



Using the Transitional Jobs Strategy to Help Chronically Unemployed Veterans

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One in nine Iraq and Afghanistan veterans was out of work in spring 2009, the unemployment rate of those veterans having risen in the course of a year from 7.2 percent to 11.2 percent—substantially higher than the 8.8 percent rate for the nonveteran population.¹ The disproportionate unemployment numbers among veterans also reflect a deeper problem: issues rooted in their military experience create barriers to veterans becoming or remaining employed.² Thus a veteran's initial unemployment upon return often becomes chronic.³

The “transitional jobs” workforce strategy has improved the employment and earnings of various chronically unemployed populations, and it can do the same for veterans who are at risk of chronic unemployment.⁴ Here we review factors that have contributed to veterans' chronic unemployment, discuss the core elements of the transitional jobs strategy and its track record, and summarize sources of funding available to support these programs.

¹See Gregg Zoroya, *Jobless Rate at 11.2% for Veterans of Iraq and Afghanistan*, USA TODAY, March 20, 2009, <http://bit.ly/erHge> (due to poor job market, veterans are reenlisting at such high rates that Army, Navy, Marine Corps, and Air Force have met or exceeded their goals for recruitment and retention this year).

²See Tiffany Tsu, *Vets Face Grim Job Prospects: Many Find Their Duty Didn't Prepare Them for the Kind of Work They Hoped It Would*, LOS ANGELES TIMES, March 28, 2008, <http://bit.ly/UtNdU> (veterans who return to civilian life with battlefield-related physical injuries and psychological damage have difficulty finding employment and discover that specialized skills acquired in the military do not carry over well to current job market).

³*Id.* (For many veterans, finding employment is insurmountable task; even those who find employment are pigeonholed into low-paying fitness, security, or law enforcement positions).

⁴For more on the strategy, see John Bouman & Joseph Antolin, *Attacking Poverty by Attacking Chronic Unemployment: A Proposal to Stabilize and Grow the Transitional Jobs Strategy*, 40 CLEARINGHOUSE REVIEW 105 (May–June 2006).

Chronic Unemployment Among Veterans

Many veterans struggle with difficult combinations of barriers that impede their successful participation in the workforce and consign them to chronic unemployment.⁵ Primary among these barriers are homelessness, real and perceived mental and physical impairments, criminal records, and employers' devaluing of military skills.

Homelessness. Veterans, only 11 percent of the U.S. adult population, constitute 26 percent of the homeless population.⁶ Some 154,000 veterans are homeless on any given night and about twice that number are homeless in the course of a year.⁷

Federal programs implemented through the Veterans Health Administration, the Veterans Benefits Administration, and the U.S. Department of Labor offer a range of services, such as health care, employment, and rehabilitation programs, to meet homeless veterans' needs.⁸ Nonetheless, the frequency with which Iraq and Afghanistan veterans are seeking services at shelters and soup kitchens suggests that

more resources must be allocated to assist returning veterans in finding employment.⁹ As was learned from the Vietnam war, the risk of homelessness continues many years after service.¹⁰

Mental and Physical Impairments: Real and Perceived. Returning veterans who suffer from service-related disabilities appear increasingly to experience employment discrimination.¹¹ Despite laws against such discrimination, employers list concern about mental and physical disabilities among their reasons for not hiring veterans.¹²

Veterans are returning from Iraq and Afghanistan with service-related disabilities, ranging from amputations, burns, posttraumatic stress disorder (PTSD), and traumatic brain injuries. More than one-fourth (26.8 percent) have a physical disability that may require some type of reasonable accommodation from employers.¹³ More than 78,000 veterans have sought help for PTSD or some other mental illness.¹⁴ The U.S. Department of Veterans Affairs (VA) suggests that at least 30 percent to 40 percent of Iraq

⁵See Mary Cunningham et al., National Alliance to End Homelessness, *Vital Mission: Ending Homelessness Among Veterans* (2007), <http://bit.ly/15jpfC>; National Alliance to End Homelessness, *Fact Checker: Veterans and Homelessness* (Nov. 7, 2006), <http://bit.ly/5lCox>.

⁶Libby Perl, Congressional Research Service, *Veterans and Homelessness* (2007), <http://bit.ly/1QZk3b>.

⁷For a map of the number of homeless veterans in each state, see Cunningham et al., *supra* note 5 (statistics rely on 2006 data from the U.S. Department of Veterans Affairs and the Census Bureau and include veterans of current wars and those of previous conflicts).

