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THIRD ANNUAL RESEARCH REPORT
ON
SUPPORTED EMPLOYMENT

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INTRODUCTION

This report summarizes research findings for the first three years of the Wildcat Service Corporation. It supplements and updates information contained in Wildcat: The First Two Years, The Second Annual Research Report on Supported Work. The report contains five parts. The first provides a brief overview of the Wildcat experiment. The next part presents three years of operations data including statistics on employee flow and on graduation to non-subsidized employment; it also explains the evolution and functions of the Employee Services Unit. The third part reports recent findings from the First and Second Annual interviews of participants in a number of controlled experiments to determine the impact of Wildcat. The fourth part presents the benefits and costs of Wildcat during its third fiscal year (FY 1974-75) are analyzed. A summary concludes the report.

I. THE WILDCAT EXPERIMENT

Begun in New York City in 1972, the Wildcat Service Corporation was set up as a pilot project by the Vera Institute of Justice to use welfare funds, bolstered by experimental grants from government agencies, to put unemployed ex-offenders and ex-addicts in treatment to work on public service projects. Welfare grants, which would otherwise be used as income subsidy payments to the participants, are diverted to Wildcat to cover approximately one third of participants' salaries.

Supported work is based on the premise that people who have been viewed as unemployable because of histories of drug addiction or crime can build skills, self-confidence, and good work habits if they are placed in job settings where their problems are understood and offset by sensitive management and supportive peers.

At Wildcat, good performance is rewarded by small salary increases, bonuses, and promotions that come more frequently than in normal job situations. Most employees begin at \$95 a week, and after eight weeks are eligible for their first raises; subsequent raises are based on attendance, punctuality, and performance. Monthly bonuses are another incentive, and promotion within Wildcat is a realistic expectation for a beginning worker.

Chances of early failure at Wildcat are lessened by placing employees in small crews, each of which is supervised by a chief who is himself a former addict or ex-offender. Efforts are made to respond with flexibility rather than summary dismissal when personal problems affect attendance and work performance. Ter-

mination is almost always preceded by warnings, suspensions, and other intermediate disciplinary measures. Employees may take off a specified number of days for personal business, such as visits with parole officers or drug treatment counselors, and leaves of absence are available to help individuals cope with personal problems.

One of Wildcat's key principles is that real work experience is crucial for the chronically unemployed. Each employee receives a day's wage for a day's work, as in any other job; and the standards for bonuses or salary increases become more stringent and move closer to conventional performance standards as the employee's time with Wildcat lengthens. Recently, additional emphasis has been placed on skills training and supportive services in order to increase the rehabilitative impact of supported work. While Wildcat tries to meet the special needs of its employees, a leading goal is to move each participant on to a non-supported job.

Another principle behind Wildcat is that only those who voluntarily participate in a supported work program can profit from it.

During the three years of Wildcat's existence, it has employed almost 3,800 employees largely in clerical and maintenance jobs. Its public service projects include refinishing the lower facade of the New York City Municipal Building; cleaning plastering, and painting police precinct stations; preparing architectural plans for microfilming; renovating a firehouse; acting as interpreters for Spanish-speaking hospital patients; driving the elderly to and from hospitals and recreation centers;

renovating burned out tenements; planting trees in Brooklyn;
and operating a messenger service for city agencies.

II. OPERATIONS: THE FIRST THREE YEARS

A. Employee Flow

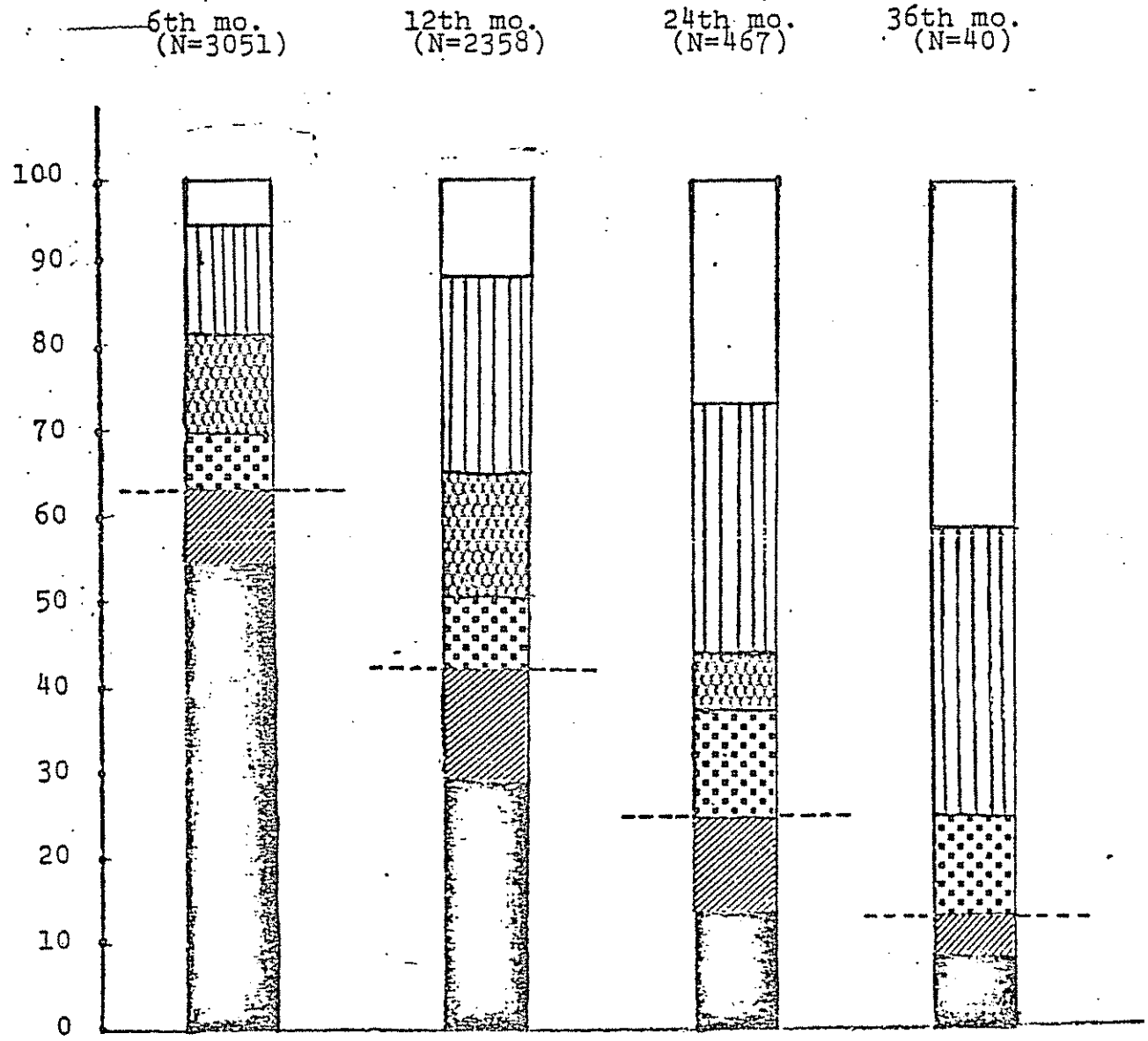
By June 30, 1975, Wildcat had employed 3,789 men and women. Figure 1 summarizes the flow of employees through Wildcat. It charts the status of Wildcat workers--whether they were still in the program, and if not, how they left it--at various lengths of time following program entry. The column at the far left ("6th mo.") presents the status in the sixth month after hiring of the 3,051 employees hired by Wildcat prior to February 1, 1975. The "36th mo." column at the far right reports on the 40 employees hired during July 1972.

