



**POVERTY SOLUTIONS**  
UNIVERSITY OF MICHIGAN



# FINDING NEW WAYS TO PREVENT AND ALLEVIATE POVERTY

---

IN MICHIGAN, THE NATION AND THE WORLD



# POVERTY SOLUTIONS

UNIVERSITY OF MICHIGAN

Poverty Solutions operates under the following criteria:

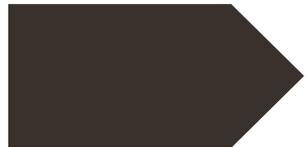
---



Action-based research agenda



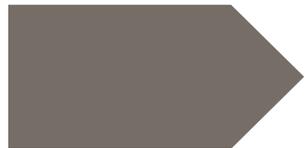
Highly interdisciplinary approach



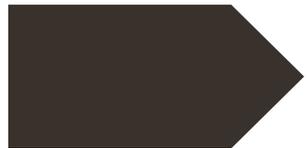
Fostering partnerships with community & policymakers



Commitment to teaching



Ongoing communication with communities & policymakers



Level of University commitment

# Evaluation of the State of Michigan's Community Ventures Program



# The CV/U-M Project

Financial support for the project comes from:

BILL & MELINDA  
GATES *foundation*



J-PAL

ABDUL LATIF JAMEEL POVERTY ACTION LAB

NORTH AMERICA

# Community Ventures

- A \$10 million subsidized jobs program of the State of Michigan
- The goal of the program is to connect low-income, **structurally unemployed** individuals to sustainable living wage jobs

“Structurally unemployed” is defined as meeting at least one of the following eligibility criteria:

- Low education
- Low functional literacy
- Long-term disconnection from employment
- Income below the poverty line
- Ex-offenders
- At-risk youth
- Disabled



January 12, 2016 12:00 p.m.