⁸See Perl, *supra* note 6, for a summary of federal services for homeless veterans.

⁹Associated Press, *Homelessness is Increasingly Affecting Younger Veterans Returning from Iraq and Afghanistan*, Nov. 8, 2007, www.msnbc.msn.com/id/21678030.

¹⁰See Perl, *supra* note 6, at 7–10 (76 percent of Vietnam-era combat troops and 50 percent of noncombat troops who eventually became homeless reported that at least ten years passed between leaving military service and becoming homeless). See also Anna Sussman, *Iraq and Afghanistan War Veterans Join the Homeless*, *SAN FRANCISCO CHRONICLE*, Nov. 11, 2008, <http://bit.ly/NStuX>.

¹¹Hope Yen, *Study: New War Veterans Face Job Woes*, *Fox News*, Feb. 7, 2008, <http://bit.ly/Wly5j>.

¹²The Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. §§ 4301–4335, is intended to ensure that persons who serve or have served in the armed forces, reserves, National Guard, or other “uniformed services” (1) are not disadvantaged in their civilian careers because of their service; (2) are promptly reemployed in their civilian jobs upon their return from duty; and (3) are not discriminated against in employment based on past, present, or future military service; the federal government is to be a “model employer” under the Act. Veterans are among those whom Title I of the Americans with Disabilities Act (42 U.S.C. §§ 12111–12117) protects against employment discrimination (see U.S. Equal Employment Opportunity Commission, *Veterans with Service-Connected Disabilities and the Americans with Disabilities Act (ADA): A Guide for Employers* (last modified Feb. 29, 2008), <http://bit.ly/cNTHv> (psychiatric disabilities receive same protection under ADA as physical disabilities)). See also Zoroya, *supra* note 1, regarding employer attitudes.

¹³See U.S. Equal Employment Opportunity Commission, *supra* note 12.

¹⁴Iraq-Afghanistan Veterans of America, *Mental Health Problems Among Iraq and Afghanistan Veterans* (2007), cited in William B. Brown, *Another Emerging “Storm”: Iraq and Afghanistan Veterans with PTSD in the Criminal Justice System*, 5 *JUSTICE POLICY JOURNAL* 13 (Fall 2008), www.cjg.org/files/another_emerging.pdf.

veterans will face serious psychological problems associated with PTSD.¹⁵ VA has made unprecedented efforts to increase resources for employment services for veterans with mental and physical disabilities, which remain a serious factor in chronic unemployment.¹⁶

Criminal Records. Some 140,000 veterans of various wartime periods, nearly all of them (99 percent) male, were held in the nation's prisons in 2004.¹⁷ More than half of veterans in state prison in 2004 were serving time for a violent offense (15 percent for homicide and 23 percent for sexual assault, including rape).¹⁸

Nearly all prisoners are released at some point, and their criminal records are an obstacle to employment. Employers generally have reservations about hiring former prisoners and others with criminal records, and employers in certain industries and occupations are legally prohibited from hiring people with specified criminal records.¹⁹ These factors, coupled with employers' negative sentiments

toward veterans' mental health and work skill suitability, impede veterans' ability to find employment.²⁰

Military Skills Not Valued. Many returning veterans have difficulty translating their military training into skills that employers recognize as valuable, and some employers view military skills as being incompatible with the skills and training required to perform in the civilian workforce.²¹ Soldiers who enlisted out of high school, and thus have no work experience outside the military, find the transition especially challenging.²² Even veterans who have higher levels of education have difficulty obtaining jobs; this is evidenced by the disproportionate unemployment rate of veterans as compared to nonveterans.²³ While state and federal governments have made significant efforts in job training and employment services for veterans, many veterans have fallen through the cracks and remain unemployed.²⁴

¹⁵Brown, *supra* note 14, at 1. These figures will likely increase as returning veterans are seeking mental health services at higher rates than veterans of previous conflicts. Posttraumatic stress disorder makes an individual more susceptible to homelessness and substance abuse.

¹⁶See U.S. Department of Veterans Affairs, Office of Mental Health Services, www.mentalhealth.va.gov; Vocational Rehabilitation & Employment Service, www.vba.va.gov/bln/vre/vrs.htm.