The proportion of employees who remain at Wildcat decreases steadily with time. One year after their date of hire, 58 percent of the employees were no longer at Wildcat. By the end of the second year, three out of four workers were off the Wildcat payroll, and by the end of the third year, the proportion had risen to seven out of eight.

There is change over time not only in the proportion of workers who leave Wildcat but also in the reasons for which they leave. Twelve percent of employees moved on to a non-subsidized position within one year after program entry. Such "graduations" increase substantially with each additional year in the program: after two years, 28 percent of employees were in non-subsidized jobs, and after three years, 42 percent of employees held such positions. Over time, graduations to non-supported work represent an increasing proportion of all departures from Wildcat.

Figure 1

PROPORTION OF WILDCAT EMPLOYEES, BY EMPLOYMENT STATUS AND LENGTH OF TIME SINCE HIRING (as of June 30, 1975)



KEY:



Employed as crew members



Resigned



Promoted within Wildcat



Terminated



Separated



Graduated to Non-Subsidized Employment

----- still in Wildcat

Resignations are likely to occur during the first year after hiring, since they frequently reflect job dissatisfaction. Separations, on the other hand, stay within a constant range throughout (9-12% of all departures) since they reflect extraneous factors (such as long-term illness or a move outside of New York City) unrelated to length of time employed.

The proportion of workers who are fired increases steadily with length of time since hiring. By the 12th month of potential employment, 22 percent of those hired will have been fired; and firings account for about two-fifths of all departures from Wildcat whatever the time period examined.

Six months after hiring, 54 percent of the participants were still crewmembers; three years after hiring, only 8 percent were so employed. While with increased time in the program, the proportion promoted to non-subsidized work also rises, there is no such increase in the proportion promoted to crew chief. If such a promotion is to occur at all, it is most likely to occur within the first six months after hiring.

Absenteeism is the most frequently cited reason for termination. The average rate of absenteeism was about 9 percent for Wildcat's first two years; during the third year, it declined slightly to 8.6 percent.

B. Promotions to Non-Supported Employment

Rates of Promotion

Between October 27, 1972 and June 30, 1975, 436 people (12% of those ever employed at Wildcat) obtained non-supported jobs.

A Wildcat employee can move on to non-supported work in one of four ways: he can be promoted to the Vera or Wildcat staff; he can be "rolled-over" to the payroll of the agency in which he has been working; he can be placed through the efforts of the Vera and Wildcat job development staffs; or he can find a job on his own. (The last instance is termed a "self-referral.")

Of those 436 Wildcatters who moved on to non-supported work, 269 (62%) did so in Fiscal Year 1974-1975. Another way of looking at that figure is that one in ten Wildcat workers employed during the fiscal year found an outside job.

Between September 1972 and September 1975, New York City's unemployment rate rose from 6.5 to 11.9 percent. Thus, despite ever higher numbers of people out of work, employees who have stayed with Wildcat have been able to move on to non-supported jobs.

Retention in Non-Supported Jobs

Ninety-three percent of all Wildcat employees who moved on to non-supported jobs at least one year ago, and for whom data are available, were still working after three months--and thus passed what may be the toughest period of transition from supported to non-supported work. Eighty-six percent retained their non-supported jobs for at least one year. Workers who were promoted or rolled-over had slightly higher retention rates than those placed in companies where they had no prior experience, a finding which suggests that it is easier to adjust to non-subsidized employment if the environment remains familiar.

C. Reorganization of Employee Services

Job development data suggested that Wildcat employees continued to face formidable barriers to obtaining non-supported work. Frequently, they were unattuned to employer expectations and lacked requisite job skills. In December 1974, Wildcat management decided to provide employees with services which would enrich the Wildcat experience and better prepare them for outside employment.

The Employee Services Unit (ESU) was established to develop and implement a vocational counseling system as well as testing and training programs. The major component of Employee Services is a vocational counseling system to expand support and job counseling services. Staff resources were re-allocated in order to add career counselors. These counselors are assigned a caseload of 100 crewmembers whom they help with problems on the job at Wildcat, and with long-term vocational planning from intake through departure. The career counselor-employee relationship is to be complemented by orientation, testing, and training programs.