Community Ventures program helps unemployed find pathway out of poverty



**MARK S. LEE** [in](#) [v](#) [s](#)

**Guest Blog** : Small Business

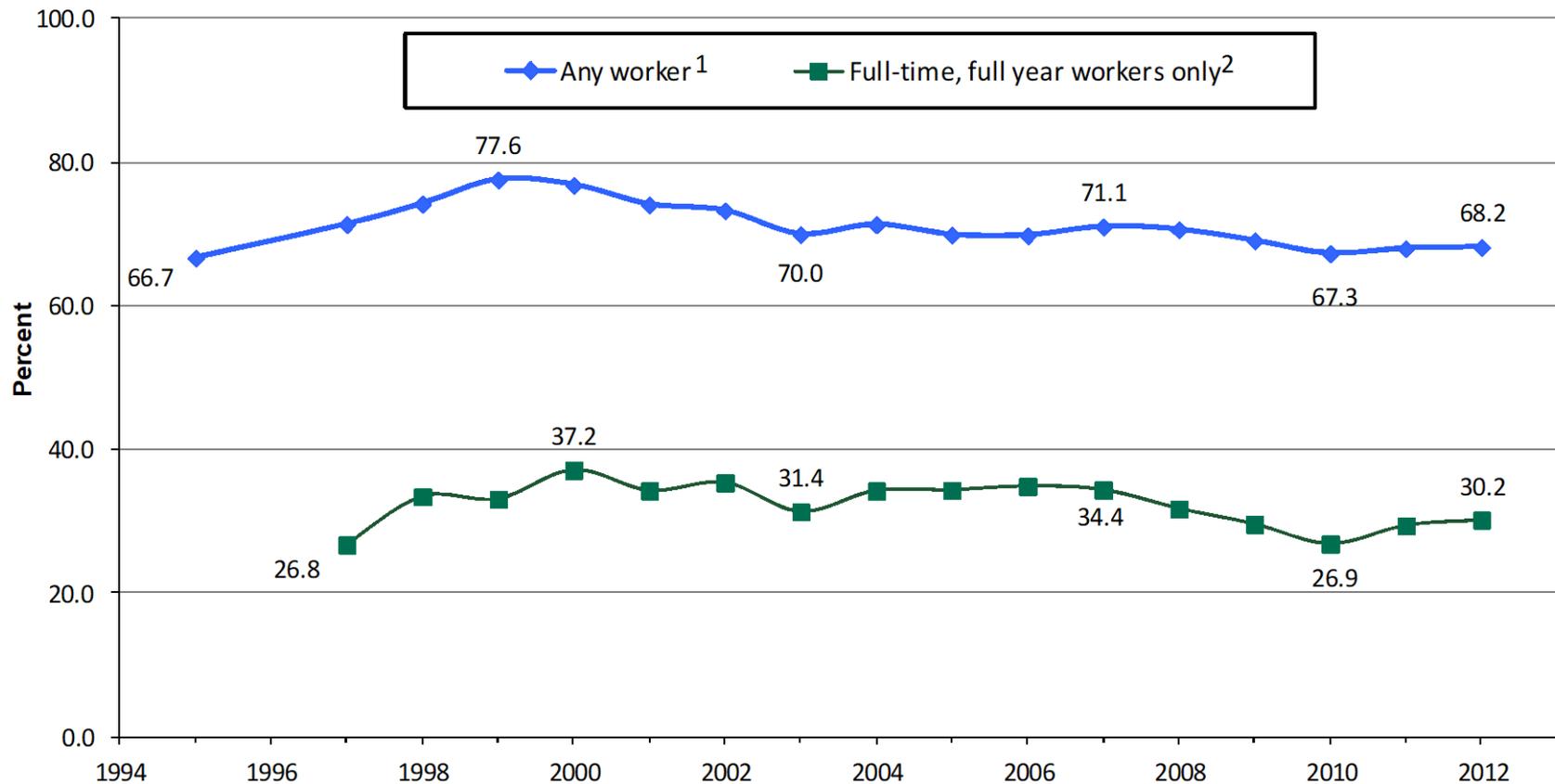


# Community Ventures

- A signature initiative of Governor Snyder
- Grant of up to \$5,000 to participating private employers for the first year of work by a CV participant who are in Detroit, Pontiac, Saginaw and Flint
- Employers must pay \$10 to \$12 per hour and must offer full-time hours
- Workers are assigned a “success coach”
- The success coach has access to \$3,000 in support services to improve job retention over the first two years of employment
- Collaborates with employer resource networks (ERNs), that seek to collectively address challenges faced by workers
- The primary goal of CV is to help structurally unemployed participants find and maintain jobs that pay a living wage and offer stable, full-time work
- A key motivation for the program was to reduce crime through jobs

Figure 1

## Among Poor Children, Percentage in With at Least One Worker in Family, Selected Years 1995-2012



<sup>1</sup> A worker is defined as any person older than 15 who had any work experience during the preceding calendar year, either for pay or profit, or working without pay on a family-operated farm or business at any time during the year, on a part-time or full-time basis.

<sup>2</sup> Full-time, year-round workers are defined as those who worked at least 50 weeks in the past calendar year, and at least 35 hours in a regular week.

Sources: Data for 1995: Child Trends calculations based on data from the U.S. Census Bureau, Annual Social and Economic (ASEC) Supplement, Current Population Survey (CPS). Data for 1997-2001: calculations based on U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement. Poverty in the United States: detailed tables: table 17, Work Experience of Family Members by Poverty Status of Families. Available at <http://www.census.gov/hhes/www/poverty/data/incpovhlth/index.html>. Data for 2002-2012: calculations based on U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement. Poverty in the United States: detailed tables: POV13, Related Children by Number of Working Family Members and Family Structure. Available at <http://www.census.gov/hhes/www/poverty/data/incpovhlth/index.html>.

