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THE EDUCATION/WORK GRANT,  
A CASE FOR  
NATIONAL INVESTMENT

BY  
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**T**here are people who live on the economic fringe of society and resort to crime as a means of economic survival. They will continue to choose crime as an alternative until society chooses to set policies and make the necessary investment to support programs to bring them into the economic mainstream.

Thousands of men and women find it necessary to slip back and forth between legitimate employment and illegitimate means of earning a living. They live on the periphery of the economic system. Given a choice, they would prefer a legitimate alternative. However, they are often without choice. They do not have a choice because there is often a scarcity of jobs, particularly at the lower skill levels, and because they are not prepared to compete in the job market.

The relationship between crime and employment has been known since the early 1960's when several studies confirmed the association that many had long suspected.<sup>1</sup> Criminologists have been aware that persons with criminal records are particularly vulnerable to fluctuations in the job market. A sizeable proportion of the people who enter the justice system are the people who live on the fringe of the economy.

"... statistical indices of noncriminality include the duration of the longest period of employment in a particular job held by a person, his total legitimate earnings per year, the percentage of his time in the civilian community during which he was employed when not in school, and the status of the jobs he has had as measured on any reasonable scale... The higher on the scale all of these items are, the lower is the percentage of failure on parole."<sup>2</sup>

Apparently, if the vulnerable people on the fringe of the economy can be identified and maintained in employment that advances them along a career ladder for a period of years their participation in crime may virtually cease.

#### I People Who Straddle the Edge of the Economic System Often Resort to Crime

Poverty and discrimination place people in vulnerable positions. Through a variety of social mechanisms, minorities and the poor fill the ranks of the unemployed and the streams of human beings entering the justice system.<sup>3</sup>

Minorities -- Blacks, Chicanos, Puerto Ricans -- are over represented in both categories. The youth in all of these groups are particularly vulnerable. They do not share the experiences of the majority of youth who have a long history of gradual movement into economic independence through education, part-time work,

and family support. They do not have a public education that will adequately prepare them for college entrance, for white collar jobs or for skilled blue collar occupations. As a group they share a great number of experiences that are common among them. They also are individually unique. For example, John Washington is twenty-five and works as a para-professional in a federally funded diversion program in the central city. The funds are provided for one year only and his job depends on the grant.

John is on the fringe. He is bright, quick to assess a situation and able to articulate the core of a problem. He has a depth of knowledge and understanding of ghetto life. His verbal agility is highly respected among his peers. This skill is valuable for survival in his environment. He acquired this asset with little assistance from the school system. His inadequate education is reflected in his low level of reading and writing skills.

In John's background there is a minor juvenile offense which earned him six months at a youth forestry camp. He also served eight months at the county jail as an adult. He has worked for short periods at a garage, a car wash and a grocery store. When not employed he has survived by selling marijuana and stolen goods. He loves his present job and feels he is making a contribution, especially when he can help some kid avoid the same troubles he had. Underneath a cool composed surface, he is really scared about losing this job, and if this should happen, he sees no alternatives but the illegal ones.

I've known Alex since he was a 15 year old gang member. He recently walked into my office with a smile on his face, but a slump in his young shoulders. After the amenities, he asked if I knew of any available jobs. At twenty-one, Alex has spent the equivalent of three years locked up. After the last incarceration (he got out on parole six months ago), his wife had a baby and they were determined that he would stay out of trouble and earn a living. He told me that he had completed a six-week welding course in prison but had not been able to find a welding job. He worked in a car wash for two months and then got laid off. I had to tell him that I didn't know about any job openings. We both knew, but did not say, that he was teetering on the precipice. He had reached the end of his resources. He'll soon take the risk of crime and gamble that things will get better before he gets caught...