The Employee Services Unit staff structure at the Corporate headquarters is headed by a Corporate Officer and includes a job development director, two job developers, and two planners. With the creation of employee services units, Vera transferred its job development staff to Wildcat in February 1975.

Each unit has an ESU office which combines and expands previously existing departments: intake, support services, training and job readiness.

The functions of ESU are:

- 1) Recruitment.
- 2) Intake interviewing. The career counseling system begins at intake, or shortly thereafter, when the career advisor establishes an initial contact with the individual client which will be maintained throughout his career.
- 3) Testing. Previously, clerical tests were administered only to employees who requested them, or who had previous work experience. Employee Services now evaluates the basic academic capabilities of all crewmembers prior to job assignment.
- 4) Orientation.
- 5) Crisis intervention. Career counselors and unit resource developers provide employees with referrals for personal problems. They also use an "early warning system" for detecting problems that may affect work performance.
- 6) Vocational counseling. The basis of the counseling system is the ongoing relationship between the career counselor and crewmember. Counselors identify candidates for training programs and job matches.
- 7) Screening for special programs. Part of Employee Services' vocational commitment involves an expansion of training programs within Wildcat. Employee Services personnel recommend and screen employees who express interest in the various programs.
- 8) Foreman/supervisory training.
- 9) Remedial education.

During Fiscal Year 1975-1976, an evaluation of Employee Services will be conducted by Vera Research.

III. THE CONTROLLED STUDY: THE IMPACT OF WILDCAT ON ITS PARTICIPANTS

A. Study Methodology

To measure the effect of Wildcat in facilitating rehabilitation, a controlled study was implemented when Wildcat began in 1972. Such a study measures the impact of supported work by comparing changes in the lives of participants with what would have occurred in the program's absence.

From a pool of 600 eligible applicants, half were chosen at random to participate in Wildcat. The remaining half formed the control group. The original experimental and control groups constitute the "Manhattan Sample." Other experiments to test the impact of supported work are described in Section III C, but all use a similar methodology.

Participants in both programs have been interviewed on a regular basis to ascertain changes in their lives in the area of employment and income, illegal activity, drug abuse, and life patterns.

B. The Manhattan Sample: Two Years of Data

Two years of data are now available for 166 experimentals (59% of the total) and 203 controls (73%) who had been in the Manhattan sample for at least 24 months as of August 1975. All participants had both First and Second Annual interviews. In this way, it is possible to monitor the activities of the same group of participants over two years.

Employment and Income

Table 1 summarizes major trends in employment and income over the two-year period. It shows that while differences between experimentals and controls remained sizable on most variables, these differences narrowed over the second year. A study to verify self-reported employment data suggests controls tended to overstate employment more than terminees. This means that the differences may be greater than reported, as fewer controls were working.

For example, the average second-year earnings of experimentals were nearly two and a half times higher than those of controls (\$5,014 vs. \$1,827).* On the average, experimentals earned \$573 less the second year than the first year, while controls earned \$767 more.

During the entire second year, 75 percent of experimentals and 48 percent of controls worked at some point. For both groups, the proportion working during the last quarter was lower: 61 percent of experimentals and 41 percent of controls.

Most unemployed sample members, both experimentals and controls, received public assistance.** The proportion of experimentals on public assistance at the end of each year rose from 22 to 32 percent; for controls, it declined from 72 to 65 percent. Thus, only half as many experimentals as controls were receiving public aid at the end of the second year.

* For persons whose employment was verified, and for whom employers agreed to release salary information, self-reported wages were accurate for both groups.

** That is, they received direct public assistance, as opposed to the diverted SSI funds which constitute part of their Wildcat paychecks.

Table 1

FIRST- AND SECOND-YEAR EMPLOYMENT AND INCOME:
Manhattan Sample
(Self-Reported)

Employment and Income Data	Time Frame and Sample Status			
	First Year		Second Year	
	Experimentals N=166	Controls N=203	Experimentals N=166	Controls N=203
Percentage Working at Some time Dur- ing Year	92	50	75	48
Mean Number of Weeks Worked	39	12	32	17
Mean Annual Earnings (\$) ^a	5,014	1,060	4,441	1,827
Mean Weekly Earnings (\$) ^b	110	98	125	110
Percentage Leaving At Least One Job	31	53	33	33
Percentage Receiving Direct Public Assis- tance at End of Year	22	72	32	65

SOURCE: Data from First and Second Annual Interviews, Wildcat Controlled Study.

NOTE: ^a Mean annual earnings of all experimentals and controls

^b Mean wages of those experimentals and controls who worked.

Self-Reported Drug Use and Criminal Activity

Wildcat employees generally come to the program with extensive histories of drug use and criminal activity. A clear aim of rehabilitation is to curb such actions.

Table 2 shows first- and second-year interview findings. Data presented in the text are based on self-reports.

Drug Use and Drug Program Status: In both years, the proportions of experimentals and controls reporting drug use were similar, but reported use was more frequent during the second year.* The proportion of experimentals reporting use of any illicit drug (excluding marijuana) was 18 percent the first year and 34 percent the second year; for controls, the figures were 24 and 30 percent. Heroin use was higher for controls the first year (9% vs. 2%), but the two groups were similar the second year (7% of controls vs. 9% of experimentals). Aside from alcohol and marijuana, cocaine was the most frequently chosen drug, with some use reported by a quarter of the respondents in each group during the second year.

The proportion of respondents reporting daily drinking was higher for controls at the end of the first year, but similar for both groups at the end of the second year.

* Preliminary verified data from drug treatment programs indicate that drug use is under-reported by both groups.