¹⁷Margaret E. Noonan & Christopher J. Mumola, Office of Justice Programs, U.S. Department of Justice, *Veterans in State and Federal Prison, 2004*, BUREAU OF JUSTICE STATISTICS SPECIAL REPORT, May 2007, <http://bit.ly/11Okq7> (Vietnam veterans constituted largest group of veterans in state (36 percent) and federal (39 percent) prisons, and Iraq and Afghanistan veterans, 4 percent of veterans in both institutions; half of incarcerated veterans performed wartime military service, and one in five reported combat duty; however, since 1980s, number and proportion of incarcerated veterans have declined due largely to declining numbers of veterans in U.S. resident population).

¹⁸*Id.*

¹⁹For more information on employers' sentiments toward hiring people with criminal records, see Harry J. Holzer et al., *The Effect of an Applicant's Criminal History on Employer Hiring Decisions and Screening Practices: Evidence from Los Angeles* (National Poverty Center, Working Paper No. 04-15, 2004), <http://bit.ly/1aaJ4G>.

²⁰Military.com, *Vets Get Help in Move to Civilian Work* (Nov. 27, 2007), <http://bit.ly/Nizf4> (employers often view veterans as former artillery or infantry officers trained to kill or blow things up, not as people capable of performing tasks in civilian workforce).

²¹*Id.*

²²*Id.* (employers tend to consider level of education and amount of experience outside military; finding civilian employment may be easier for officers, most of whom are college graduates; National Guard members can usually return to their former positions; enlisted soldiers who volunteered out of high school may have more difficulty, especially during current economic downturn).

²³See Tsu, *supra* note 2.

²⁴For information on the employment and training services that the federal government offers to unemployed veterans, see U.S. Department of Labor, Veterans' Employment & Training Service, www.dol.gov/vets/programs/main.htm. In 2004 the Labor Department implemented the Jobs for Veterans Act to help veterans find jobs and encourage employers to hire them. The Act requires states to streamline employment services for veterans. However, according to a report from the Government Accountability Office, more work needs to be done to improve performance measurement and understand the impact of the services offered (see www.gao.gov/new.items/d07594.pdf).

Transitional Job Programs for Veterans: The Case for an Enhanced Role

All across the country, transitional job programs have helped hard-to-employ people—those who are homeless, receiving welfare, have criminal records, have medical problems, or are young, among others—find and retain employment. Veterans are well represented in all of these groups, and transitional job programs, which focus on people with multiple barriers to employment, can help chronically unemployed veterans connect successfully to the workforce.

The transitional jobs strategy consists of several core elements. A participant is placed in a time-limited, subsidized, wage-paying job that typically lasts two to six months. While working and earning an income, case-managed social services help the participant overcome employment barriers through counseling, referrals, and services. Job development services then facilitate placement in unsubsidized work, and job retention services help consolidate a successful transition to long-term employment.²⁵ In addition to helping people with multiple barriers connect to the workforce, the strategy has reduced both receiving welfare benefits and criminal recidivism...

Success in Integrating People into the Job Market. Communities and cities in thirty states have implemented transitional job programs. Data from a number of those programs show that the strategy succeeds in engaging participants in work activity despite the participants' multiple barriers and in placing those participants in unsubsidized employment with decent wages.²⁶

The Transitional Work Corporation of Philadelphia is a transitional jobs program

for long-term recipients of benefits under the Temporary Assistance for Needy Families (TANF) program. Participants undergo two weeks of preemployment training to prepare for placement in a twenty-five-hour-per-week subsidized, wage-earning transitional job. They receive intensive case management and ten hours per week of professional development services (e.g., general educational development (GED) classes and workshops), help in finding unsubsidized employment, and connections to postplacement support and job-retention services.²⁷

Research suggests that the program has been successful. The data sample comprised transitional job participants, participants in a comprehensive preemployment program, and a control group. Study participants had multiple employment barriers: they received TANF for an average of forty months, 56 percent lacked a high school diploma or GED, and 31 percent lived in public or subsidized housing. After eighteen months the transitional jobs group had significantly increased its earnings and decreased its receiving TANF benefits; those still on TANF decreased the payment amounts they received. The transitional jobs group had better outcomes than both the control group and the group receiving preemployment services. A final report of the program's success, including a three-and-a-half-year follow-up, will be published in 2010–2011.²⁸

Another example relevant to veterans is the Center for Employment Opportunities in New York City, which helps former prisoners prepare for, find, and keep jobs. The program serves approximately 1,500 participants annually; many of them have limited education and work experience and are noncustodial fathers. Most participants are newly released "boot camp" inmates, and the remain-

²⁵Comprehensive information about the transitional jobs strategy, its history and performance, its current iterations, and the leading practitioners has been assembled by the National Transitional Jobs Network and is available at www.transitionaljobs.net.

