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EMPLOYING THE EX-ADDICT:
AN EXPERIMENT IN SUPPORTED WORK

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Wildcat Service Corporation was established in 1972. Its aim was to explore the possibility that ex-addicts -- traditionally viewed as un-employable and a threat to society -- could become a resource to society by developing work habits in a supported setting.

Wildcat was the most ambitious of a series of supported work projects started by the Vera Institute of Justice. Vera, a non-profit organization located in New York City and concerned with criminal justice reform, has been trying for the past fifteen years to break the tie of addiction, crime, and unemployment. After considering various approaches, the Vera staff came to believe that placement in the low-stress jobs might work as a strategy for rehabilitating addicts. Specifically, Vera sought to answer four questions:

- Could a work environment be designed in which chronically unemployed persons with drug histories would work productively?
- Would work experience in such an environment prepare employees for the competitive world?
- Would employment (either in the special environment or the competitive market) lift the participant out of the cycle of welfare, addiction, and crime?
- Could such a low-stress working environment be created so that investment in the program was returned to the taxpayer?

Seeking answers, Vera staff studied European sheltered workshops for the handicapped and drew upon experience from its own programs with accused persons, alcoholics, and ex-addicts* to develop the concept of "supported work." Sup-

* The Manhattan Court Employment project, Project Renewal (a subsidiary of the Manhattan Bowery Project), and the Addiction Research and Treatment Corporation.

ported work derives from the premise that persons not previously successful in the job market can learn skills, develop good work habits, and build self confidence while earning a wage-- if they are placed in job settings where management and peers are sensitive to their special problems. To test the feasibility of this idea, Vera conducted a series of pilot projects* and then created the Wildcat Service Corporation in 1972. Since then nearly 4,000 ex-addicts and ex-offenders referred from drug treatment programs and correction facilities have worked at Wildcat. The Corporation now employs 1,200 ex-addicts and ex-offenders, 90 percent of whom provide services to the City of New York: 35 percent work in maintenance, 14 percent in construction, 45 percent as clerks or social service paraprofessionals, and six percent as messengers.

Wildcat, unlike many of the European agencies examined, is a transitional rather than a permanent employer. By providing chronically unemployed ex-addicts and ex-offenders some employment stability in a supportive environment, it aims to prepare them for the regular job market.

In an attempt to answer the questions that Wildcat was created to address, Vera established a research team to study supported work and its impact on the participants. The research team has three strategies: an examination of the

* Vera established the Pioneer Messenger Service which employed ex-addicts, ex-offenders, and ex-alcoholics and also staffed City Off-Track Betting offices with ex-addicts.

day-to-day operations of Wildcat; a four year controlled study comparing approximately 300 qualified applicants offered jobs at Wildcat with 300 qualified applicants who were not; and cost-benefit analyses.

The people Wildcat employs

Wildcat offers employment to persons (90 percent are men) who have a history of failure in the marketplace. Almost 90 percent have been on welfare before coming to supported work, and 75 percent have not worked a day during the six months before they enter Wildcat. Over 90 percent do not have bank accounts. Over 50 percent lack previous job training. Literacy levels are low; Wildcatters have been schooled an average of 10 years but average only fifth grade scores on arithmetic exams. Ninety percent are black or Hispanic.

They are handicapped in obtaining jobs by their criminal and addiction histories. The average Wildcatter is 31 years old with a record of eight arrests and four convictions. The mean age of first addiction to drugs is 19. Seventy-two percent are referred to Wildcat from methadone programs and 18 percent from drug-free programs. These referrals who constitute 90 percent of employees, have spent an average of 13 months in drug programs before coming to Wildcat. The remaining ten percent are referred from correctional facilities or are awaiting trial; about two-thirds of these persons have addiction histories.