# The Success Coach Model

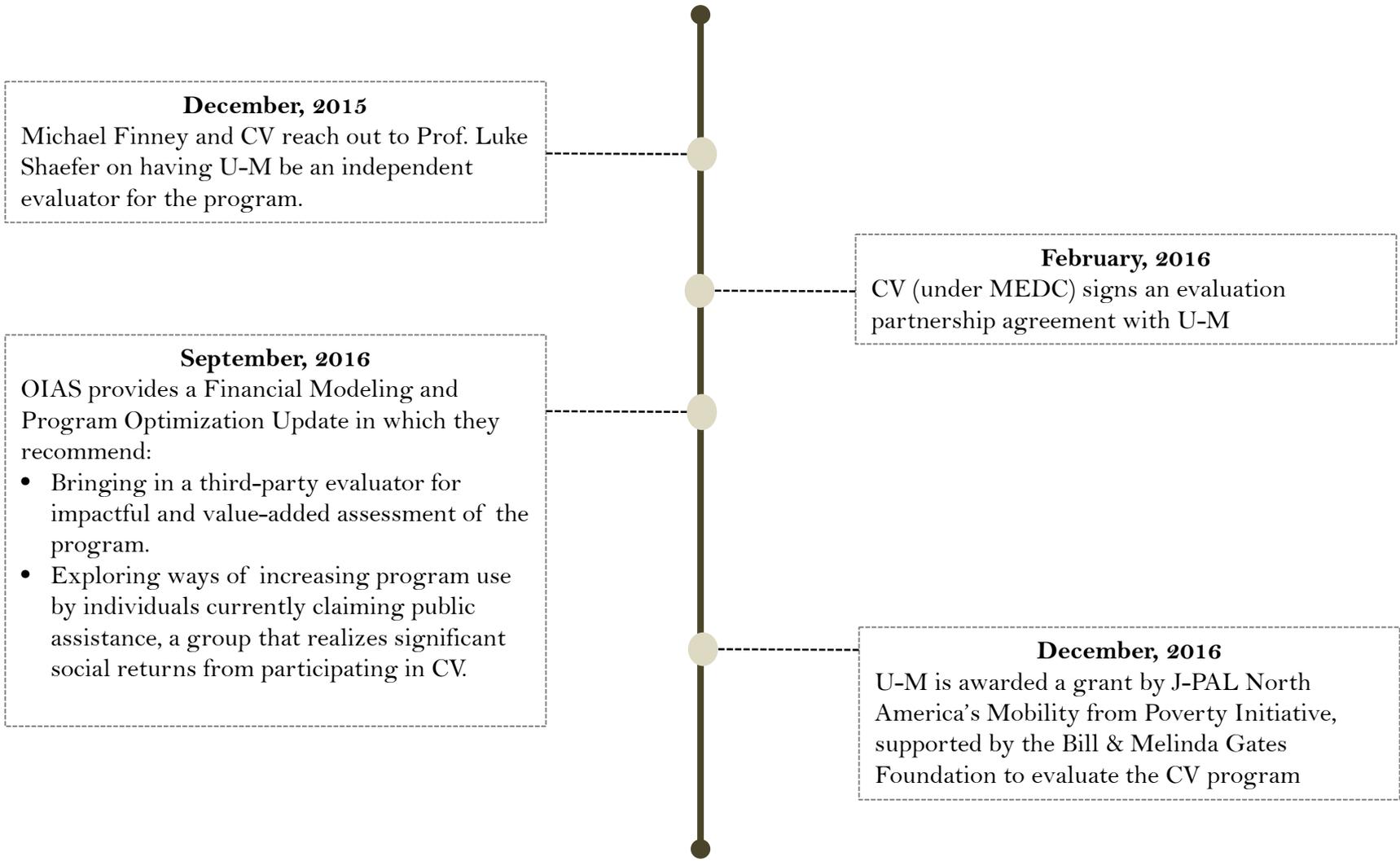
- Recognizes that a primary challenge facing many poor adults is not always just **getting** a job, but **keeping** a job over the long haul
- Low-income workers face barriers to sustained success such as lack of transportation, unstable childcare, mental health challenges, unaffordable housing, stressed social networks, ect.
- Low-income workers may also have difficulty navigating the workplace, such as understanding expectations or managing conflict appropriately
- The success coach helps workers address ongoing barriers to success in concrete ways (getting back a drivers licenses); and
- Intervenes in crisis moments when barriers may cause workers to leave a position by connecting to existing resources or using flexible funds
- Helps workers navigate the workplace and manage conflict
- Importantly: The success coach always engages workers from a **problem solving** rather than **correctional** or **therapeutic** approach