Table 2

FIRST- AND SECOND-YEAR DRUG USE AND CRIMINAL ACTIVITY:
Manhattan Sample
(Self-Reported)

Drug Use and Criminal Activity	Time Frame and Sample Status			
	First Year		Second Year	
	Experimentals N=166	Controls N=203	Experimentals N=166	Controls N=203
Percentage Using				
Any Illicit Drug (excluding Marijuana)	18	24	34	30
Heroin	2	9	9	7
Cocaine	12	15	25	25
Percentage Report- ing Daily Drinking	15	21	17	19
<hr/>				
Percentage Arrested	16	20	16	13
Percentage Reporting Committing Crime Without Arrest	16	27	20	20
Percentage Reporting Hustling	35	39	30	33

SOURCE: Data from First and Second Annual Interviews, Wildcat Controlled Study.

By the end of the second year, 29 percent of both experimentals and controls had departed from the drug programs which had referred them to Wildcat.

Criminal Activity: As with drug use, there was little difference in the proportion of experimentals and controls reporting criminal activity in the second year; but while self-reported drug use increased between the first year and the second, there was no such increase in the amount of criminal activity.

In both years, 16 percent of experimentals reported being arrested; for controls, the proportion declined from 20 percent to 13 percent.* The proportion of experimentals reporting "hustling" (such minor illegal activity for profit as numbers-running and petty con games) was also similar for the two groups: during the second year, 30 percent of experimentals and 33 percent of controls reported hustling, compared to 35 and 39 percent, respectively, the first year.

* A study to verify self-reported arrests shows that there is, as expected, significant under-reporting. Verified data on 264 experimentals and 267 controls indicate that one quarter of the former and one third of the latter were arrested during the first year. Verified second-year arrest information for about half the sample shows similar proportions for the two groups: 23% of experimentals, 22% of controls were arrested. From these verified data, it appears that both groups under-report arrests to about the same extent.

The 166 experimentals and 203 controls for whom self-reported arrest data are presented constitute a sub-sample of those examined in the arrest verification study. However, it is reasonable to assume that the proportions shown in Table 2 undercount the actual amount of criminal activity.

Life Patterns

Table 3 reports several findings that fall under the rubric "life patterns." In general, the data show either little change between Year One and Year Two or narrowed differences between experimentals and controls.

Residence: About a third of experimentals and controls moved during both years. Mean rents were higher for experimentals the first year (\$105 vs. \$95), but this difference disappeared the second year, when the mean rent was about \$102 for each group. Both years, experimentals resided in slightly larger quarters: 3.4 rooms vs. 3.0 rooms for controls.

At the end of both years, experimentals were living with more people than controls, whereas controls were more likely to live alone.

Marital Status and Children: At the end of the second year, as at the end of the first, a higher proportion of experimentals were married (51% vs. 34% of controls).

First-year data showed more experimentals living with their children (46% of those with children vs. 28% of controls), but by the end of the second year there was no difference (40% for each group). Similarly, experimentals were supporting more people than controls at the end of the first year (2.6 vs. 1.6), but this difference, too, was no longer evident at the

Table 3

FIRST- AND SECOND-YEAR LIFE PATTERNS:
Manhattan Sample

Life Patterns	Time Frame and Sample Status			
	First Year		Second Year	
	Experimentals N=166	Controls N=203	Experimentals N=166	Controls N=203
<u>Residence</u>				
Mean Rent (\$)	105	95	102	102
Percentage Living Alone	18	35	24	34
<u>Marital Status and Children</u>				
Percentage Married	53	38	51	34
Percentage Living with Children ^a	46	28	40	40
Number of Persons Supported	2.6	1.6	1.9	1.7
<u>Education and Health</u>				
Percentage Attending School	26	26	18	18
Percentage Hospi- talized during Year	22	18	15	21

SOURCE: Data from First and Second Annual Interviews, Wildcat
Controlled Study.

NOTE: ^a Percentage is of all sample members with children.

end of the second year (1.9 vs. 1.7).*

Education and Health: The proportion of participants attending school dropped from the first to the second year, but there was no difference between experimentals and controls: about 26 percent of both groups attended school the first year, 18 percent the second year. The mean number of weeks attended was also the same. There were no substantial differences in the types of schools attended.

The average number of doctor's visits was similar for the two groups, about five visits per year. Hospitalization rates for both groups were high: 22% of experimentals and 18% of controls the first year, 15% and 21%, respectively, the second year. For persons who were hospitalized, whether experimentals or controls, the average length of stay was above 20 days each year.

* The interview question asks, "How many people including yourself were you supporting...?" Thus, the average experimental was supporting himself and one additional person at the end of the second year.

The decrease in number of dependents and in the proportion of experimentals living with their children may be related to decreases in employment and earnings. Although marriages or common-law arrangements may not be terminated with the loss of steady income, children may be supported by welfare, or may go to live with another relative.

C. Other Experiments in Supported Work

The Manhattan sample dates back to the beginning of Wildcat. First-year findings therefore reflect Wildcat's original clientele and modus operandi. Since that time, three additional controlled studies have been implemented to examine different dimensions of supported work and the groups which it serves.

The Ex-Offender sample analyzes Wildcat's impact on a group of workers, both ex-addicts and non-addicts, entering the program from different referral points within the criminal justice system. Ex-offenders have been given special supports: "buddies" on staff act as client advocates; an early warning system identifies workers in need of counseling; and a more lenient rehiring policy is followed.

Ex-offenders have been referred to Wildcat from three points in the criminal justice system (work release, parole, and post-release) in a controlled experiment which began in January 1974. Of every two people referred, one is randomly selected for employment at Wildcat, while the other is left on his own to find employment.*

The sample groups in the experiment consisted of the following members as of June 1, 1975:

* Controls on work release are those eligible for work release. Some hold non-Wildcat positions; others remain incarcerated until they find a job.

	<u>Experimentals</u>	<u>Controls</u>
Parole	62	61
Post Release	47	45
Work Release	<u>49</u>	<u>50</u>
TOTAL	158	156

By September 1, 1975, 103 experimentals and 101 controls had been in the sample for one year and were thus eligible for annual interviews.