Unpromising as these statistics are for finding jobs

in the competitive labor market, even they do not adequately convey the tangle of problems that many Wildcat employees carry with them when they arrive at Wildcat. Addiction and criminal history reflect more than unaccounted years on a job resume; they reflect an individual's history of destructiveness toward himself and society and a sense of anomie. As one Wildcat worker, Walter put it: "When I applied to Wildcat, I hadn't worked since '49 or '51 and I was definitely ingrained in nothing. I was coming off somewhat an alcoholic and tired. And when you're tired, you don't know what you're tired of 'cause you're resting all the time."

The character of supported work

Because of the employees' poor preparation for work, instability is tolerated at Wildcat within wider boundaries than in the non-subsidized world. Dismissal is nearly always preceded by warnings, suspensions, and other intermediate measures. Workers are given occasional time off for court appearances or visits with parole officers and drug treatment counselors. Wildcat also offers special supports to its workers such as vocational counseling and referrals to outside agencies for assistance with housing, legal, and health problems.

A number of structural devices were built into Wildcat to reduce stress and encourage steady work habits. For instance, workers are put in small crews to allow strong peer support. The crews are headed by foremen who have been promoted up from the entry-level ranks of ex-addicts, a policy that provides both a visible career path and first level supervisors who share the

problems of crew members. Bonuses, raises, and promotions come more frequently than in normal job situations. Participants begin at a \$95 a week salary but become eligible for their first raises after eight weeks. (Top salary for crewmen is \$115 a week; for foremen, \$125 a week.) Standards for raises are gradually made more stringent to accustom the employee to the discipline demanded in non-subsidized work.

Though support services, such as counseling or training are offered, the emphasis at Wildcat is on work. Work is seen as therapy and Wildcat is structured to resemble the non-subsidized job world rather than a therapeutic community. Standards are set and employees are dismissed if they do not meet the standards. Walter bears witness to the effectiveness of the work-as-therapy philosophy. He said it this way: "Wildcat took me out of [the 'tired syndrome'], and I made my first move. Getting up in the morning was a problem for me, but it gave me a push. That's what Wildcat gave me; it gave me that kick in the butt I needed."

The work Wildcat does

Wildcat's work consists mainly of providing public services for New York City. For example, Wildcatters clean building facades and interior masonry, restore clipper ships, paint commercial and public establishments, paint no-parking zones at fire hydrants, exterminate vermin, maintain buildings and grounds at various agencies (including courthouses, district attorneys' offices, and police precinct houses), prepare architectural plans for microfilming, renovate firehouses, interpret

for Spanish-speaking hospital patients, and plant trees in Brooklyn. In spring 1975 when a fire destroyed a large New York Telephone plant, Wildcat workers provided emergency messenger service to affected businesses.

There are constraints on the selection of job sites, among them the special needs of Wildcat workers. Wildcat tries to avoid taking extremely demeaning jobs that might reinforce the employees' sense of being locked into the lowest rungs of the economic ladder. Night work, too, is avoided because it impedes employees' efforts to reestablish family and community ties.

Attractive jobs are difficult to find, however. Some Civil Service agencies resist hiring Wildcatters because many see them as a threat to their own employees; they fear that the increasingly impoverished city government will replace regular workers with cheap Wildcat labor. Other jobs are blocked by trade and craft labor unions; still others by stereotypes and prejudiced attitudes. One prospective employer, a police officer, admitted, "I used to arrest kids just the way [the Wildcatters] looked. How could I have one of them working in my office?" The supervisor in one agency reported that women employees refused to use the bathrooms because they were afraid they would contract venereal disease from the Wildcat women they thought were prostitutes. Many agencies are reluctant to hire persons with criminal records, which excludes almost all Wildcatters. And finally, the search for attractive jobs is difficult because the typical Wildcatter lacks marketable skills.

Because of these constraints, the Wildcat staff some-

times have had to create new types of work for the crews, such as home delivery of food to the elderly, a service no other organization supplied.

