

Incorporating Predictors of Employment Status at Follow-up

In this section we conduct analyses for the study population as a whole. We create the largest sample size for analysis by combining information for all follow-up survey respondents from all sites. The larger sample size allows us the opportunity to examine outcomes for these entry-level workers, looking at their personal characteristics and their ASO experiences at the same time. We test if there

is an effect of the ASO model on employment outcomes. We incorporate information about different factors associated with having a job at follow-up with personal characteristics and ASO experiences data. Earlier descriptive analyses of employment status at follow-up suggest that workers' personal traits and ASO experiences are related to employment outcomes. The descriptive barriers analyses showed that parents, public assistance recipients, and those without a driver's license were significantly less likely to be working at follow-up. Demographic characteristics are included in the model to control for site variation due to gender, age and race/ethnicity. The ASO experience analyses showed that workers who had higher earnings, longer ASO assignments and any services through their ASOs, except at GSS Austin, were more likely to be working at follow-up.

The descriptive analyses of workers' personal traits have shown there were no significant differences in later employment status for those with a criminal conviction, a disability, or lack of a high school diploma. Nearly equal percentages of these former workers were working or not working. However, those receiving public assistance at intake into the ASO, as well as those who had minor children or lacked a valid driver's license, were significantly less frequently employed at follow-up than workers without those barriers.

Figure 7 elaborates upon the relationship between the workers, the ASO and employment outcomes as shown earlier in Figure 1. The elaborated model suggests that a worker enters the ASO with a set

Figure 7: Populations, Barriers, the ASO Experience and Employment Outcomes



of “Worker’s personal traits,” shown in Column A, potentially influencing the “ASO experience,” shown in Column B, and that both may have an impact on “Employment outcomes,” in Column C. We use the independent variables in Column A and Column B to predict the dependent variable in Column C.

We control for “Demographic characteristics,” such as age, race and gender because we understand that variation in these characteristics are highly correlated with the ASO itself, its location, and its mission. Therefore, we do not specifically test for an independent relationship between demographic traits and outcomes. Some barriers also are correlated with the ASO sites. For example, the GSS Austin program is based on placing people with disabilities, and placement at GTS Suncoast is frequently with the parent Goodwill. Other barriers may vary independently of ASO, and we identify these differences.

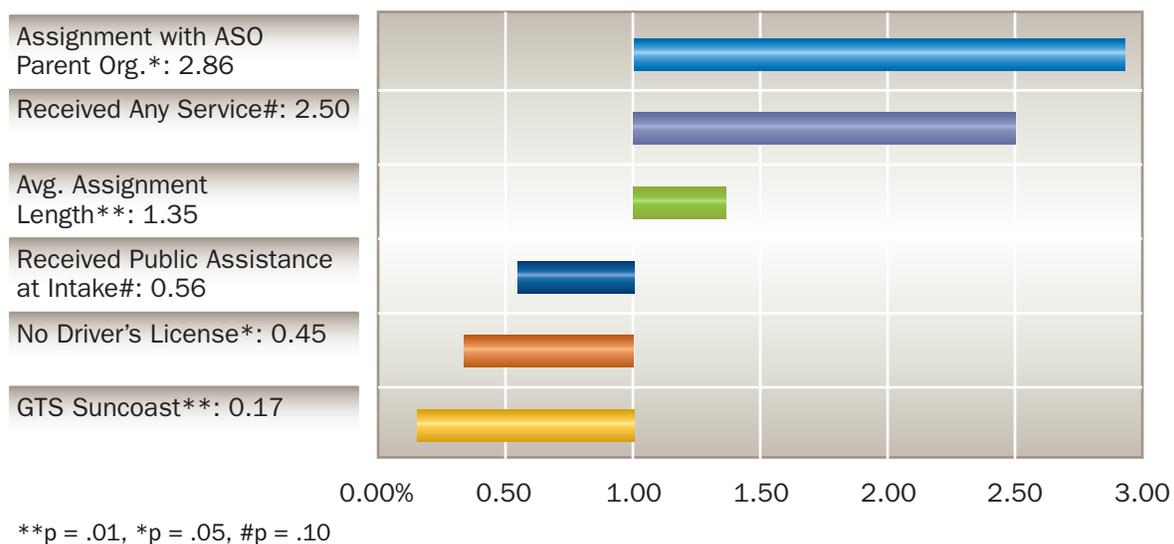
Using logistic regression, we estimate the effects of each of these variables, one at a time, while controlling for all others. We test the effects of key barriers on individual ASO worker experiences and both barrier and experience characteristics on “Employment status” at the time of the follow-up survey. Drawing upon information from the previous analyses, we designed a model that