# The Success Coach Model Builds on the Employer Resource Network (ERN) Concept

- ERNs are “private-public consortia whose purpose is improved workforce retention through employee support and training.”
- ERNs host meetings of human resources representatives of participating employers to discuss common challenges and seek out collective solutions
- They might, for example, contract with a childcare provider to offer an evening shift; or contract with a city bus system to modify a bus route
- Some ERNs support success coaches collectively. They would contract with a social service agency to provide the support
- Companies might connect their disciplinary policies directly to a success coach
- Being outside of the firm helps in making the success coach a safe resource
- Visit <http://ern-usa.com/news.aspx> to find out more

# Community Ventures and U-M Project

# Origins of the Evaluation



# The CV/U-M Project

## H. Luke Shaefer

H. Luke Shaefer, Ph.D. is the director of Poverty Solutions at the University of Michigan, an interdisciplinary, university-level initiative that seeks to inform, identify, and test innovative strategies to prevent and alleviate poverty. He is an Associate Professor at the University of Michigan, School of Social Work and the Gerald R. Ford School of Public Policy.

## Elisabeth R. Gerber

Elisabeth R. Gerber, Ph.D. is the Associate Dean for Research and Policy Engagement at the University of Michigan Ford School of Public Policy. She is the Jack L. Walker, Jr. Collegiate Professor of Public Policy at the Ford School and a Research Associate in the Center for Political Studies, Institute for Social Research at the University of Michigan.