The Wildcat/TEP sample examines the comparative impact of Wildcat and the Transitional Employment Program (TEP). TEP was initiated by the New York City Health Services Administration (HSA) and is funded by the City Department of Employment as an alternative to the Wildcat program of supported work for ex-addicts. TEP employees work in HSA with regular City employees on a full-time basis. During this period, they are expected to develop the work habits and skills necessary for regular employment; they are encouraged to take civil service tests or to look for jobs in the private sector. TEP employees must meet the same eligibility criteria for enrollment that are used by Wildcat; they were hired beginning October 1973 at an entry-level salary of \$102 per week.* There is no opportunity for salary increase or promotion within TEP, although a few transitional employees

* Entry-level salaries were raised by incremental stages to the current \$126. Earnings of TEP experimentals who remained in the program reflect this increase.

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have been able to roll over to provisional civil service lines.

TEP does not offer its employees the formal work supports of Wildcat: ex-addicts enrolled in TEP do not work in teams; they are expected to meet the same performance criteria as regular City employees; and they have available to them the same counseling and referral services provided to all City employees through the Employee Counseling Program. However, there are indications that informal supports do exist. Supervisors have allowed time for adjusting to attendance and productivity standards, most supervisors report that they make a special effort to praise work well done, and in some cases where the supervisor or the employee has been unhappy with the job match, the employee has been transferred.

The Wildcat/TEP study compares data from the first annual interviews for 83 Wildcat experimentals (73% of the total), 95 TEP experimentals (71% of the total), and 22 controls (49% of the total).

The Bronx Wildcat research sample provides an assessment of changes in the impact of supported work following expansion, as well as impact changes attributable to demographic or operational differences compared to the Manhattan and Brooklyn units. It was begun in August 1974 and was planned to contain 100 experimentals and 100 controls. However, since budget cutbacks reduced Wildcat's hiring rate, the sample was closed with 54 experimentals and 57 controls. Early comparisons between experimentals and controls have been made on the basis of intake and six-month follow-up interviews.

In discussing the impact of these programs, first-year data from the Ex-Offender and Wildcat/TEP studies are compared with first-year data from the Manhattan sample. Because the Bronx sample spans only a six-month period, it is looked at separately. All data are based on self-report.

1. First Year Results: Ex-Offender, Wildcat/TEP and Manhattan Samples

As Table 4 shows, experimentals were more likely to work at some time during the year than controls. Experimentals in all three samples averaged about 40 weeks of work per year; ex-offender controls worked half as much, and Manhattan and TEP sample controls worked less than a third as much as experimentals. One ex-offender control reported earnings of \$10,250 a year, over \$3,000 more than the highest reported ex-offender experimental wage.

Among experimentals, Wildcatters in the Wildcat/TEP sample worked most, and reported the highest earnings.

Data on receipt of welfare among the three samples are not comparable, because some ex-offenders (those on work release) are in prison and therefore ineligible for public assistance. Similar patterns of welfare utilization are, however, evident

Table 4

WILDCAT'S FIRST-YEAR IMPACT ON THREE RESEARCH SAMPLES

Research Sample and Participant Status

AREA OF IMPACT	Ex-Offender Sample		Wildcat/TEP Sample		Manhattan Sample	
	Experi-mentals N=65	Con-trols N=48	WC Exps N=83	TEP Exps. N=75	Experi-mentals N=148	Con-trols N=160
<u>Employment and Income</u>						
Percentage Working at Some Time during Year	91	35	99	95	96	52
Mean Number of Weeks Worked	40	19	42	41	40	11
Mean Annual Earnings (\$)	4,974	1,909	5,504	4,886	4,460	1,112
Percentage Receiving Direct Public Assistance at End of Year	9	27	20	24	20	72
<u>Drug Use and Criminal Activity</u>						
Percentage Using: Heroin	8	10	3	3	1	7
Cocaine	28	38	16	12	12	15
Percentage Arrested in Year After Entry ^a	22	21	16	14	16	20
<u>Life Patterns</u>						
Mean Rent (\$) ^b	85	90	110	104	105	95
Percentage Living Alone ^b	25	25	17	19	16	38
Number of Persons Supported	1.5	1.5	2.3	1.7	2.5	1.5

SOURCE: Data from First Annual Interviews, Wildcat Controlled Study.

NOTES: a) For ex-offender sample, refers to an arrest on new charges. See p. 26

b) For ex-offender sample, refers to persons out of prison only.

for the Wildcat/TEP and Manhattan samples.*

"Ex-offenders" are frequently also "ex-addicts." Indeed, ex-offender experimentals reported using heroin and cocaine more frequently than experimentals in the other samples. TEP experimentals had lower rates of drug use than Wildcatters in the Wildcat/TEP sample: 13 percent of TEP experimentals reported using an illicit drug (other than marijuana), while for Wildcat experimentals the proportion was 22 percent and for controls reached 36 percent.

Ex-offenders were more likely to report an arrest than were members of the Wildcat/TEP sample. To make more accurate comparisons among the samples, aggregate data on ex-offenders will be analyzed by in-prison/out-of-prison status.

Ex-offenders out of prison paid lower rents than their counterparts in other groups; ex-offender experimentals were more likely to live alone, and ex-offender controls were less likely to live alone, than their counterparts in the other sam-

* The following table shows how the status of ex-offenders and controls in the sample changed with respect to employment, receipt of public assistance, and incarceration from the first quarter to the last quarter of the year. The percentages are approximations. Those people on work release are counted as both working and in prison for the first three quarters; therefore, rows do not sum to 100%. The work release program ended during the fourth quarter.

	<u>Experimentals</u>			<u>Controls</u>		
	<u>Work</u>	<u>Welfare</u>	<u>Prison</u>	<u>Work</u>	<u>Welfare</u>	<u>Prison</u>
1st Q	89%	2%	30%	42%	23%	35%
2nd Q	86%	2%	16%	42%	23%	16%
3rd Q	71%	3%	6%	44%	25%	8%
4th Q	66%	9%	11%	35%	27%	10%

plea. Wildcat workers in both the TEP and Manhattan samples supported more dependents than did members of other groups.

