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Older Workers

HILL BRIEFING EXAMINES SCSEP'S ROLE IN WORKFORCE SYSTEM

Earnings for Senior Community Service Employment Program participants who move into unsubsidized jobs exceed program costs, and despite its smaller size, the program serves more low-income older workers than mainstream federal workforce development programs.

That is according to new research shared at a Capitol Hill briefing on the program.

SCSEP is under threat of defunding this appropriations cycle.

The Trump Administration proposed eliminating funding for the program in its fiscal year 2018 budget request. A spending plan passed over the summer by the House Committee on Appropriations would cut the program's budget by 25 percent to \$300 million. The Senate's committee-passed bill would provide flat funding at \$400 million.

On Jan. 19, SCSEP national grantees and other stakeholders in aging programs organized a briefing for congressional staffers at the Capitol. This was not an official hearing. However, the briefing was sponsored by Sen. Patty Murray (D-Wash), who is the ranking minority member of the Senate Committee on Health, Education, Labor and Pensions. Murray fills the same seat on the Appropriations Subcommittee on Labor, Health and Human Services and Education.

Staffers serving members of both parties and members from both the House and Senate attended.

Kelly Mikelson, a senior research associate at the Urban Institute, presented a white paper that analyzes recent program data and discusses SCSEP's position in the broader workforce development system.

The briefing also featured a SCSEP participant, a host agency and a private employer who each discussed how they benefited from the program.

SCSEP offers low-income, unemployed people ages 55 and older part-time, paid community service jobs, supportive services and sometimes additional skills training with dual goals of providing community services and transitioning some participants to unsubsidized employment.

Both states and national organizations administer

the program on behalf of the Employment and Training Administration. Some states and national grantees rely on subgrantees to deliver services at the local level.

SCSEP'S Role in the System

In *The Role of SCSEP in Workforce Training for Low-Income Older Workers*, Mikelson makes four points about the program: that it has benefits that outweigh costs; that demand for these services is increasing; that it serves older unemployed workers when other programs do not; and that it could inform other workforce programs on better serving older workers.

She turns to fiscal year 2015 program data from the Employment and Training Administration for a simple cost-benefit-analysis. This was the main focus of her presentation at the briefing. The average per participant program cost that year was \$6,665. Just over half of participants, 51.3 percent, were placed in unsubsidized employment.

Mikelson figures that the cost of an unsubsidized job placement was almost twice the average per participant cost, at \$12,993. Average annual wages of those placed in unsubsidized jobs were \$15,866, based on doubling the earnings performance measure of average wages in the second and third quarters after exit (\$7,993).

Thus, the difference between wages and costs adds up to a benefit of \$2,873, according to her analysis.

This does not take into account the value of nearly 35 million hours of community service performed during the year by SCSEP participants. The program pays the applicable federal, state or local minimum wage rates to participants for their community service hours.

In the wake of the Great Recession, lawmakers increased SCSEP funding to \$825 million in FY 2010.

Mikelson explores whether, after SCSEP's footprint was reduced by subsequent budget cuts, older workers became more common in the rolls of Workforce Investment Act, or now Workforce Innovation and Opportunity Act, programs.

The researcher points out that in PY 2011, 12.7 percent of all WIA adult program exiters were age 55 or older. By PY 2015, this had risen to 15.8 percent.

However, over this period, the share of 55 or older

exitors who had received training was basically flat, ranging only slightly between 7 percent and 7.6 percent.

“This may be because SCSEP participants often have additional barriers to employment that require significantly more personalized assistance than is available under WIA/WIOA,” Mikelson writes in the paper.

She shows that while the WIOA adult program had more exitors age 55 and older than SCSEP in PY 2015, it had far fewer low-income exitors age 55 and older than SCSEP. There were about 140,000 people age 55 and older in the WIOA adult exiter count for the year, but fewer than 20,000 of them had low income levels. SCSEP had close to 60,000 low-income participants in that age group that year.

Tracking Participation

Mikelson also noted that about a quarter of SCSEP participants in PY 2015 had failed to find employment after accessing WIA/WIOA services.

The researcher concluded that SCSEP staffers help participants deal with barriers and circumstances that are unique to aging, such as age discrimination, physical limitations, the recent loss of a spouse and limited digital literacy.

“SCSEP’s approaches for addressing such difficulties can serve as a model for other programs,” she said.

Catherine King, senior vice president of recruiting and staffing for the security and facilities services company Allied Universal discussed recruiting older workers through SCSEP and other community-based organizations.

In 2017, Allied Universal hired 11,000 people over age 55. Considering the company employs about 150,000 people, older worker new hires represented more than 7 percent of payroll.

While the company is mainly filling security jobs, these are not private police.

“Our people observe and report. Older workers

are dedicated, trained professionals who we want in our organization,” King said.

Recruitment Disconnect

King acknowledged that large corporations like Allied Universal depend upon online job application systems which may be a barrier to the older workers.

That is why it has turned to SCSEP agencies and, last year, launched its Partners in Employment Community-Based Organization Program. This offers agencies referring prescreened older workers a referral payment of up to \$400 per new hire.

The Temporary Emergency Residential Institute for Families in Crisis, TERRIFIC, is a nonprofit operating senior services programs, including health, housing and nutrition programs, in three wards of the nation’s capital.

Project Director Joseph McCarley described how the agency serves as a host site for SCSEP participants from the National Council on Black Aging, a program operator in the District of Columbia.

TERRIFIC also comes across clients of its senior services programs who need income and want to work and makes referrals to the National Council to fill SCSEP positions.

Over the years, TERRIFIC has hired 34 SCSEP participants into unsubsidized jobs. McCarley credits the program’s function of screening the participants it sends to host sites as a major benefit to his organization. Also, the value of subsidized community service participants provide helps the organization survive the uncertainty of public program budget cycles.

“Without the support of the SCSEP program, we would not be able to survive,” he said.

✓ Find the white paper *The Role of SCSEP in Workforce Training for Low-Income Older Workers* at www.urban.org.

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