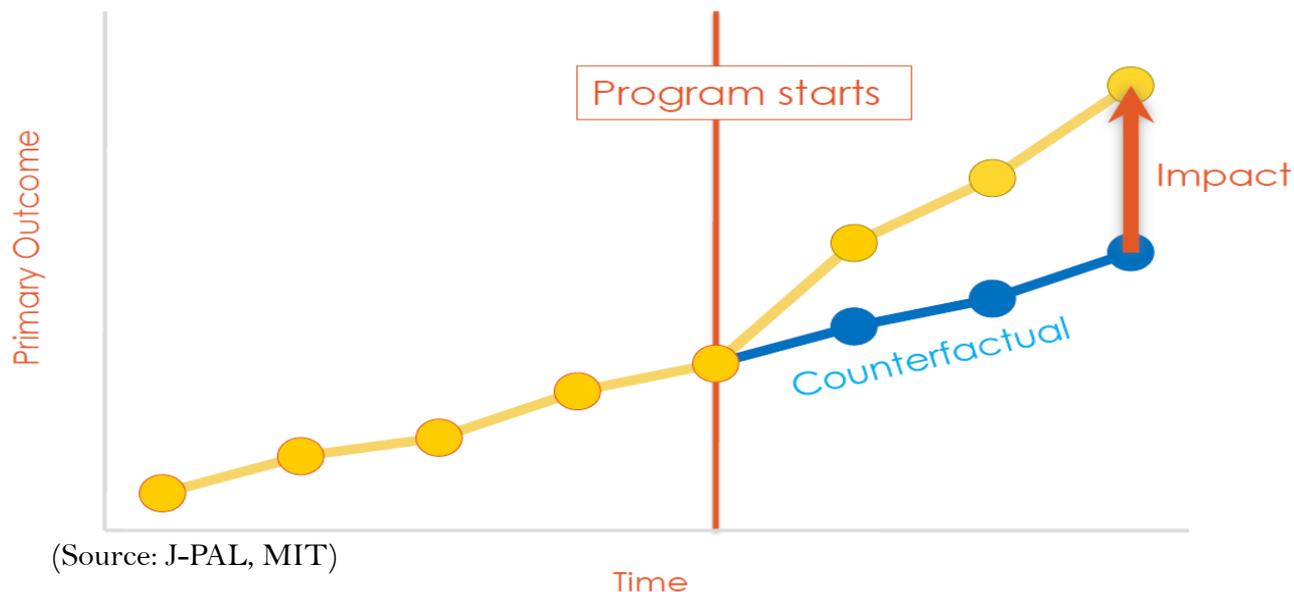
## Brian A. Jacob

Brian Jacob, Ph.D. is the Walter H. Annenberg Professor of Education Policy, Professor of Economics, and Professor of Education at the University of Michigan. He is Co-Director of the Education Policy Initiative (EPI) and former director of the Center for Local, State and Urban Policy (CLOSUP), as well as a Research Associate at the National Bureau of Economic Research (NBER).

# The CV/U-M Project

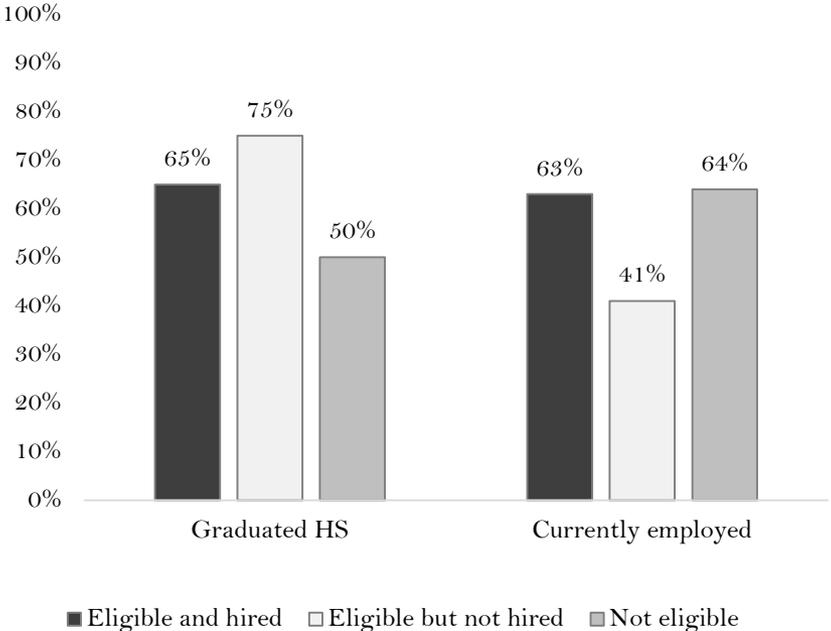
- To provide **causal** evidence on the cost-effectiveness of the Community Ventures program and its impact on the financial and social well-being of participants.

What is the impact of this program?