Alice is another "fringe" person. She is 19 and had just served fourteen days in jail for prostitution. She dropped out of high school at 16, already so far behind academically that she was unable to pass her school subjects. No one discouraged her from dropping out of school. She was never a bright student, but as she moved with her family from town to town, she gradually lost her grasp of continuity in school. When she finally dropped out of school, her father, op-

pressed by his struggle to feed the family, told her she would have to leave home. She managed to get a job as a car hop in a drive-in, but was laid off at the start of winter. Lonely and hungry on a city street she was befriended by a pimp.

Alice hates prostitution and lives in fear of her family finding out her means of livelihood. She says, "All I want is an ordinary steady job so I can pay my bills and the rent and save a couple of dollars a week. But, I know there is no point in even looking. So back to the streets."

Alice, Alex and John represent a cross section of thousands who feel they have to go back to the streets when the legitimate world of work does not make a place for them. Their precise number is unknown, but there is a strong indication that the "fringe" concept is valid and documented. Daniel Glaser had indicated that in a --

"follow-up of federal prisoners it seemed evident that the career of most traced a 'zigzag path' from non-criminal to criminal pursuits and back again. Success seemed to evoke repetition and persistence, whether in legitimate or illegal undertakings...while acute failure in either fostered a shift to alternative pursuits."<sup>5</sup>

Glasgow, in his 1978 study of a group of young men in the ghetto found that they were excluded from the economic system. They survived off friends, relatives and earnings from illegal pursuits. Jobs that were infrequently available were low paying and short term, offering very poor alternatives. These young men had not been prepared by their ghetto school to compete in the labor market.<sup>6</sup>

Youth on the economic fringe do not have a long period of economic and social support for developing an occupation or career as do youth who successfully enter the mainstream. Their opportunities are limited and include both illegitimate and legitimate careers. The typical middle class youth who enters the economic system returns home several times for support from the family before finally becoming independent. Many youth receive total or partial family and financial support through four to eight years of college before deciding upon a career. And, while pursuing their education they have usually had the opportunity to acquire beneficial work experience during periods of short-term or part-time employment. In urban areas of high unemployment, large numbers of minority youth rarely find a job and so have little opportunity to have money in their pocket derived from legitimate employment.

Votey and Phillips in an economic analysis of crime concluded that many crimes committed by youth are related to their economic opportunities or lack of them. They found that youth crime rates vary with unemployment rates. Even more important was their analysis of the fluctuations in the labor force participation rates -- when a person stops looking for employment because it has become too frustrating an experience. Falling labor force participation rates explain the increase in youth crime.<sup>7</sup>

The Ladino Hills Project of the late 1960's placed some emphasis on employment as a means to reduce delinquency of gang members. Forty-six youth were placed in a total of 108 jobs. The average job tenure was only fifty-three days and the average income realized per person over a one and one-half year period was no more than \$792. However, the youth were twice as likely to be charged with law violations when they were unemployed as when they were working.<sup>8</sup>

Alice, Alex and John and the others at the edge, will continue to be involved in illegal activities and will continue to raise the crime rates and fill the courts until there is a national commitment to alter their economic dilemma. They need time and resources to develop a career, build job skills, gain job experience and become committed to an occupation. They also need to know that, after they have invested several years in preparation, jobs will be available. Illegal means for earning a living carries a risk of conviction and incarceration. They would prefer a choice that did not include that risk. They would rather choose a legitimate alternative. Current policies and programs do not provide the alternatives.

## II Inadequacies of Current Policies

Current programs can be classified under three major categories: 1) programs to decrease overall unemployment rates, 2) programs to make crime more costly to the offender, and 3) employment and training programs for offenders. While all of these have some merits, none of them are adequate to reach the people who are on the fringe and who must straddle the legitimate and illegitimate systems.

