

USDA Literature Review on Wage Subsidies and Work-Based Learning for the Supplemental Nutrition Assistance Program (Summary)

Background

The Food and Nutrition Act of 2008 requires Supplemental Nutrition Assistance Program (SNAP) participants ages 16 to 59 to register for work and meet certain work requirements unless they are exempt or show good cause.¹ The purpose of the SNAP Employment and Training (E&T) program is to help SNAP participants gain skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency. While Federal law sets broad requirements for the program, States have flexibility in how they design their programs, including which components they offer to participants. Work experience, which includes work-based learning activities is one of several E&T components that States can offer participants. The “Employment and Training Opportunities in SNAP” final rule allowed SNAP E&T to fund subsidized wages for E&T participants in work-based learning or other work experience activities.

This study describes the wage subsidy and work-based learning models that aid in improving employment outcomes, the extent to which these models promote strong connections between government programs and employers, and the implications of previous findings on how to best implement wage subsidy and work-based learning programs within SNAP E&T.

Key Findings

- Most work-based learning models have strong short-term impacts on earning and employment outcomes.
- All work-based learning models offered other E&T services.
- Across the different work-based learning activities, it was often difficult to engage employers, but strategies to overcome those challenges do exist.
- Strategies to mitigate the impacts of participation on SNAP eligibility should be explored.

Methods

The study team conducted a literature review from 2004-2022 and included 144 applicable studies. Their searches centered on academic databases, evidence clearinghouse websites, websites of research firms, research centers, and government agencies. The literature review examined seven types of work-based learning activities: apprenticeships, pre-apprenticeships, customized training, on-the-job training, transitional jobs, incumbent worker training, and internships. The study team prioritized impact studies that received a “high” or “moderate” rating from a clearinghouse. However, other studies were included in the literature review.

Findings

Most work-based models have strong short-term impacts on earning and employment outcomes. Some studies examining transitional jobs programs and internships find strong evidence of positive effects on earnings and

employment during the program period. Fewer studies show longer term impacts that last beyond the subsidy period.² However, findings for apprenticeships and customized training were more promising than others for longer term findings, but the number of impact studies examining longer term employment outcomes was smaller compared to other work-based learning activities. Not all studies examined groups with low incomes which requires consideration in the SNAP E&T context. For example, SNAP E&T funds could support job development services and provide bonuses to providers for successfully placing participants in unsubsidized work after the subsidy period ends.

The literature provides information that could help programs’ strategies when considering each activity type. For example, most transitional jobs programs did not lead to impacts past the subsidy period; however, the literature suggests that matching placements to participants’

¹ Good cause, as determined by State agencies, includes circumstances beyond the individual’s control, such as illness or lacking child care.

² Long-term outcomes are those measured 3 years or more after program enrollment.

interests may achieve better long-term outcomes, although initial placements may be more challenging. Apprenticeships do not usually serve individuals with the highest barriers to employment; however, the literature suggests some areas to expand apprenticeships and extend their usefulness to SNAP E&T participants. Some customized training programs have demonstrated success in outcomes but may only be promising for a subset of SNAP E&T participants.

Research on work-based learning activities differed in their target populations. The amount of research that focused on populations like those served by SNAP E&T differed by activity. Transitional jobs programs often target individuals facing barriers to employment to provide them with work experience in preparation for unsubsidized employment. Thus, studies on transitional jobs may provide lessons on strategies that would work for SNAP E&T participants. Although apprenticeship programs have not traditionally focused on individuals with the highest barriers to employment, additional strategies such as pre-apprenticeships, basic skills, and soft skills training, in addition to supportive services could make apprenticeships a successful activity for SNAP E&T participants.

All work-based learning models offered other E&T services. Some of the services provided include participant reimbursements such as transportation, childcare, or items for the workplace; educational services including classroom instruction, occupational or vocational training, and basic skill training in literacy, math, or soft skills, or General Educational Development (GED) preparation; case management; and in some cases, job readiness and job search activities as well as job development.

Across the different work-based learning activities, it was often difficult to engage employers, but strategies to overcome those challenges do exist. Some challenges programs faced include costs to employers from paperwork, meeting program requirements, and the time involved in conducting programs such as mentoring, training, and overseeing the work completed. There are also concerns with the timeliness of payments, quality of candidates, and investing in individuals who leave. Some solutions to these barriers include emphasizing benefits to employers, having the program act as a screener of

candidates, providing participant reimbursements, and in some cases, using a trial period with hires. States could use 100 percent funds or 50 percent reimbursement funds to hire staff as job developers to help minimize challenges. A more cost-efficient option would be for SNAP E&T providers to leverage partnerships with programs that already have expertise, staff, and infrastructure to ease barriers employers may experience.

Strategies to mitigate the impacts of participation on SNAP eligibility should be explored. Participating in a subsidized employment job placement may raise incomes beyond eligibility thresholds for some mean-tested programs, such as nutrition assistance programs. Only a few studies address this problem, and none of them focused on SNAP. The literature review identified several strategies to ensure work-based learning participants remained SNAP-eligible while participating in these activities. One option would be to make statutory changes, such as allowing pilot projects or waivers to allow States to disregard countable wages earned during employment. Another option would be to ensure case managers prioritize helping participants to understand how earnings affect their benefits.

Future research can examine the gaps around work-based learning models. Future studies could explore how to adapt strategies for “job-ready” participants to other populations, including SNAP participants. One option would be to examine how different combinations of SNAP E&T components and services (i.e., job readiness, basic education, childcare) build support for participants who may face barriers to engaging in work-based approaches. Studies could also examine the effectiveness of pre-apprenticeships, incumbent worker approaches, and apprenticeships with a focus on populations with higher barriers to employment. Little research exists on how work-based learning functions within the SNAP E&T context and should be examined in future studies. Future studies could also isolate the effectiveness of the various services that support a work-based learning model or measure the impacts of different combinations of services.

For More Information:

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