Wildcat favors jobs that offer an opportunity for employees to "roll over" to permanent positions on the sponsoring agency's staff. And group, or crew, work is favored over individual placement; small crews not only afford peer support but are more easily supervised. Individual placements are made when work is particularly challenging, where agency supervision is strong, or where the opportunity for roll over is good. These individual placements are generally given to experienced Wildcatters.

The funding of Wildcat

Wildcat funding comes from diverse sources, reflecting the organization's multiple aims. For the 1975-76 fiscal year, the per-person cost has been \$9,500, of which about \$6,600 is paid to the employee in salary and fringe benefits.

The employees' salaries are put together from three types of income. Through an arrangement with the Social Security Administration, the welfare benefits (Supplemental Security Income) that employees would receive were they still unemployed are directed into a Wildcat salary pool. These diverted welfare funds make up \$2,400 of each Wildcatter's salary. Another \$2,000 comes from contracts with local municipal and private agencies (about 70 percent of Wildcat's crew members provide reimbursable services to these agencies). The rest comes from contracts and grants from New York City's Department of Employ-

ment and the U.S. Department of Labor (both interested in developing employment skills), from the National Institute of Drug Abuse (primarily concerned with breaking the ex-addicts' cycle of unemployment), and from the Law Enforcement Assistance Administration (concerned with crime control).

Research studies of Wildcat

The Vera Institute research studies on how the program operated and its impact on participants began at the same time Wildcat did.* To assess any changes experienced by Wildcat employees, the researchers designed a controlled study. By lottery, half of the first 600 eligible applicants were offered a job at Wildcat -- to form the experimental group -- and half were not -- to form the control group. Together these two groups are called the "Manhattan sample."

Since the beginning of the experiment in 1972, experimentals and controls have been interviewed every three months about their employment, welfare dependence, living arrangements, criminal and drug experiences, and leisure-time activities. (To induce people not working at Wildcat to come in for interviews, \$5 is paid for the quarterly session and \$10 for the longer annual interview.) Some self-reported data from the interviews have been verified through arrests records from the New York City Police Department, public assistance payment reports from

* Research on Wildcat was funded by the Addiction Services Agency of New York City, the National Institute on Drug Abuse, and the Department of Employment of New York City.

the Department of Social Services, earnings data from the Social Security Administration, and drug abuse information from the relevant drug treatment programs. Data are available for about 85 percent of the experimental and control group participants through the second year. [At this writing third analyses are in progress].

Members of the experimental group include those still at Wildcat, those who never showed up for Wildcat, and those who have terminated from Wildcat — that is, were fired, resigned, or moved on to non-subsidized jobs. One difficulty with the study design is that 11 percent of the accepted applicants never showed up for work. These "no-shows" remain in the experimental group but have never been exposed to the supported work program. And another nine percent worked fewer than three months at Wildcat. Consequently differences between controls and experimentals are diluted.

Do ex-addicts make good workers?

Wildcat's experience shows that ex-addicts and ex-offenders can work in a supportive environment. Absenteeism levels (approximately nine percent) are higher than the national averages, but not so high as to interfere significantly with productivity.

In its first four years, 4,000 persons worked at Wildcat, staying an average of 12 months. One year after date of hire, 58 percent of the employees were no longer at Wildcat. By the end of the second year, three out of four were off the Wildcat payroll, and by the end of the third year,

the proportion rose to seven out of eight. Of those 4,000, 1,200 are now employed at Wildcat, 541 have graduated to non-subsidized jobs, 66 have returned to school, 1,079 were terminated with cause, 448 left for non-job related reasons, and 666 resigned. Almost half of the employees who re-sign or are fired obtain other jobs.