Government policies such as increased government spending, public service employment, tax reductions, or lowering of interest rates are important, but to date have not been sufficient to reach more than a few of the people who are on the fringe. When they do become employed the job is usually marginal and insecure. The fringe person will be one of the first laid off if the economic situation changes slightly so there is no permanency that will help an individual move away from their precarious position. Therefore, John, Alex and others like them may be employed one year but when that job terminates they are still outside the system. Alice, with no job skills will probably miss the opportunity for a first job. The point here is that macro economic policies are necessary. Without them, individualized programs are ineffective, but the macro policies alone are not sufficient to move fringe people permanently into the economic system.

The age-old idea that if you make the punishment swift and sure, people will be less likely to commit crimes, has gained some academic legitimacy recently from behaviorists and economists. Some economists have translated this concept into cost-benefit terms stating that increasing the cost of crime to the criminal

will reduce crime.<sup>9</sup> The research in this area is far from conclusive in either direction and will be an important academic, if not policy issue in the next few years. If we assume for now that the concept is valid and implementation of programs are feasible, they would still not deal with the economic marginality of the fringe person. Policies based on quick, sure apprehension and punishment still do not provide alternatives for the person outside the economic system. If legitimate alternatives are not available to the potential offender they will be forced to increase their defenses against apprehension. It seems that this would tend to escalate, rather than solve the dilemma. Therefore, at its best, the apprehension approach will not be effective unless accompanied by the programs which provide legitimate economic alternatives.

Employment-training programs for offenders are individualized and directed toward the target group of people considered here. Such programs offer a range and variety of services including on-the-job training, skill training in institutions, job placement and, occasionally, follow-up services. Their principle problem has been that trainees often do not find training related jobs after release from incarceration.

There are multiple reasons for the employment record being so poor and most of those reasons are the same as the reasons that people remain on the economic fringe. One major factor is that training is not sufficient, people need to build a work record over a period of time. Past programs have not provided support over a sufficient period of time to allow the participants to go through a career development. They do not have time to build job experience nor an investment in an occupation.

### III New Approaches Required to Mainstream the Fringe

To reduce crime that is produced by the exclusion of specific groups of people from the economic mainstream will require some specific policies. The requirements listed below seem to logically follow from the above description of persons in a peripheral economic position and the inadequacies of current policies.

1. Flexibility is needed to allow for individualization of programs so that each person's particular needs, interests and abilities can be supported.
2. Time is needed to allow for a career development process that would include:
  - a) the necessary training and/or experience for the individual to adequately compete on the job market.
  - b) commitment to economic independence based on having experienced some success and invested time.
3. Incentives to employers and training institutions to keep the worker or trainee.
4. Training must be for occupations and careers that will be needed and used in the future so that there is reasonable assurance that jobs will be available.

Programs with these basic characteristics should be adequate to move people from their borderline position into the mainstream providing they are undergirded

by continued national efforts to keep unemployment rates at minimal level.

Two decades ago the nation decided to place a priority on the development of a highly educated cadre. Today a large portion of the nations scientists and academicians acquired their education at government expense because the nation made an investment. Suppose the nation should decide to make an investment that would bring the fringe group into the economic mainstream. Suppose there was support for an investment in a humanitarian policy to reduce crime. Could a similar program evolve?

#### IV Education/Work Grants, Career Development for Fringe Groups

Individual grants, or stipends for the development of a career or occupation through education and job experience may be a feasible alternative program that has the necessary components for mainstreaming people on the economic fringe.

Each grant would be based upon an individualized career development and stabilization plan and would last three to six years. Each would begin with a planning and exploration phase in which the grantee would acquire information and exposure in order to make an informed decision regarding a choice of occupation. The second phase would provide the necessary training or education and the final phase would be job experience. In phase one, the grant would cover subsistence support for the grantee as well as costs related exploration, planning and testing. The grant would cover subsistence and training costs in the middle phase and a salary for the work in phase three.

#### V Planning for a Career, Phase I

Selecting and planning for an occupation and career is a complex process. The original selection provides the base for the entire program and therefore needs to be done with care and deliberation. Crucial components in this process include: 1) the grantee is convinced that they have a real choice and are not being pushed into something, 2) the choice is based on some knowledge of all of the implication of that selection, 3) selection is based on accurate assessment of aptitude, ability and socialization of the individual and 4) selection is based on sound information regarding future labor market demands.