2. Six-Month Results: The Bronx Sample

Six-month interviews are available for 33 Bronx sample experimentals (97% of the people who had been in the program at least six months and were therefore eligible for interviews) and 28 controls (74% of those eligible). Because controls were more difficult to contact for interviews, comparative data should be regarded with caution. Demographically the two groups are similar except that the control group has a higher proportion of males and a lower proportion of single people than the experimental group.

Table 5 shows similarities and differences between the groups after six months. Although mean weekly wages of controls who worked were higher than those of experimentals, experimentals were far more likely to have worked at all. Conversely, controls were much more likely to have collected direct welfare payments during the period.

Table 5

SIX-MONTH IMPACT DATA:
Bronx Sample

<u>Employment and Income Data</u>	Sample Status	
	Experimentals N=33	Controls N=28
Percentage Working during Period	97	29
Mean Weekly Earnings (\$)	102	106
Percentage Receiving Direct Public Assistance during Period	16	71
<u>Drug Use and Criminal Activity</u>		
Percentage Using Any Illicit Drug (excluding Marijuana)	3	4
Percentage Arrested	6	18
<u>Life Patterns</u>		
Mean Number of Dependents Supported	1.9	1.4
Percentage Entering Relation- ship with Partner	6	21

SOURCE: Data from Six-Month Interviews, Wildcat Controlled Study.

One of the eight employed controls left his job because it was a temporary position, and one of the 33 experimentals left the job. Two experimentals graduated to non-supported employment.

Self-reported drug use was similar for the two groups. A higher proportion of controls reported detoxifying from methadone. The self-reported arrest rate of controls was three times that of experimentals.

About three in ten members of each group moved during the six months. This is a higher rate than was exhibited by the Manhattan or Wildcat/TEP samples. More controls than experimentals changed marital status (21% vs. 9%); among controls who changed, all established households, while one of the three experimentals who changed became divorced or separated.

Finally, a higher proportion of experimentals attended school (30% vs. 18%), with most of this schooling in conjunction with their Wildcat jobs.

3. The Three Secondary Experiments in Summary

Perhaps the most important fact about the Ex-Offender, Wildcat/TEP, and the Bronx sample findings is that they hold few surprises. Sample participants by and large replicate the behavior patterns that the First Annual Interviews of the Manhattan sample display.

The additional studies substantiate findings of the first-year Manhattan sample results described in Wildcat: The First Two Years, and thereby demonstrate that Wildcat's expansion has not changed its impact. The Ex-Offender study shows that the benefits of supported work extend to people who have

been in prison and are readjusting to the community as well as to work. The Wildcat/TEP sample suggests that the supported work concept need not be implemented along any single model to be effective. The Bronx sample indicates that program expansion, modifications in operations, and variations in the ethnic composition of workers do not appear to pose difficulties.

IV. COSTS AND BENEFITS TO WILDCAT: THE THIRD FISCAL YEAR

Part IV contains an updated analysis of the costs and benefits to the taxpayer of the Wildcat program during the 1974-1975 Fiscal Year.* The first section describes the methodology employed in performing the analysis. Then, program costs and funding sources are set forth. The third section measures benefits derived both from the services that Wildcat employees provide and from the program's impact on tax revenues and welfare and criminal justice system expenditures. Finally, benefits are weighed against costs to calculate what the taxpayer gets back in return for what he spends.

* Costs and benefits can also be measured from three other perspectives: that of program participants, that of the funding agency or agencies, and that of "society" as a whole. All four analyses are presented in Wildcat: The First Two Years.

This cost-benefit analysis measures the costs and benefits to the taxpayer of taking on a new employee for a year. It weighs the public cost of Wildcat as if the program had begun in Fiscal Year 1974-1975. The benefits counted are those that have been found to exist for first-year employees, as indicated by first-year data from the Manhattan sample. Benefits and costs accruing to participants after the first year are not calculated in this analysis. The assessment of longer-term costs and benefits will be completed when the full set of second-year data is available.

Figures on income, criminal activity, and welfare receipt appearing in Part III of this report are different from the first year Manhattan sample data presented here. Part III results are derived from interviews with 166 experimentals and 203 controls (those for whom both First and Second Annual Interviews were available). In this part, first-year results are based on all First Annuals of experimentals and controls.

A. Methodology

The cost-benefit analysis draws on both operational data and on measures of program impact supplied by the controlled study.

Wildcat's costs include the operational funds received by Wildcat from City and federal agencies, Supplement Security Income (SSI) diversion, and service contracts.

Benefits are counted in two ways: 1) by measuring the direct benefits (or value) of the services provided, and 2) by calculating the monetary benefits of reduced welfare and crime costs and increased tax revenues.

Estimates of the value of the services are based on estimates of their cost had they been provided commercially.

For maintenance work, the estimates of commercial value are derived from U.S. General Services Administration bid specifications and maintenance company contracts for similar work. For painting and construction projects, the commercial value estimates are derived from the Means and Dodge Manuals, which are standard industry references. Commercial value in clerical and para-professional projects is based on data from the U.S. Bureau of Labor Statistics and on the average of current wages advertised in the newspapers.

However, there are several limitations involved in calculating the value of services:

- 1) In various projects there are indirect benefits accruing from the services Wildcat has provided. For instance, information booths manned by Wildcat employees may have enhanced the City's tourist industry. Such indirect benefits

are not counted here.

2) Some benefits may be long-term and broadly-based and therefore difficult to calculate. For example, the Garment Center projects may contribute to long-range improvements in New York City's largest industry.

3) There are additional benefits which are important but unquantifiable. The fact that Wildcatters are providing productive services may well be changing perceptions about the employability of ex-addicts; in this respect, a Wildcat crew working in a police station may be more effective than human relations courses for police. (The process works both ways: Wildcatters may acquire new respect for law enforcement officers.)

4) There is an overall efficiency and value in having a large, mobile, and flexible work force to handle special projects and emergencies. (When a telephone company fire knocked out phone service on the Lower East Side for several weeks during the spring of 1975, Wildcat provided a low-cost messenger service.