Results from the controlled study in which the working pattern of experimentals was examined indicate that Wildcat significantly increased the proportion of ex-addicts who could be productively employed. One year after entry into the study, 70 percent of experimentals were working compared to 34 percent of controls. Although the difference had narrowed by the second year (62 percent of experimentals working compared to 41 percent of controls), it was still significant. In addition, more experimentals than controls worked at some time; they worked for longer time; and they earned more money. (Table 1)

TABLE 1: First- and Second-Year Employment and Income:
Manhattan Sample
(Self-Reported)

<u>Employment and Income Data</u>	<u>Experimentals N=199</u>	<u>Controls N=217</u>
Percentage Working at Some Time During Year		
First Year	92	51
Second Year	76	47
Mean Number of Weeks Worked		
First Year	39	12
Second Year	32	17
Mean Weekly Earnings of Those Who Worked	\$110	\$ 98

A series of productivity studies suggests that although productivity is not uniformly high, Wildcatters produce valuable and needed services. Productivity for maintenance work is estimated at 80 percent of commercial standards; for clerical work, 78 percent; for painting, 20 percent.

Feeding workers back into the non-subsidized job market

The number of persons graduating to non-subsidized jobs has not been as high as originally anticipated, but graduates have been successfully employed after their Wildcat experience. Eighty-nine percent of randomly sampled Wildcat employees who moved on to non-supported jobs (and for whom data are available) were still working after three months --and thus passed what is usually the toughest period of transition from supported to non-supported work. Seventy-five percent retained their non-supported jobs for at least a year.

Results from the controlled experiment show that those who participated in Wildcat's supported work program are more likely to be successful in the open market after leaving Wildcat than the controls who did not have an opportunity to work at Wildcat. Experimentals who have left Wildcat (graduates and terminees) work more weeks at higher average pay, and are terminated less often than are controls. (Table 2)*

* These figures are based on participants' own reports. Attempts to verify self-reported employment data have revealed that self-reported job information from experimentals is more likely to be accurate than that from controls. This suggests that the differences in employment between controls and experimentals are greater than indicated here.

TABLE 2: Comparison of Experimentals and Controls in Non-Subsidized Employment

	<u>Experimentals</u> N=199	<u>Controls</u> N=217
Percent of Time Worked	25	18
Mean Weekly Salary of those who worked ^a	\$132	\$106
Percent Terminated ^a (not promoted)	44	59

^aPost Wildcat experimentals: N= 79
Controls who worked N=115

And since experimentals who have left Wildcat include a higher proportion of employees "fired rather than "graduated," these data suggest that Wildcat is affecting employment rates even for those participants who leave after a few months.

Until spring 1976 no time limit was imposed on employment at Wildcat. Wildcat management thought that Wildcatters would move on when they felt ready for non-subsidized work. But experience has shown that employees are reluctant to leave supported work, partly because their employment prospects are uncertain and their confidence has not been bolstered by the shrinking job market. (Unemployment went from 6.5 percent in 1972 to 11.9 percent in 1975.) Too, many feel -- appropriately, as it has turned out -- unprepared for outside jobs. When Wildcat first began, it was thought that formal training was less important than instilling good work habits. Whatever training deemed necessary was to be done on the job. But the job development specialists at Wildcat discovered that many of the employees were not able to meet industry standards even though they had been doing well in supported work. This led to the creation of in-house training programs and more vocational

counselors. The newly-imposed time limit on employment is increasing the demand for skills training and increasing pressure on employees to improve their skills. One Wildcatter who enrolled in an IBM-sponsored clerical training course said: "I'm not a young man and this is the last chance for me in the event that I ever make anything of myself, and hopefully by getting into Wildcat and IBM I was trying to get sort of a background so somebody might accept me, because before I had none."

Does Wildcat rehabilitate?

The Vera Institute originally developed the program of supported work not simply to provide employment but to loosen the tie between addiction, unemployment and crime. And data from the controlled experiment, which compared ex-addicts who worked at Wildcat with similar persons who did not, indicate that the supported-work program has made a positive but not consistent impact in the areas of dependence on public assistance, drug and alcohol use, criminal activity, and other living patterns.

