

An Evaluation of the Newark/Essex Construction Careers Consortium Pre-Apprenticeship Training Program

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Executive Summary

In June 2006, the New Jersey Institute for Social Justice (NJISJ) contracted with the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey to conduct an assessment of the Newark/Essex Construction Careers Consortium (N/ECCC) program.

The program's primary objective is to improve the employment prospects and earnings of Essex County's low-income residents. The program aims to achieve this goal by preparing its graduates for apprenticeships with one of the county's 17 construction and building trades unions. During the 10-week program, students receive intensive and highly targeted academic preparation in math, reading, and critical thinking; are introduced to the different building trades through hands-on work and site visits; and receive instruction in life skills. After completing the program, graduates apply for apprenticeships with the building trades.

NJISJ, in cooperation with a consortium of more than 20 organizations in Essex County, New Jersey, offers the program three times a year to 30-40 students per session with an annual budget of \$600,000. The School Construction Corporation provides 75% of the program's funding (about \$450,000 on average), and the Prudential Foundation and the Port Authority of New York and New Jersey contribute the remaining \$150,000 annually. The average cost per participant is approximately \$6,000. In addition, the New Jersey Department of Labor and Workforce Development offers an incentive of up to \$5,000 per graduate to each labor union that accepts an N/ECCC graduate.

Evaluation Methodology

The Heldrich Center used a variety of qualitative and quantitative methodologies to develop six key findings about the N/ECCC program. Center researchers interviewed 20 members of the Consortium, conducted a focus group with current students, and had current students complete a survey that solicited their feedback on the program. Researchers used New Jersey Unemployment Insurance wage records to determine the labor market outcomes of individuals who participated in the program in 2004 and 2005. In addition, researchers compared these outcomes to those of similar individuals who received other types of training in Essex County during the same period.

Key Findings

The results of this evaluation demonstrate that a pre-apprenticeship program, when well designed and well managed, can be an effective approach to improving the earnings of individuals with barriers to employment. The intensive, 10-week training program, with

its focus on addressing multiple barriers to employment and strong involvement of labor unions, is particularly successful for participants age 20 and over.

Finding #1. Although it applies strict entrance requirements, the N/ECCC program provides an important opportunity for individuals who have limited employment histories, low levels of past earnings, and limited academic skills to prepare for a career in a growing field.

All participants served by the program must have a high school diploma or GED and must either possess or be able to obtain a valid driver's license. However, the program serves individuals who face significant barriers to employment. In each of the 12 quarters before they enrolled in the N/ECCC program, for example, no more than half of adult program participants were employed. While all participants had a high school diploma or GED before the program, the average TABE [Test of Adult Basic Education] reading score, which equates to grade level, among participants is 9.28, and the average math score is 8.26. In addition, approximately 12% of participants had formerly been incarcerated.

Finding #2. The program is effective at improving the earnings of *adult participants* (20 and older at enrollment).

Placement in Apprenticeships: Half of all adult participants in the N/ECCC program are placed into an apprenticeship. A total of 17 labor unions have accepted N/ECCC participants.

Effect of the Program on the Earnings of *All* Adult Participants: Adult graduates earned an average of \$14,778 in the first year after completing the program and \$18,940 in the second.ⁱ These earnings represent significant increases over the wages they earned before they entered the program and are significantly greater than the wages earned by a carefully selected comparison group of similar individuals who received other types of training in Essex County.

In the first year after completing the N/ECCC program, adults earned between \$3,500 and \$5,700 more than the adult comparison group members. The wages of both the N/ECCC graduates and the comparison group members were higher in the first year after training than they were in the first year before training. However, the **growth** in wages was between \$3,000 and \$4,600 greater for the N/ECCC adult participants than for the comparison group.

In the second year after training, the wages of the adult N/ECCC graduates were between \$6,700 and \$9,400 greater than were the wages of the adult comparison group members. N/ECCC adult participants experienced wage growth from the second year before

training to the second year after training that exceeded the wage growth of the adults in the comparison group by \$6,500 to \$10,400.

Effect of the Program on the Earnings of Adult Participants Who Did *Not* Obtain an Apprenticeship: The 50% of adult participants (20 or older at enrollment) who do **not** obtain an apprenticeship still benefit from participation in the N/ECCC program, through increased earnings.