Calculation of welfare, tax and crime-related benefits are based on data from the Manhattan Wildcat experimental and control groups. In analyzing the benefits, it is assumed that the patterns displayed by the control group would have applied to experimentals if Wildcat did not exist--that is, if Wildcatters did not have the opportunity to participate in a supported work program.

The patterns of the experimental group are applied to all people who had the opportunity to participate in the program.

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In terms of the cost-benefit analysis, then, all Wildcat employees are considered equivalent to experimentals from the time of their entry into the program.

The monetary consequences to the taxpayer of the differences between the experimentals and controls are counted as benefits of the program.

The figures on costs, the value of services, welfare receipts, tax revenues, and criminal justice system expenditures are calculated for Fiscal Year 1974-1975 only. This approach ignores long-term differences between experimentals and controls along any of these dimensions. This procedure also ignores benefits that spill over into the next year. For example, during the twelve-month period following his entry into Wildcat in January 1975, an employee may need \$1500 less in welfare payments than would a control. However, only half that amount would be counted as a benefit. (The other half would occur in FY 1975-1976 and hence is ignored in our calculations.)

A methodological problem results because about half of the 2700 employees enrolled in Wildcat during FY 1974-1975 were not in the program for the entire twelve months. It can be assumed that they benefited from the experiment only for whatever proportion of the fiscal year followed the date of their entry. Thus, all employees on the payroll in July 1974 had the potential benefits of the program for 12 months; those who started in August had its benefits for only 11 months; and so on. If all benefit-months are totaled and divided by twelve, there were 2181 "benefit-years" during FY 1974-1975. Therefore, 2181, rather than 2700, is the size of the benefited employee population, and the relative benefits for one year for one participant

(available from the controlled research data) are multiplied by 2181 to arrive at a total dollar value for all benefits.*

B. Program Costs

Sources of Wildcat funding in FY 1974-1975 are listed below. The amounts shown are those chargeable to the various funding agencies during the fiscal year.

The total investment in Wildcat was \$13,842,300.**

WILDCAT FUNDING SOURCES AND AMOUNTS: FISCAL YEAR 1974-1975

<u>Funding Source</u>	<u>Amount (\$)</u>	<u>Percentage of Total</u>
New York City Department of Employment	7,639,900	55
Service Contracts	1,653,200	12
SSI Diversion	2,427,300	18
Law Enforcement Assistance Administration	493,300	4
Department of Labor	541,000	4
National Institute of Mental Health (National Institute on Drug Abuse)	1,075,600	8
Miscellaneous	<u>12,000</u>	<u>a</u>
	13,842,300	100

NOTE: Percentages may not sum to 100% due to rounding.

^a less than .1%

- * This method of estimating benefits is different from that used in the Second Annual Report. Those calculations were based on man-years of labor with Wildcat, although the benefits in fact accrue to the taxpayer whether or not the participant is a Wildcat employee at the end of the year. To some extent the conceptual complications of man-years versus benefit-years are avoided here, since total benefits and costs of all Wildcat workers are reported.
- ** There is also a slight additional cost in New York City's overhead for administering the DCE contract. Costs of contract administration are ignored here because of the difficulty of making reliable estimates. General administrative costs of Wildcat are, however, included.

C. Program Benefits

1. Value of services provided.

During the fiscal year, Wildcat workers were employed in 480 projects. Of these, 332 projects were for the New York City government, and the remainder were for non-profit community agencies.

The approximate commercial value of these projects was \$9,000,000.

2. Welfare-, crime-, and tax-related benefits.

a. Reduced welfare utilization.

Wildcat employs both individuals who were "grandfathered" into SSI because of their prior welfare status and individuals who came into the SSI program under special waivers granted to Wildcat by the Social Security Administration. Aside from the diversion of SSI grants into the Wildcat salary pool, Wildcat employees may also receive direct grants if they leave the program without finding new employment, or if their budget needs otherwise exceed their incomes.

It is possible to predict direct welfare receipt in FY 1974-1975 on the basis of information about the welfare eligibility of Wildcat employees and the welfare patterns exhibited by experimentals and controls. The controlled study also indicates the average direct payment received.

	<u>Experimentals</u>		<u>Controls</u>	
	<u>% Re- ceiving Assistance</u>	<u>Mean Annual Grant (\$)</u>	<u>% Re- ceiving Assistance</u>	<u>Mean Annual Grant (\$)</u>
Home Relief	3.8	1,972*	14.7	2,414*
SSI	13.7	1,491**	47.4	2,516**
None of the Above	<u>82.5</u>	--	<u>37.9</u>	--
TOTAL	100.0	--	100.0	--

* These figures are based on self-reported interview data, adjusted as a result of a sample verification check.

** Self-reported interview data, unadjusted because the verification check did not apply to SSI and because errors in perception of SSI support are less frequent.

The total direct welfare bill (for 2181 "benefit-years") was \$608,900 with Wildcat in operation (2181 (.038 x \$1,972 + .137 x \$1,491)). It would have been \$3,375,000 if Wildcat did not exist (2181 (.147 x \$2,414 + .474 x \$2,516)).

Thus the net reduction in direct welfare grants was \$2,766,100.

b. Reduced criminal activity

Ex-addicts who have worked at Wildcat had a lower rate of (verified) arrests and incarceration during the first year than those who did not participate in supported work. Based on the number of arrests per year in the experimental and control samples, it is estimated that for the 2181 Wildcat employee benefit-years, there would have been 131 more arrests if Wildcat did not exist.

The cost to the criminal justice system of processing an arrest is approximately \$2150 for the current fiscal year.* Therefore, 131 fewer arrests would save the system \$281,650.