Dependence on public assistance. Experimentals who have left Wildcat are less likely to receive public assistance than are controls. (Table 3)

TABLE 3: Percentage of Experimental and Control Groups Receiving Direct Public Assistance Stipends and Amount of Stipend

	Post-Wildcat Experimentals N=95		Controls N=217	
	Monthly Amount	%	Monthly Amount	%
First Year (monthly stipend)	\$186	42	\$196	68
Second Year (monthly stipend)	\$222	38	\$219	60

Experimentals who had left Wildcat and controls received approximately the same monthly stipends, however, a significantly smaller proportion of experimentals than controls were dependent on direct assistance two years after entering the study.

Drug use. It was anticipated that drug use would decrease for experimentals as a consequence of more stable employment, the supportive work environment, and peer pressure. The first and second year data, however, show no differences in drug use between the experimental and control groups. About a third of each group reported illicit drug use (excluding marijuana).*

* Self-reported data on drug use are sometimes considered unreliable by the interviewers. Attempts to verify drug use data with drug programs has met with limited success because of concern about confidentiality: the data collected, however, do suggest that sample members underreport drug use.

Only a small proportion of each group (about two percent) has reported returning to regular heroin use after two years. This low rate of addiction recidivism indicates that drug treatment programs in New York City have been successful. Wildcat has apparently not further reduced this already low rate of recidivism.

Nevertheless, some differences emerged at the end of the second year in the two groups' involvement in drug treatment programs. About a third of both groups left their drug treatment programs, but 33 percent of controls who quit reenrolled in new ones, as opposed to 22 percent of experimentals who quit. And more experimentals reported they had detoxed from methadone (22 percent) and became drug-free than did controls (16 percent).

Alcohol use. Wildcat supervisors report that drinking is more of a problem among employees than is illicit drug use. At least one third of Wildcatters have a drinking problem. The figure is similar for controls. First and third year results show slightly less daily drinking for experimentals, but this difference washed out during the second year. Alcohol use appears to be related to employment status: among both experimentals and controls, those who have drinking problems are less likely to be employed.

Criminal activity. During the first six months after entry, fewer experimentals were arrested than controls, but the differences narrowed by the end of the first year and into the second

year.* In general, a reduction occurs only for those who remain at Wildcat. (Table 4) (The proportion of felony and misdemeanor arrests was similar in the first year but in the second year a higher proportion of controls was arrested on felony charges.)

TABLE 4: Percent of Experimentals and Controls Arrested in First and Second Year

	<u>Experimentals</u> N=258	<u>Controls</u> N=258
Year Prior	34	37
First Year ^a	25	31
(1st six months) ^b	12	19
(2nd six months)	16	17
Second Year	23	22
(1st six months) ^c	13	13
(2nd six months)	16	12

a: $\chi^2 = 2.8$, p.c. < .1
b: $\chi^2 = 3.8$, p.c. < .05
c: n.s.

Conviction rates were similar for the two groups, but members of the experimental group were less likely to receive a prison sentence. (Table 5) Sentencing appears to be related to employment status; in both groups, convicted participants who had jobs were less likely to receive a prison sentence.

* New York City Police Department arrest records are used as most reliable and least biased measure of criminal activity. However, self-reported data on hustling and criminal activity parallel the verified arrest data.

TABLE 5: Disposition of Arrests (Percent of Arrests)
(Excluding Pending Cases)

	<u>First Year</u>		<u>Second Year</u>	
	<u>Experimentals</u> N=53	<u>Controls</u> N=64	<u>Experimentals</u> N=66	<u>Controls</u> N=61
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Dismissal	42	41	38	33
Convicted	58	59	62	67
Fine	(4)	(8)	(11)	(7)
Conditional Discharge	(21)	(13)	(11)	(18)
Probation ^a	(25)	(9)	(15)	(5)
Prison	(9)	(30)	(26)	(38)
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Mean Sentence (months)	4.6 months	8.8 months	4.6 months	13 months

a: First year: $\chi^2 = 22.06$, p.c. $< .01$
Second year: n.s.