It may be too obvious to say that the free choice of the grantee must be diligently preserved to assure an initial commitment to the development of a career. This requirement can be a problem when the program is associated with the criminal justice system. The choice of the lesser of two evils is not a choice, the career development program should not appear to be an easy way out of a traditional sentence. It is important that the person choose to accept the program because the potential for job security appeals to them. If the training/work grant requires a similar or greater commitment of time, people would be discouraged

from selecting that as an easy alternative. For example, rather than two years in prison and three on parole, a grantee might be incarcerated during the first phase of career development and for a portion of the training phase so that the time in the institution would be similar.

The occupational choices should not be limited by the training slots available, a problem that has existed in many other programs. A choice between two occupations is not a real choice. By awarding the grant to individuals rather than to training institutions their options should be greater because they can select from among all of the options available to anyone else in that neighborhood or region.

Career planning needs to include such well known methods as career counseling, aptitude and interest tests and occupational index information, but these are not enough for making a career selection for people who have already been socialized to survive on the fringe. Like the youth who work on summer jobs and explore various schools and occupations, the grantee would need the opportunity to sample the field. Short term placements of a week to a month at different places of work would give them an opportunity to feel the atmosphere and talk with people associated with an occupation in which they have an interest. The more a person knows about the disadvantages of a particular choice, the better they will be prepared to make a choice that is lasting. For example, a person may believe that they want an office job until they spend a few days there and contrast that with a few days on the assembly line where they are relaxed and comfortable.

The lack of a good formal education may distort traditional aptitude testing procedures. For example, John, who we previously mentioned, is happy with his current social service job where he is doing something he considers to be meaningful, something in which he has a deep interest. Because of his limited formal education, he will likely test very low on verbal and quantitative skills. Let us assume that he tests high on manual dexterity. By tests alone he might be advised to enter auto mechanics or skilled factory labor rather than considering an occupation such as social work that requires additional education. He probably would not have the motivation to work toward a career in auto mechanics.

The planning for and selection of an occupation has often been much too superficial in past training programs. Any training is likely to be a poor investment if the selection of occupation is based on what training programs were funded this year, who is available to teach, personal bias of a career counselor or where there is a training slot to fill. In order to make the investment a good investment, it will be necessary to spend sufficient time and money in the planning phase to enable the grantee to choose an occupation with full knowledge of themselves and the occupation.

## VI Education and Training, Phase II

The length of time spent in this training phase will vary widely with different occupations. A person who selects a professional career will spend five or six years in college. Once they have earned a degree they will be ready to compete on the job market. A person who selects assembly line work will need relatively little advanced training. For this person, the time on the job is the factor that will establish job security. That time will be provided by the third phase of the grant.

To the extent possible, the training should provide for the person to acquire job preparation in the same manner as anyone else entering that field. There are realistic constraints when the point of initiation is the court-corrections system. For example, some participants will be required to complete part of their training while they are incarcerated. Any amount of training received in the institution will not be the equivalent of the same amount of time in training in the community because it is too isolated from the mainstream. Combinations of bringing teachers to the institutions and releasing participants for classes or jobs could facilitate the beginning of the program while incarcerated. But, the sooner they can join the typical stream of persons entering their occupation, the better.

The grant provides the necessary incentives for training institutions because the money goes with the student. Training institutions will usually give a little extra assistance to students with grants to cover their training in order to help them to succeed and remain with the school. In cases where this does not occur, when a student for some reason needs to transfer to another school, it would be possible to do so without losing the total investment. If the grant were awarded to the institution they could allow one student to fail and replace them with another. There would be no loss to the school but the investment in the first person would be lost. By awarding the grant to the individual, incentives are provided for the schools and we are assured that the people who receive the training are in the target group.