controlled for demographic characteristics and included barriers (public assistance, lack of a driver’s license, and having children) we had previously shown to be significant predictors of working at follow-up (see Figure 4). We entered ASO experience variables that had also proven to be significant predictors in the bivariate analyses: last assignment total earnings, last assignment length in weeks, the hiring employer’s ownership type, and any services received.

We include site markers for Emerge, FSS and GTS Suncoast. GSS Austin is not shown as it is the reference condition. For example, if GTS Suncoast tests as a significant determinant of post-ASO employment, we compare its effects to employment status at GSS Austin. If the site, GTS Suncoast, has a negative coefficient, it suggests former workers have less of a chance of being employed than former GSS Austin workers. Most of the other variables have two categories: “yes” indicates the presence of the condition and “no” refers to the absence of the condition. For example, we compare findings about having public assistance with not having public assistance. Assignment length is measured in weeks.

Interestingly, Figure 8 shows that ASO experiences are stronger than worker characteristics in predicting employment outcomes. Results of

Figure 8: Predictors of Employment after ASO Experience



the analysis show that the strongest predictors of employment at follow-up are elements of the ASO experience. Former workers who had an assignment with an employer owned by the ASO parent organization had close to three times (2.86) the odds of holding a job at follow-up. Assignment length and receipt of services are also strong predictors of future employment.²¹ Former workers without a valid driver's license have a lower chance of having a job at follow-up, and being on public assistance showed a relationship to not having a job at follow-up that is heading towards significance ($p = .10$). Former GTS Suncoast workers were significantly less likely to be employed at follow-up than those at GSS Austin. The figure above displays the results of these analyses.

Conclusion

The job matches that ASOs make for workers who face barriers and the job characteristics of assignments result from a mix of several factors: background characteristics of mission populations; the assignments they can secure from customer businesses; and the supports they can provide job seekers to ensure adequate job performance. In turn, the industry mix of the metropolitan area and the sales effectiveness of each ASO affect the temporary assignments secured.

The focus of this paper is to answer a frequently asked question about ASOs: Do workers find regular employment when they leave the ASO? The staffing model primarily addresses job access and the need for immediate earnings. This paper looks specifically at the relationships between the personal characteristics of workers as they interact with their ASO experience, and their potential impact on whether former workers find jobs once they leave the ASO. We have tried to identify how individual barriers affect post-ASO employment status.

This study contacted former workers six to eight months after their first ASO assignment ended. Across all sites, just under half of those contacted had a job at follow-up. The rate of employment at follow-up varies for numerous reasons. Employment at follow-up is a function of local job opportunities, worker characteristics at each ASO, and the timing when these workers land in the local labor market. It is the interaction of the ASO experience with worker personal characteristics that may impact former workers' later employment prospects.

Workers who had jobs at follow-up had higher ASO earnings, had received some services at the ASO, and had held ASO assignments at the ASO's parent organization (e.g. GTS Suncoast). Workers who accessed longer or more frequent assignments through the ASO, and could sustain performance in these assignments, also were more likely to find other work later. Workers without a valid driver's license, however, had more trouble finding a job after their time at the ASO, as did workers who were receiving public assistance at intake.

This study cannot account for the difference across workers due to "the luck of the draw" (i.e., the quality of assignments at the time a worker applies for a job with the ASO). Some workers applied when a customer business was in a growth phase; others did not. ASO staff will aim to place workers with potential into assignments that likely will lead to a regular hire; they also tend to place reliable workers with customers that have better jobs. Workers whose ability to access jobs is complicated by the lack of a driver's license or the concomitant effects of poverty tend to have more trouble on their assignments and with finding permanent jobs. To this extent, we can infer that workers who do well during a temporary assignment are more likely to be employed at follow-up.

Related Project Publications

Available at: <http://www.umb.edu/csp/publications/reports/>

Finding the Right Fit: How Alternative Staffing Affects Worker Outcomes. 2011. Françoise Carré, Brandynn Holgate, Helen Levine with Balaji Kanachi, Risa Takenaka, and Elizabeth Tov. Center for Social Policy, University of Massachusetts Boston.