Experimentals employed at Wildcat had lower arrest rates (.21)* than experimentals who were terminated (.56) or graduated (.34). For controls the arrest rate was .43.

To gain a better understanding of whether support work or employment per se affects amount of criminal activity, the

* Arrest rates are per person-year measures that reflect the average number of arrests of a member of a group during a group during a year. Thus a rate of .33 arrests per person-year would mean that an individual would have one in three possibilities of being arrested. Rates rather than percent arrested are used when the time period varies among groups.

proportion of controls arrested who worked in the first year of the study was compared with those who did not work. Twenty-nine percent of those controls who worked were arrested the year prior to the study compared to 39 percent of the controls who did not work. During the year after entering the study 26 percent of the controls who worked during the first year were arrested and 33 percent of the non-working controls were arrested. These data suggest an association between employment and criminal activity but do not tell whether high criminal activity reduced employment or another factor (such as lack of motivation) caused both arrests and unemployment.

General living patterns. It was assumed that if Wildcat affected employment rates, it would also affect other living patterns of its employees. The mobility, health, and education patterns, family arrangements, and schedules of daily life both before and after Wildcat have been compared for experimentals and controls. During the first two years, Wildcat participants were more likely than controls to be financially supporting more than two people,* to be living in a stable relationship with another person, and to have children living with them. Although more experimentals than controls were hospitalized during the first year after entering the study, experimentals during the second year were less likely than controls to be hospitalized. (Because the majority of hospitalizations among this group resulted from alcohol problems or violence, less hospitalization is interpreted as a positive adjustment.)

* The difference was statistically significant at end of year one; at end of year two the difference had narrowed and was no longer significant.

In sum these findings suggest that experimentals were more likely than controls to be seeking a settled life.

Costs and benefits: does the investment in Wildcat pay off?

When it planned Wildcat, the Vera Institute wished to explore not only the issue of employment and its effects on ex-addicts, but also whether it was possible to create a financially sound supported work program. The following analysis therefore focuses on costs and benefits to the taxpayer (rather than the participant). Although the benefits of Wildcat are expected to extend beyond two years, this analysis is limited to the first two years after entry.*

* The data for this analysis are taken from a sample of persons who joined Wildcat between 1972 and 1973. The total costs and benefits of the entire Wildcat population are then estimated by extrapolating the data based on this sample. It was assumed that this sample was representative of the larger population, and data from another more recent sample bear out this assumption. It remains possible, however, that these extrapolations involved some error. Likewise, data on workers' productivity were extrapolated from an examination of 20 job sites randomly selected from the 300 total sites. These findings should thus be viewed as estimates rather than firm figures.

The average annual cost of maintaining an employee in Wildcat is \$9,500 and since on the average, a Wildcat employee stays with the program for a year, the taxpayer investment in him is \$9,500. This cost is borne by (1) earnings for services provided New York City public and private agencies, (2) diverted welfare funds, and (3) grants from public agencies.

Benefits, not as easily calculated as costs, are divided into two categories: (1) those that result from public services performed by Wildcat employees (e.g., the value of work performed in maintaining police precincts or painting fire stations), and (2) those that result from the rehabilitative effect Wildcat has on its participants (e.g., reduced dependence on welfare and lessened criminal activity).

Services performed. Two techniques have been used to estimate the value of services provided to New York City's public and private agencies: (1) commercial value of job completed (for instance, the commercial value of tiling a firehouse floor is \$1,151, and that of renovating two-family homes is \$96,000); and (2) assignment of a value (based on productivity) to the hours an employee works. According to the second method, it has been estimated that a Wildcat clerical employee produces \$3.32 worth of services per hour, averaging \$6,024 per year; a maintenance worker produces work worth approximately \$5 per hour or \$9,100 per year. According to these techniques, an average Wildcatter produces \$7,000 worth of services per year.