The 50% of the adult participants in the N/ECCC program who did **not** receive an apprenticeship perform at least as well in the labor market in the first year after completion as the comparison group members. There is no solid statistical evidence that the N/ECCC program non-apprentice adult graduates perform better in the first year after training than their counterparts in the comparison group. In the second year after completion, however, the adult N/ECCC non-apprentice graduates earn about \$5,000 more than the comparison group. The wage growth from the second year before training to the second year after training is about \$5,000 greater for the N/ECCC non-apprentice graduates than for the comparison group.

Finding #3. The N/ECCC program is no more successful than other forms of training at improving the employment prospects of the *youngest participants* (younger than 20 at enrollment).

Placement in Apprenticeships: Younger graduates were significantly less likely to obtain apprenticeships than older graduates, and the younger graduates who did manage to obtain apprenticeships were more likely to drop out of them than the older graduates who became apprentices. While approximately half of the graduates age 20 and older obtained apprenticeships after graduation, only about 25% of the younger graduates managed to do so.

Effect of the Program on the Earnings of the Youngest Participants: After completing the program, the average youth graduate earned \$7,760 in the first year after graduation and \$10,793 in the second, significantly less than older graduates.

N/ECCC program graduates who enrolled in the program at age 19 or younger were as likely to be employed in any of the eight quarters after completion as the similar youth who received other types of job training in Essex County. In addition, these individuals had similar earnings in each of the first two years after completing the program as those members of the comparison group.

Finding #4. A variety of factors contribute to the success of the N/ECCC program.

Based on interviews with members of the Consortium, a focus group with current students, and a survey of current students, the Heldrich Center identified six factors that may explain the success of the program:

1. **A close and solid working relationship between the program operators and labor unions.** NJISJ has worked to build a strong relationship with the 17 construction and building trades unions in Essex County. The unions are active members of the Consortium, providing input on both curriculum and program design. For example, the program has a strong focus on math, in part because the unions advised the program to highlight math. Most importantly, the unions routinely accept N/ECCC program graduates into their apprenticeship programs.
2. **Rigor of the curriculum.** During the 10-week program, participants receive over 100 hours of course work to help them improve their skills in math, reading, and locating information, academic skills that the unions require and that are also important for success in other occupations.
3. **Program components that address multiple barriers that program participants face to employment.** In addition to providing participants with the basic skills they need to pass the apprenticeship tests, the program provides training in life skills and financial management. In addition, the program provides assistance to those with suspended driver's licenses in getting their licenses restored and small loans to defray initial costs associated with becoming apprentices, such as transportation costs and costs for purchasing safety gear or other materials.
4. **A solid funding base.** SCC provides the money that supports the training that the N/ECCC program delivers. Supplemental funding from Prudential and the Port Authority enable the program to provide some of the additional services, such as the small loans, that help to address the multiple barriers that program participants face.
5. **A competent and highly dedicated staff.** All individuals interviewed for this study agreed that the NJISJ program director worked well with both the students and the unions to ensure that the graduates earned apprenticeships. Students and stakeholders interviewed indicated that teaching staff provided students with sound academic preparation for the union tests and skills needed for interviewing. The students felt connected to both the program director and the teachers, and they believed that the staff genuinely wanted them to succeed.

6. **A well-functioning consortium.** NJISJ has assembled a diverse group of stakeholders with otherwise different interests who collaborate to help the program succeed. Consortium members contribute in many ways to help make the program a success, including recruiting and screening applicants, offering instruction to students, and providing small loans to graduates to cover some costs associated with becoming an apprentice.

Finding #5. Suggestions for improvements include:

- Develop a plan for addressing the discrepancy in outcomes for youth versus adult participants. A plan could include targeting additional services specifically toward youth participants or accepting fewer youth and more adult applicants in order to concentrate program resources on those who benefit the most from the program.
- Strengthen outreach to the Hispanic community.
- Strengthen the relationships with the Newark One-Stop Center and with local Hispanic community organizations.
- Identify ways to increase the repayment rate of the post-graduate loans that students receive.

ⁱ All wages have been adjusted for inflation and are in fourth-quarter 2006 dollars.