Brokering Up: The Role of Temporary Staffing in Overcoming Labor Market Barriers. 2009. Françoise Carré, Brandynn Holgate, Helen Levine, and Mandira Kala. Center for Social Policy, University of Massachusetts Boston.

Appendix

Appendix Table A: Sample Sizes for Analysis

Workers	Emerge	FSS	GSS Austin	GTS Suncoast	Total
Workers with Assignments	614	328	1,123	598	2,663
Demographic Data	32.9%	22.9%	37.3%	39.6%	35.0%
Barrier Data	32.2%	21.0%	37.7%	39.6%	34.8%
Received Any Services	47.6%	20.4%	19.9%	96.0%	43.4%
Former Workers with Follow-Up Data	121	165	313	598	855
Demographic Data	45.5%	32.7%	69.1%	39.6%	57.2%
Barrier Data	40.5%	22.4%	28.4%	39.6%	31.1%
Received Any Services	51.2%	18.8%	27.2%	96.0%	49.9%

Endnotes

- ¹ Liebow, Elliott. 1967. *Tally's Corner*. Boston and Toronto: Little Brown and Company; Piore, Michael. 1970. "Jobs and Training." In Samuel Beer and Richard Barringer, eds. *The State and the Poor*. Cambridge, Winthrop Publishers.
- ² Abraham, Katherine. 1990. "Restructuring the Employment Relationship: The Growth of Market-Mediated Work Arrangements." In Katherine Abraham and Robert Mckersie, *New Developments in the Labor Market: Toward a New Institutional Paradigm*. Cambridge, MIT Press. Also: Benner, Chris, Laura Leete, and Manuel Pastor. 2007. *Staircases or Treadmills? Labor Market Intermediaries and Economic Opportunity in a Changing Economy*. New York, Russell Sage Foundation.
- ³ Carré et al. 2009, cited under Related Project Publications.
- ⁴ Carré et al. 2011, cited under Related Project Publications.
- ⁵ Carré et al. 2011
- ⁶ US Department of Labor and US Bureau of Labor Statistics. 2011. "Labor Force Characteristics by Race and Ethnicity, 2010." Report 1032, August 2011. http://www.bls.gov/opub/ted/2011/ted_20111005_data.htm#startcontent, accessed April 16, 2012.
- ⁷ Public assistance is defined in this paper as receiving TANF or welfare, food stamps, or Medicaid.
- ⁸ Schott, L and Ife Finch. "TANF Benefits are Low and Have Not Kept Pace with Inflation: Benefits are Not Enough to Meet Families' Basic Needs." Center on Budget and Policy Priorities. www.cbpp.org. Accessed October 14, 2010.
- ⁹ Carré et al. 2009.
- ¹⁰ FSS staff identified workers they believed were in need of services to a one-stop service center, who then delivered or referred workers for services. FSS did not report high numbers of workers with specific barriers or services.
- ¹¹ Troubleshooting services occur when ASO staff facilitate problem resolution on an assignment; they often explain the rules of the workplace and clarify workers' misunderstandings with their direct supervisors. Basic needs services are defined here as referrals for housing, cash, clothing, and childcare.
- ¹² Carré et al. 2011.
- ¹³ Former workers were contacted six to eight months after the end of their first assignment observed during the study period.
- ¹⁴ Carré et al. 2011.
- ¹⁵ The GSS Austin state set-aside contract gives preference to vendors with employees with disabilities. The set-aside contract requires that at least 75 percent of worker hours have to be for workers with disabilities.
- ¹⁶ Relatively few workers received any of the other services. Data limitations may account for an inability to find significant differences between service receipt and employment status at follow-up.
- ¹⁷ Carré et al. 2011.
- ¹⁸ This analysis is supported by the statistical significance of the logit (logistic regressions) outcomes.
- ¹⁹ At FSS, we created a dummy variable for clerical and non-clerical work and a dummy for a tax prep customer (which we refer to as seasonal).
- ²⁰ At GTS Suncoast, assignment length is a continuous variable, ranging from 1 week through 116 weeks, with a mean of 13.18 weeks.
- ²¹ Having had any service has a probability of $p = .07$ and trends toward significance with two and a half (2.50) times the odds of working at follow-up compared to not receiving any services.



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