Incarceration costs have been estimated by the New York City Bureau of the Budget to be approximately \$40 per day per prisoner.**

* In 1971-72, the cost per arrest was \$1705 (See Expenditure and Employment Data for the Criminal Justice System, 1971-1972, National Criminal Justice Information and Statistical Service SD-EE No. 4, U.S.G.P.O., 1974). Taking into account the 25.7% cost inflation from 1971-73 through 1974-75, the cost per arrest would be \$2150.

** This figure is lower than the per-person cost one would obtain if the total corrections budget is divided by the number of prisoner-days in a year. This is to account for the fact that savings equal to that cost can only be realized when there is a large decrease in the number of people incarcerated. (Such a decrease would enable building wings to be closed, staff to be released, etc.)

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Since 2% of experimentals and 9% of controls were incarcerated, the corrections systems would have had 139.4 more prisoners if Wildcat did not exist in 1974-1975. The average length of incarceration for both experimentals and controls was 158 days; the average cost per incarceration, then, was \$6320. A savings of \$881,000 (i.e., \$6320 x 139.4) in corrections costs for the fiscal year could therefore be attributed to Wildcat.

Adding the arrest-processing savings of \$281,650 to the corrections savings of \$881,000 results in a total savings of \$1,162,650* attributable to reduced criminal activity among Wildcat participants.

c. Tax revenues

In the twelve months following date of entry into the sample, the average total annual income (including direct welfare) of experimentals was \$5330 and that of controls \$3005. Average annual earnings were \$5104 for experimentals and \$1164 for controls. These substantial differences in income and earnings are reflected in increased tax revenues.

1) Income taxes levied on Wildcat employees

In FY 1974-1975 Wildcat withheld approximately \$1,358,000 in all income taxes from crewmembers.

* This figure does not include 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.

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A typical control should pay about \$70 per year in income taxes. (Most controls pay less, because in many of their jobs taxes are not withheld.)

In other words, if Wildcat did not exist, income tax receipts would have been only \$189,000. The net income tax increase was \$1,169,000.*

2) Sales taxes from Wildcat employees

In a study of daily expenditure logs of experimentals and controls, it was found that 46 percent of experimentals' incomes were spent on sales-taxable items and 41 percent of controls' incomes were spent on taxable goods. In other words, experimentals can be expected to spend an average of \$2452 and controls an average of \$1232 per year on sales-taxable items.

At a tax rate of 8 percent, the city and state receive \$196 per year in sales taxes for each experimental and \$98 for each control, a difference of \$98 per person. Thus, for 2181 employee benefit-years, there is an approximate net increase in sales tax revenues of \$213,000.

3) Total

Total net tax benefits of the Wildcat program equal \$1,382,400 (the sum of net sales taxes and income taxes).

* The \$1,358,000 represents withholdings from the 2700 Wildcat-ers employed during the year. Therefore, in this instance, taxes that would be collected if Wildcat did not exist are calculated as $\$70 \times 2700$ (not 2181) = \$189,000.

D. Summary of Costs and Benefits

During Fiscal Year 1974-1975, Wildcat provided the following benefits and incurred the following cost:

	<u>Benefits</u>	<u>Cost</u>
Value of Services	\$ 9,000,000	
Reduced Welfare Utilization	2,766,100	
Reduced Criminal Activity	1,162,650	
Increased Tax Revenues	<u>1,382,400</u>	<u> </u>
TOTAL	\$14,311,150	\$13,842,300

For every dollar invested in supported work, the taxpayer received \$1.03 in return.

V. Summary

Since Wildcat began three years ago, it has employed over 3700 workers, of whom some 1300 are currently on its payroll. Wildcat has expanded to include ex-offenders as well as ex-addicts, and operational as well as experimental data from the Ex-Offender, Wildcat/TEP, and Bronx samples suggest that supported work is effective in different environments and with different kinds of participants.

The impact of Wildcat on its participants has been most evident in the areas of employment and income, although the earnings gap between participants and non-participants, as measured by the Manhattan sample, has narrowed over time as the proportion of employed controls has gradually increased. One important long-term question is whether the difference in income shown by the two groups will continue after all experimentals have left Wildcat. The recession has curtailed job placement, but the success that Wildcat graduates have experienced in non-supported employment and the salaries and positions they have obtained suggest that Wildcat has effectively prepared people for long-term job commitments.

Data from the controlled study indicate that the effects of Wildcat on the life styles of its participants have been less dramatic than its impact on employment. Although verified arrest data have shown a significant reduction in arrest rates for Manhattan experimentals during the first six months after entry, this effect has diminished with the passage of time. For the Bronx sample, a similar reduction in arrests for the first six months is reported. Similarly, at the end of one year, Wildcat participants supported more dependents than did non-participants; after two

years, the difference was smaller. Although differences between the two groups in the amount of reported drug use have never been large, these, too, have lessened with time.

The data from the experimental sample suggest that Wildcat has a substantial positive impact on its participants during the first twelve months, but that this impact decreases over time. Some of the impact, such as the increase in number of dependents and reduction in criminal activity, may be due to the increase in income or employment after entry. If employment or added income per se is responsible for the reduction in criminal activity and increase in dependents, narrowing differences between experimentals and controls on these variables would explain the narrowing difference in behavior. Third and fourth-year follow-up data from the Manhattan sample will provide insights into the long-term impact of supported work on income and employment as well as criminal activity, drug use, and family responsibilities.

In response to a concern among Wildcat staff that Wildcat was not providing sufficient supports to prepare employees for outside jobs, the Employees Service Units were developed. Research findings that special supports--such as a "buddy" system and an early warning system--had reduced negative termination among ex-offenders have led Wildcat to provide vocational guidance and counseling from intake until participants leave the program. A preliminary assessment of the impact of the Employee Services Units will be available by April 1976, but another year is necessary to test it adequately.

Wildcat's emphasis has been on making supported work economically viable, and indications are that it has done so.

In Fiscal Year 1974-1975, Wildcat workers produced \$9 million of services and served as a mobile, readily accessible work force able to meet important municipal needs as they arose. The taxpayer return was \$1.03 for every \$1 invested in supported work.