²⁶See generally <http://bit.ly/B2mQV>. See also GRETCHEN KIRBY ET AL., MATHEMATICA POLICY RESEARCH, TRANSITIONAL JOBS: STEPPING STONES TO UNSUBSIDIZED EMPLOYMENT (2002), <http://bit.ly/1PHVnh>.

²⁷See Center for Law and Social Policy, Transitional Jobs Programs Work (2003), www.clasp.org/publications/TJ_Outcomes.pdf (Transitional Work Corporation, nation's largest urban transitional jobs program, has served 7,200 people since its inception in 1997).

²⁸See www.transitionaljobs.net.

ing one-third are on work release, probation, or nonviolent parole status. One week after release, participants are assigned to day-labor work crews to help them structure their lives and develop good work habits to prepare for placement in a permanent job. Within two to three months, about 70 percent find full-time employment that pays above minimum wage and provides benefits. Roughly three-fourths of participants are still employed at the same job after one month; about half of them are still at that job after six months. For up to six months after placement, program staff members help participants in their transition to unsubsidized employment.²⁹

Designing Transitional Job Programs for Veterans. Transitional jobs programming can assist chronically unemployed veterans. While core transitional jobs elements—subsidized jobs, case-managed referrals and services, job placement, and job retention—must be in place, the model can be customized to take into account veterans' individual needs. The program can also help improve employers' perceptions about veterans' work capabilities. In a transitional jobs program a veteran can work through employment-blocking "issues" and emerge ready to be an employee less likely to impose problems related to human resources and costs on the employer. Job-retention services help veterans make a smooth transition to steady, unsubsidized employment and stay the course if problems recur.

Sources of Funding. Pragmatic practitioners, working at the ground level, created the transitional jobs strategy through trial and error, and were forced to as-

semble funding from a range of sources because the strategy had never had its own targeted funding stream. Compared to programs whose participants are more job-ready, transitional job programs cost more per participant because funding or referrals must be found for wages and payroll taxes, case management, education and training, support services, and job placement and retention.³⁰ Thus the program should be targeted properly to the chronically unemployed and the necessary funding should be arranged.

A program focused on veterans might tap into funding that has been used by transitional job programs focusing on welfare recipients, homeless people, ex-offenders, noncustodial parents, and at-risk youth as well as funding streams specifically for veterans.³¹ These are some leading funding sources:

Homeless Veterans Reintegration Project. Established in 1987 as part of the McKinney-Vento Homeless Assistance Act, the Homeless Veterans Reintegration Project is the only federal program wholly dedicated to providing employment assistance to homeless veterans. The program is administered by the U.S. Department of Labor's Veterans Employment and Training Service. Directly and through collaboration with other service providers, grantees provide services such as outreach; résumé and interview preparation; assistance in job search, training, retention, and follow-up after placement; and non-employment-related services such as transportation, clothing, and referral for mental health treatment or substance-abuse counseling. State and local workforce investment boards, local

²⁹Peter Finn, National Institute of Justice, Office of Justice Programs, U.S. Department of Justice, *Successful Job Placement for Ex-Offenders: The Center for Employment Opportunities*, PROGRAM FOCUS, March 1998, www.ncjrs.gov/pdffiles/168102.pdf. See also Dan Bloom et al., MDRC, *Transitional Jobs for Ex-Prisoners: Early Impacts from a Random Assignment Evaluation of the Center for Employment Opportunities (CEO) Prisoner Reentry Program* (Nov. 2007), www.mdrc.org/publications/468/overview.html. Preliminary results show a statistically significant reduction in recidivism for program participants. The report is due out in 2010.

³⁰Transitional job programs cost between \$5,000 and \$7,000 per participant. For more on cost, see David S. Kass, National League of Cities, *Financing Transitional Jobs Programs: A Strategic Guide to Federal Funding Sources* (2003), <http://bit.ly/zMC5t>.