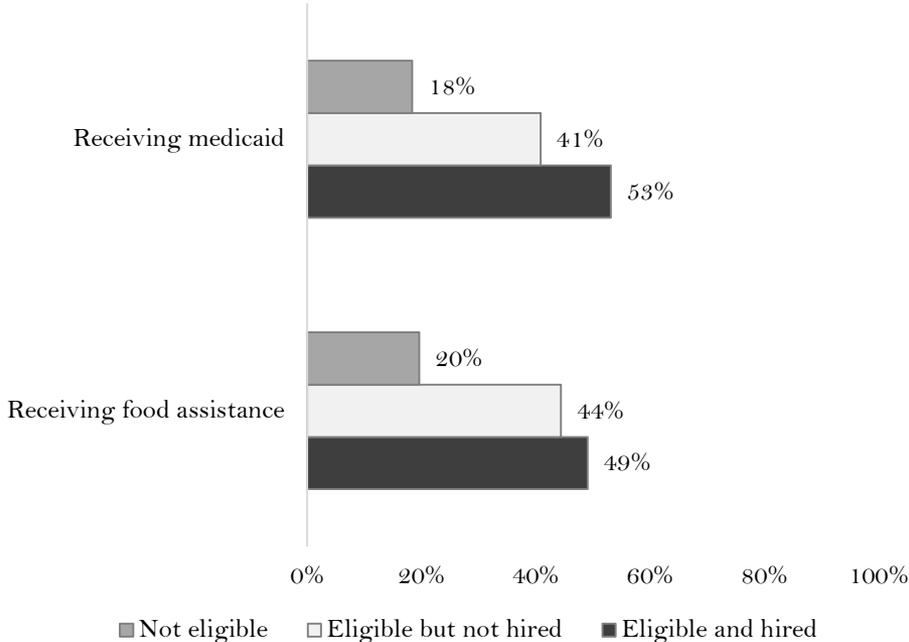


# We try to stress the benefits of partnership with researchers beyond just the standard of evidence that an RCT can provide

Over 60% of those eligible and hired in Saginaw had a HS degree and were currently employed.



However, nearly half of all those hired reported receiving food assistance and 53% were on public health insurance



Research by our team helped clarify who the program is actually serving, and whether that meets program goals

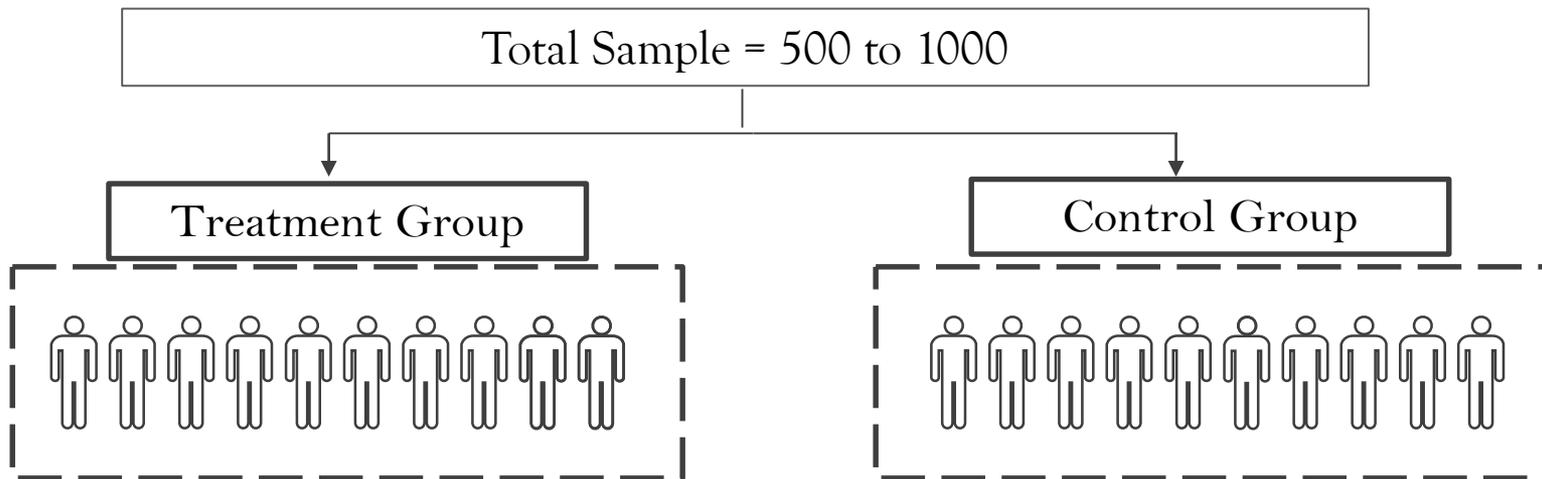
# Collectively Developed Research Questions

1. How effective would a strategy be to increase referrals of public program participants from Michigan Health and Human Services to Community Ventures? That is, the outreach increase the pool of interested participants?
2. What is the effect of Community Ventures on an individual's economic and social outcomes?