## VII Work Experience, Phase III

The third phase provides time for the grantee to acquire job experience, an essential component to compete in the labor market. A work grant will allow the person to complete training and move directly into a job. While they get the experience, skill and seniority they are also investing themselves in their new occupation. This work phase is less important for someone entering a profession since the long period in education accomplishes the same objectives.

Again the work grant would be awarded to the worker. The money would be paid to the employer to cover the workers salary. This provides the necessary incentive

for the employer to want to keep the worker on the job while they are developing competency.

#### VIII Administration of the Grants

Education work grants could be administered by the Departments of Labor or Health Education and Welfare through the state offices of employment security, state courts or correctional agencies. The point where courts and corrections interface would seem the best place to initiate a program because that is where the target group can best be identified.

Eligibility for such a crime prevention program raises several issues. For example, would there be a rush of applications for all unskilled workers whether or not they had been involved in criminal activity? This is certainly possible and the response will depend on the national commitment to inclusion or exclusion in the economic system. If the program were to be limited to the fringe group I have described, then exclusionary criteria such as court sentences and personal history would become a part of the selection criteria. A more progressive and inclusionary position would be to open the program for all who need it.

Another vital question is whether such a program could be a reward for crime, thereby having the opposite of the designed effect, i.e., do you have to commit a crime to get a government career development grant? This is a sticky question. If the objective is to reduce crime, it is clear that the people who have survived by illegitimate means in the past are much more likely to do it again than are other unemployed persons, therefore, they should be the prime targets of the program. While it is doubtful that many people would go out and commit an illegal act to get caught and get on the program, it does look as though you are rewarding crime when the grants are being offered only to people who have been convicted. Because this factor may be of some concern, it may be politically expedient to require a period of incarceration.

There are others who are convicted of crime but already have an occupation in which they are succeeding. Should they get less because they have a career? Perhaps their punishment should be structured so they can continue to expand their work experience while serving their sentence. This can be done with work release, night or weekend incarceration, or giving so many years of labor in some area where their skill is needed rather than in the traditional "penitentiary."

#### IX How Much Will We Invest?

It is not clear, however, how much society would be willing to spend for investing in the future of people, for crime prevention that is humanitarian, or for the provision of developing jobs for the unemployed in both the public and private sectors -- but the attraction is the trade-off which could be achieved.

The losses we incur with the current situation include: (1) suffering of the victims of crime, (2) some financial loss from the crime, i.e., burglaries not compensated for by insurance, (3) law enforcement costs even when there is no arrest, (4) cost of processing offenders through the justice system, (5) costs of incarceration of convicted offenders, (6) cost of training programs that do not result in jobs for the trainee, (7) loss of taxes that the person would pay if legitimately employed. When an individual resorts to crime for an income -- whether or not they are caught -- society pays for that income.

The major cost of the education/work grant program is the income to the individual throughout training or education and a period of time on the job. There would be some additional administrative costs. Some of the costs would be directly offset by the taxes paid by the worker for the remainder of the work life.

X Conclusion

There are probably a number of other ways in which people on the economic fringe can be included in the mainstream. The education/work grant is the alternative that meets the basic criteria for individual choice, long-term support and guaranteed work.