³¹For more information on sources of funding for transitional jobs programs, see Kass, *supra* note 30, at 1–4 ("In the absence of an obvious federal funding source ... a few general strategies can be helpful: Build strong local coalitions and engage municipal leaders ...; Tie TJ to emerging community priorities ...; Tap existing sources of funding and in-kind support services ...; Combine funding from multiple sources ...; Think outside the 'employment and training' world ...; Look beyond federal sources for start-up, expansion or evaluation funding ...; Consider incorporating revenue generating elements into the program design ...; Pay attention to the size and availability of funding sources.").

public agencies, and both for-profit and nonprofit organizations are eligible to receive funds for a term of one year, with a two-year extension possible depending on program performance and funding availability. Grantees may use funds in the most suitable way to help participants get and keep jobs.³²

Workforce Investment Act. A federal program, the Workforce Investment Act directs grants to local workforce boards to support training and employment services for adults, dislocated workers, and low-income, at-risk youths. Communities receive limited funding, and beneficiaries must engage sequentially in core services, intensive services, and training services. States receive a percentage of the funds to spend on state priorities. Grants may be used to fund all the core elements of transitional job programs.

Temporary Assistance for Needy Families. TANF is the major federal welfare program; it gives block grants to states, which have tremendous discretion over how they spend the funds and may enter into contracts with nonprofit service providers. States may use TANF funds for transitional job programs for low-income individuals caring for minor children, for employment-related services, and for covering wages.³³

Food Stamp Employment and Training. To provide adult recipients of food stamps with employment and training services, the Food Stamp Employment and Training program directs funds to states. The funds may be used for job search and other activities that increase partici-

pants' employability but may not be used to pay wages in a transitional jobs program. Individuals who meet the requisite income and asset tests for food stamps are eligible.³⁴

Child Support Enforcement. Transitional job programs can help noncustodial parents overcome barriers to employment. States may be able to leverage portions of federal child support funds to offset some of the costs of transitional job programs for veterans if the programs have noncustodial parents as part of their client base.³⁵

Youth Opportunity and Youth Build Grants. Two competitive grant programs, Youth Opportunity Grants and Youth Build, may fund transitional job initiatives for younger veterans. Youth Opportunity Grants apply to youths 21 and under; Youth Build applies to youths up to age 24.³⁶

American Recovery and Reinvestment Act of 2009. Often called the "stimulus bill," the American Recovery and Reinvestment Act of 2009 allocates nearly \$4 billion in job training funds, much of which can be accessed to support transitional job programs. Some of this money could be targeted to programs for veterans.³⁷

Second Chance Act. Transitional jobs programming is a permissible use of funds under the Second Chance Act, a new federal prisoner reentry initiative.³⁸

State and Local Funds. States and localities can support transitional job programs with their own general revenues or corporate funds.

³²For more information on eligibility requirements and how to apply for the Homeless Veterans Reintegration Project grant, see U.S. Department of Labor, <http://bit.ly/16MjJG>.

³³Kass, *supra* note 30.

³⁴*Id.*

³⁵For more information, see Abbey Frank, *Where the Funds Are: Potential Use of Child Support Funds for Transitional Jobs Programs*, POLICY BRIEF (Center for Law and Social Policy, Washington, D.C., 2004), <http://bit.ly/3klzAd>. South Dakota, Minnesota, and Missouri so far have received approval to operate programs related to providing employment services for noncustodial parents. Although these programs do not contain all the elements of the transitional jobs model, each contains elements of the traditional program.

³⁶*Id.*; Kass, *supra* note 30.

³⁷American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115. See www.dol.gov/recovery/Implement.htm.

³⁸Second Chance Act of 2007, Pub. L. No. 110-199, 122 Stat. 657; see *Transitional Jobs Network*, <http://bit.ly/aBBke>.

COMMENTS?

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—The Editors

Private or philanthropic grants, employer fees, and revenues from subsidized business ventures designed to create jobs (“social enterprises”) are also potential sources of funding for transitional job programs for veterans.³⁹

The transitional jobs strategy can help chronically unemployed veterans gain employment and remain attached to the workforce.



³⁹For more comprehensive information on nonfederal funding, see Lili-An Elkins, Finding and Sustaining Transitional Jobs Funding (PowerPoint presentation, Sixth Annual Transitional Jobs Conference, Oct. 12, 2006), <http://bit.ly/8MxY>. The Obama administration proposes a \$50 million demonstration program in the federal budget for the Labor Department within the Workforce Investment Act program in the 2011 fiscal year. That appropriation was in the president’s budget message and in the budget resolution passed by Congress. At this writing it is making its way through the appropriations process. If the appropriation remains in the budget, the Labor Department will release a request for proposals, and responding programs will be free to include veterans in their proposals.