# The CV/U-M Project

How

- Evaluated using a **randomized controlled trial**, the gold-standard approach to social policy evaluation.

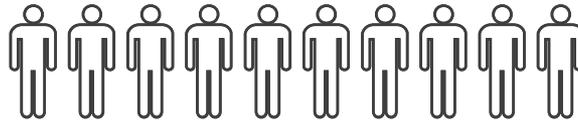


# Evaluation Design: Method – Encouragement Design

Q1

How effective would a strategy to increase referrals from MDHHS be?

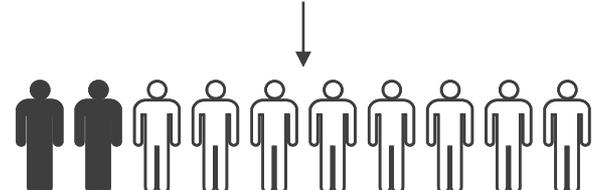
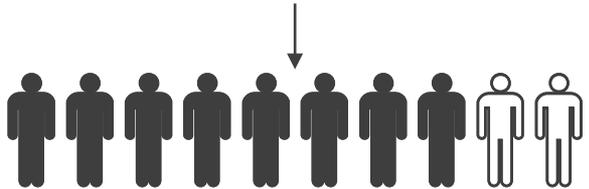
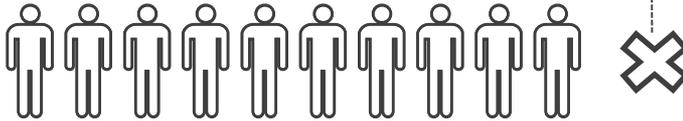
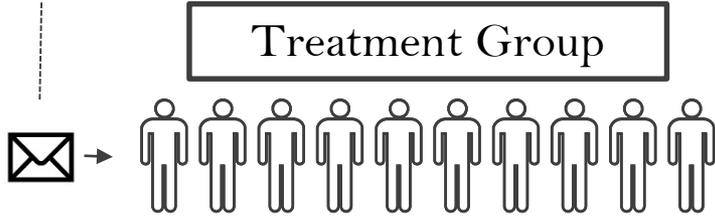
Assess for Eligibility