Taxes. Experimentals pay more to the government in income, social security, and sales taxes than do the controls.

For income and social security tax estimates, averages were taken from the IRS standard tax schedule. Table 6 illustrates the differences between income levels and taxes paid by experimentals and controls.

TABLE 6: Income and Social Security Taxes Paid by the Average Experimental and Control*

	Experimentals N=199		Controls N=217		Difference between experimentals and controls
	<u>Mean Income</u>	<u>Mean Tax</u>	<u>Mean Income</u>	<u>Mean Tax</u>	
Year One	\$4999	\$572	\$1118	\$ 75	\$497
Year Two	\$4347	\$556	\$1854	\$120	<u>\$436</u>
					Total \$933

The increase over two years in income and social security taxes attributable to Wildcat employment is \$933.

* Wildcat employees would be more likely than controls or experimentals not working at Wildcat to pay taxes because Wildcat withholds, but other employers, especially those offering marginal employment, may not withhold as dependably as Wildcat.

An expenditure study of experimentals and controls indicated that experimentals spend 46 percent of their income on taxable goods compared to 41 percent for controls. In the first year, an experimental paid an estimated average of \$85 more sales tax than a control. In the second year, the figure dropped to \$55 more.

Welfare. A comparison of experimentals and controls shows that there is a decreased dependence on welfare for those who work at Wildcat; and this continues after the experimentals leave Wildcat. (The indirect welfare monies paid to Wildcat for employees' salaries are included in the cost of Wildcat.)

TABLE 7: Annual Direct Welfare Monies Received by the Average Experimental and Control

	<u>Experimental N=162</u>	<u>Control N=179</u>	<u>Difference between experimental and control</u>
Year One	\$406	\$1793	\$1387
Year Two	\$744	\$1688	\$ 944
			Total \$2331

Crime-related savings. The costs of criminal activity were measured by arrest rates* and days incarcerated as a result of convictions.**

It has been estimated that it costs \$1,705*** to process

* Not included is the approximate reduction in crime-related losses to New York residents of \$580,000, which would be counted as benefits to "society," but not to the taxpayer.

** In 1971-72, the cost per arrest was \$1,705 (See Expenditure and Employment Data for the Criminal Justice System, 1971-1972, National Criminal Justice Information and Statistical Service SE-EE No. 4, U.S.G.P.O., 1974).

*** Table 4 reports percentage of group arrested: however, the cost and benefit data are based on arrests per person-year (see footnote p. 20).

an arrest in New York City. Multiplying arrest rates by the cost per arrest reveals that in year one, because experimentals

TABLE 8: Average Arrest Costs for Experimentals and Controls

	<u>Experimental</u> N=258	<u>Control</u> N=258	<u>Difference between ex- perimental and control</u>
Year One	.36 x \$1705=\$614	.43 x \$1705=\$733	\$119
Year Two	.35 x \$1705=\$597	.31 x \$1705=\$529	\$-68
			Total <u>\$ 51</u>

were less likely to be arrested than controls, the taxpayer saved \$119 per Wildcat employee in criminal processing costs. Experimentals are more likely than controls to be arrested in Year Two, however, resulting in a cost of \$68 to the taxpayer. When both years are considered, the net savings to the taxpayer is \$51 per Wildcat employee (Table 8).

Incarceration costs have been estimated by the New York City Bureau of the Budget to be \$40 per day per prisoner. Since fewer experimentals than controls were sentenced to prison and for shorter time periods (Table 5), the taxpayer realizes a saving of \$1,669 in incarceration costs per employee.

Estimated overall costs and benefits. The costs and benefits of Wildcat to the taxpayer for the average employee are summarized in Table 9.