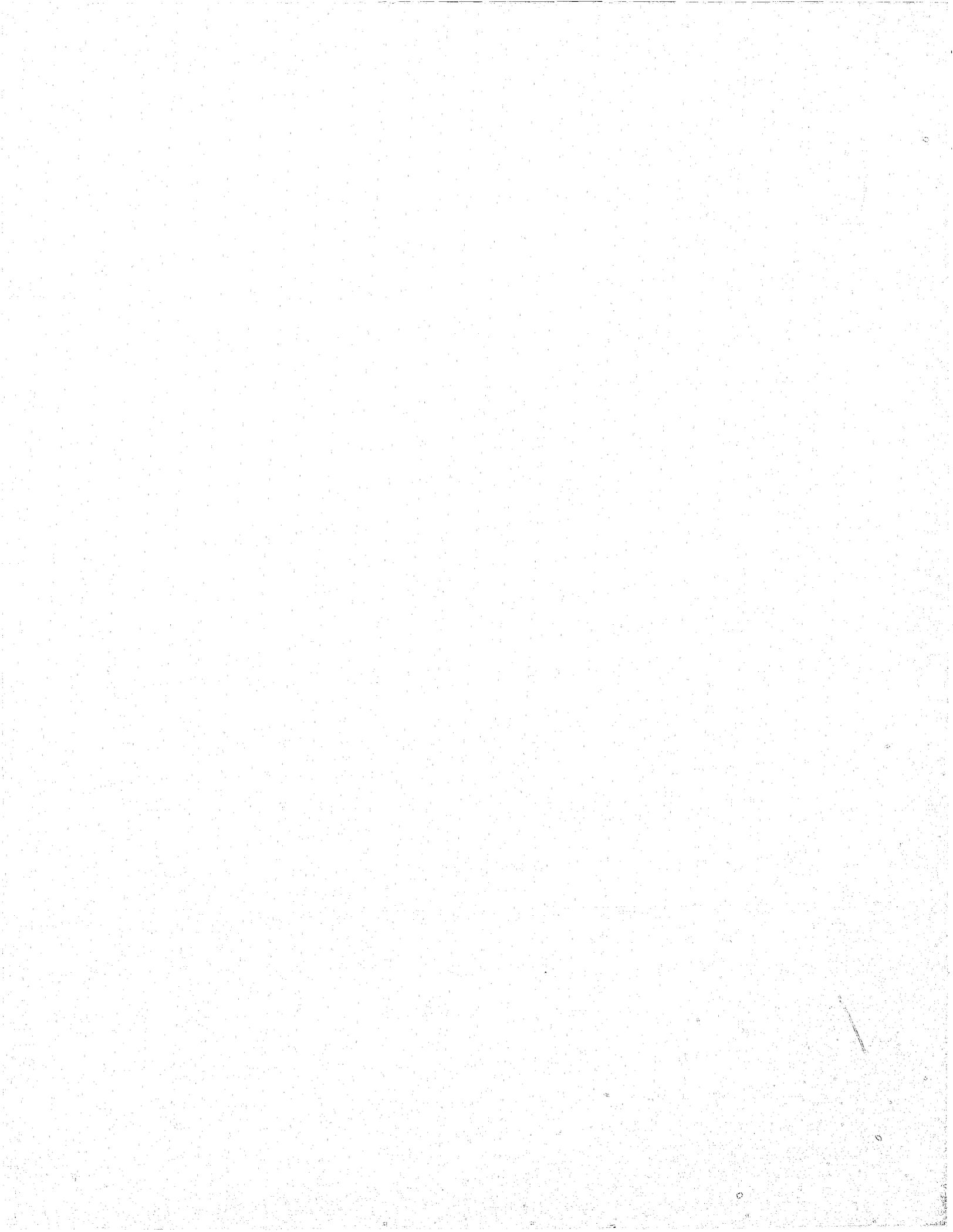
Success in this society requires job security. Job security requires a commitment of time and resources in the development of a career. Job security also requires government participation in the economy and the provision of jobs.

It has been considered a good national investment to prepare certain people for professional and scientific careers. I believe that it would also be a good investment to prepare people who are now on the economic fringe for productive work and to continue to pay them for their labor until the economy can absorb them. If this is not considered profitable, perhaps we should heed the words of Franklin Roosevelt:

"The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit."

## Footnotes

1. Those who have found such correlations include H. Harvey Brenner, in Time Series Analysis of the Relationship Between Selected Economic and Social Indicators. National Technical Information Service, Springfield, Va., Volumes I and II, March 1971.  
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