Randomize

Treatment Group

Control Group



**= 80% Take up Rate**

**= 20% Take up Rate**

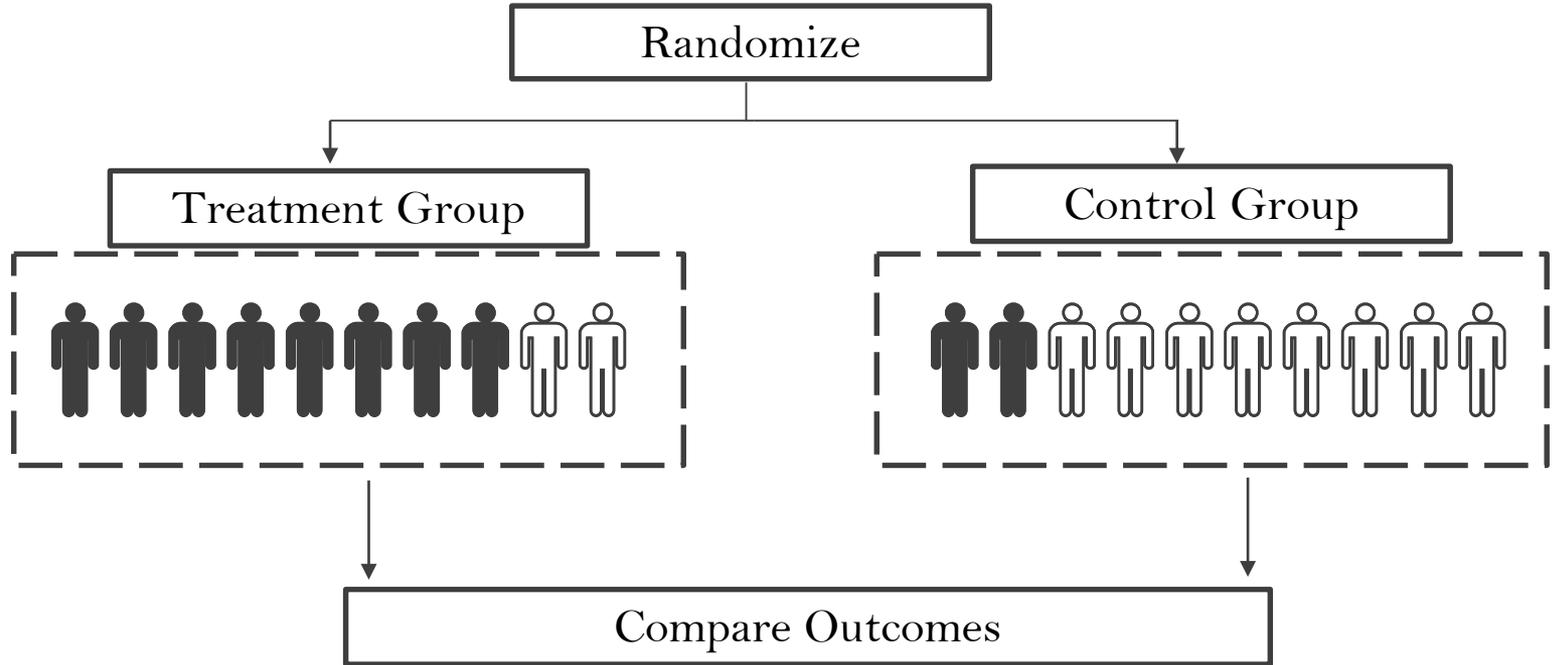
*Does not receive the extra encouragement*

# Evaluation Design: Method

Q2

What is the effect of Community Ventures on an individuals economic and social outcomes?

Before the Program  
After the program



# The CV/U-M Project

## Who

- Our research will focus on families currently receiving some form of public assistance
- We hope to encourage a random set of individuals to enter the program and track their outcomes for the two years they are eligible for the program, and for at a minimum, one year afterward using administrative earnings and public program records

## Where

- Locations include the Detroit, Flint, Grand Rapids, Pontiac and Saginaw greater area.

## Proposed Timeline

- 2018 to 2021
- Timeline assumes 3-6 months of securing data sharing agreements.
- .Biggest hurdle is securing data from the State
- They are supportive of the project but have few existing templates for such partnerships
- Social service agencies have fewer (although not 0) hurdles to data sharing!



## Scalable Project Sponsorships

Financial support will enable U-M experts from across campus to implement projects on a broader scale, amplifying impact and ensuring long-term success.



Economic and Social Impacts of Expanding Job Opportunities

» *Ford School of Public Policy*



Neighborhood-based Community Health Worker Initiative

» *Institute for Healthcare Policy and Innovation*



University of Michigan Summer Youth Employment Initiative

» *Poverty Solutions, Ginsberg Center, Youth Policy Lab*



Detroit Neighborhood Entrepreneurs Project

» *Law School*



Data Science for Urban Mobility

» *Michigan Engineering*



A Path to College for Low-income students

» *Ford School of Public Policy, School of Education*



**POVERTY SOLUTIONS**  
UNIVERSITY OF MICHIGAN

[poverty.umich.edu](http://poverty.umich.edu)

H.Luke Shaefer, Director  
[Lshaefer@umich.edu](mailto:Lshaefer@umich.edu)

734.936.5065