TABLE 9: Costs and Benefits for the Average Wildcat Employee During First Two Years after entering Wildcat

	<u>Costs</u>	<u>Benefits</u>	<u>Yr. 1</u>	<u>Yr. 2</u>
<u>Sources of funds for Average Wildcat Employee for 12 Months</u>		<u>Estimated Benefits from the Average Wildcat employee</u>		
Contracts for services performed	\$1840	Value of services	\$7000	-0-
Grants from Public agencies	\$5820	Increased Taxes paid by Employee		
Indirect Welfare Payments	\$1840	Income tax	\$ 497	\$ 43
		Sales tax		
		Reduced Direct Welfare Payments	\$1387	\$ 94
		Reduced Criminal activity:		
		Reduced arrests	\$ 119	(\$ -6
		Reduced Incarceration	\$ 645	\$102
	<u>\$9500</u>	<u>Total</u>	<u>\$9733</u>	<u>\$239</u>

Benefits Year One and Two= \$12,124

For an investment of about \$9,500 per employee it is estimated the taxpayer receives \$12,124 in two years' benefits yielding a net return of \$2,624 or over \$1.25 for each dollar invested.

What has been learned from Wildcat?

The most important lesson to be drawn from the Wildcat experience is that, with supports, ex-addicts are willing and able to work. Wildcat shows that these difficult to employ persons can, in fact, provide valuable services to New York City. The average Wildcat worker produces about \$7,000 worth of services each year, stays in the program for 12 months, and is absent less than one day in ten.

Some of the other lessons are less clear. Does supported work prepare employees for non-supported work? The absence of a policy requiring employees to leave Wildcat after a given time and the shrinking economy in New York City have contributed to a disappointingly low proportion of employees placed in the open market (14 percent). However, those who have been placed have done well, a finding that indicates that supported work prepares employees to be self-sufficient. But still unanswered is what proportion of the total could be self-sufficient and what proportion cannot survive outside supported work environments.

Similarly, determining the rehabilitative value of Wildcat is difficult at this point. The impact of Wildcat upon behavior patterns other than employment has not been powerful. There are no consistently significant differences

between experimentals and controls in drug use, criminal activity, and living styles. Is this because Wildcat does not offer more supports to encourage these changes, or is it because employment does not affect non-job-related activities? Was it unrealistically optimistic to believe that offering a person a steady nine to five job would change habits built up over a decade or more? Thus far the research has not been able to answer these questions.

Can a supported work program like Wildcat pay off for the taxpayer? The answer to this question relies on the answers to the earlier questions translated into financial terms. The finding that ex-addicts are employable and can be productive means that some of the costs of supported work are reimbursed immediately to the taxpayer in the form of public services. The early results on long term self-sufficiency suggest that the taxpayer is receiving returns both in increased taxes paid by participants and decreased public assistance paid to them. Whether these benefits will be sustained in the third and fourth years is not yet known. But differences between controls' and experimentals' arrest rates in the first six months and in incarceration rates for the first two years result in saving to the taxpayers.

So, in the short run, Wildcat is a good investment. For the dollar the taxpayer invested in 1975, he gets \$1.25 during the next two years in services, increased taxes, and reduced welfare and criminal justice costs.

What next?

The promising preliminary results of Wildcat encouraged the Ford Foundation and five federal agencies* to establish the Manpower Demonstration Research Corporation (MDRC) to systematically develop and study the supported work concept. In January 1975 MDRC chose 13 sites nationally to test supported work on different types of employees: out-of-school youth, AFDC mothers, ex-alcoholics, and ex-mental patients, as well as ex-addicts and ex-offenders. MDRC supported workers will provide public services but will also expand into the private sector, producing commercially competitive goods and services. MDRC's experience will carry us well beyond what has been learned from Wildcat.

* U.S. Departments of Labor; Health, Education and Welfare; Housing and Urban Development; National Institute of Drug Abuse; and the Law Enforcement Assistance Administration.