

Center *for an*  
Urban  
Future

# The High Cost of Free Job Training in NYC

Expanding childcare, transit assistance,  
and stipends to ensure workforce training  
works for all New Yorkers

# Center *for an* Urban Future

## **The High Cost of Free Job Training in NYC**

is a publication of the Center for an Urban Future. Researched and written by Melissa Lent and Eli Dvorkin. Edited by Dorian Block and Jonathan Bowles. Additional research by Udonne Eke-Okoro, Matthew Garcia, Carmela Guaglianone, and Sajina Shrestha. Designed by Stislow Design.

**Center for an Urban Future** (CUF) is a leading New York City-based think tank that generates smart and sustainable public policies to reduce inequality, increase economic mobility, and grow the economy.

## **NYC Workforce Development Fund at The Trust**

This report was made possible thanks to **NYC Workforce Funders**. General operating support for the Center for an Urban Future has been provided by **The Clark Foundation** and the **Altman Foundation**.

Special thanks to the **Workforce Professionals Training Institute** and **New York City Employment and Training Coalition** for their partnership in developing this report.

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# Introduction

**TO CONFRONT NEW YORK CITY'S AFFORDABILITY CRISIS, SOME LEADERS HAVE CALLED FOR MAJOR NEW** public benefits, from universal childcare to free buses. But with the city and state facing a highly challenging fiscal environment—made worse by funding cuts and policy changes in Washington—it's far from clear that city officials will be able to fully fund these big-ticket ideas in the near term.

Fortunately, there is an interim step city leaders can take to address critical affordability challenges. They should provide these supports where they can have the greatest impact: to New Yorkers seeking upward economic mobility through evidence-based career training programs. More specifically, the next mayor should start on a path to universal child care by making child care free for those enrolled in training programs, and provide free OMNY cards to training participants and students studying at CUNY.

Taking these initial steps toward free childcare and transit isn't just more financially feasible as the city and state face fiscal headwinds. Data shows that “wraparound supports” are essential to help low-income New Yorkers complete free job training programs, which many otherwise drop out of due to costs outside the classroom—like child care, transit fares, and other affordability challenges.

Indeed, as this report documents, the everyday costs of childcare, subway rides, and groceries make even “free” programs out of reach. As a result, working parents and caregivers in particular end up trapped in low-wage work, unable to afford stepping out of the workforce to complete a multi-month training program—even when tuition is free.

The consequences are visible across the city's training landscape. Of the 29 workforce development organizations interviewed for this report, only three provide childcare support to their participants (10 percent), just nine offer weekly stipends (31 percent), and only 10 cover transportation costs for all participants (34 percent). Yet when programs do provide these supports, outcomes improve dramatically. Per Scholas saw an 18 percent jump in graduation rates after offering a \$1,000 stipend, while Building Skills recorded a 39 percent increase in completions for participants who received stipends. Training programs interviewed for this report cited example after example of participants who only enrolled or graduated after receiving help with childcare, transportation funds, groceries, equipment, or navigating housing and legal services.<sup>1</sup>

New York City is fortunate to have an array of workforce training programs with a proven record of launching low-income New Yorkers into better-paying careers. These and other effective training programs will only become more crucial in the coming years: studies suggest that AI and automation could transform or eliminate at least one-quarter of all jobs by 2030, threatening to displace thousands of New Yorkers in retail, transportation, bookkeeping, customer service, fast food, and beyond.

But to ensure more New Yorkers reap the full benefits of these training programs, city leaders should launch or pilot programs that provide free childcare and OMNY cards to training participants, and take other steps to tackle the hidden costs that derail completion. This report outlines eight actionable ideas—ranging from making childcare vouchers available on day one to funding free transit passes through expanded paid street parking—that city leaders can implement now to boost upward mobility for the long term.

# Wraparound Services Lead to Improvements in Program Outcomes

**RELATIVELY FEW TRAINING ORGANIZATIONS HAVE** secured the funding necessary to provide wraparound services consistently to all or even most participants, and even fewer have developed the capacity to systematically track differences in program outcomes for participants with and without access to these supports. However, among those organizations that have assessed the impact of wraparound services on program outcomes, the results are clear: wraparound services lead to measurable improvements in program enrollment, retention, completion, and post-completion earnings.

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**18%**  
**INCREASE**

in graduation rates in one program when participants were offered a \$1,000 stipend

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in employment outcomes in one program when participants were offered a \$1,000 stipend

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In 2021, Per Scholas partnered with the SkillUp Foundation to evaluate the impact of providing \$1,000 stipends to low-income participants of the organization's technology training program. Stipend recipients registered an 18 percent increase in graduation rates and a 10 percent improvement in employment outcomes. Stipend recipients secured tech jobs significantly faster than the non-stipend control group, and Per Scholas estimated that an investment of up to \$500,000 in stipends for all the learners included in its study would likely generate "at least \$2.28 million more in first-year graduate job earnings."<sup>2</sup>

"We found that even learners accessing five hundred to a thousand dollars over the course of their 12-to-13-week course was incredibly impactful when it came to the rate of perseverance, graduation, and time to placement," says Claire Cuno, vice president of learner support at Per Scholas. "We know that accessing even just that little bit of money helps ease the financial burden, helps ease the mental burden of financial stress. It helps folks focus on the course and be successful."

Similarly, Building Skills NY found that participants who were given stipends for its heating and cooling training program had a considerably higher graduation rate—79 percent for those with stipends versus 57 percent for those without stipends. Building Skills trained four cohorts as part of a partnership with LaGuardia Community College, Positive Workforce, and BlocPower, a climate tech company; only participants in the final two cohorts received stipends. "We did have people drop in the first two cohorts because they felt like they had to choose between being able to pay their bills and training," says Tatanisia Lumley, director of training and operations at Building Skills NY. "We had higher retention rates in our final two cohorts of HVAC, once we were able to provide them with \$20 per hour stipends throughout the training."

Although other wraparound supports are generally less likely to have been evaluated than cash stipends, providers cite numerous examples of instances in

which the provision of other supports made a critical difference in enabling participants to enroll and succeed in training programs, including childcare support, transportation assistance, and help with specific training-related hard costs like tools and equipment.

At KindWork, a program operated by Brooklyn Workforce Innovations that trains people for tech-based customer support jobs, program staff shared the story of a learner named Debbie who withdrew from KindWork after having a baby. To help her return, KindWork covered her commuting costs to class and some of her grocery bills. Staff say that the transportation assistance was essential in helping her to complete the training program. She has since graduated from the program and left her low-paying job at a chain retail store for a position as a customer support specialist and financial technology company, where she earns a starting salary of \$65,000.

Another New Yorker, Mohamed, enrolled in The Marcy Lab School's full-time, year-long technology training program because of its clear benefits: the program aims to place graduates in software and engineering and data analytics roles that pay at least \$70,000 annually. But transportation costs to the training program in Sunset Park presented a significant financial challenge for Mohamed, who commutes every morning from his home in the Bronx. Fortunately, The Marcy Lab School has limited emergency funds to help participants. It was able to give Mohamed \$600 for MetroCard expenses, which he says has been pivotal. When interviewed, Mohamed was not sure

how he would continue to participate in the program once those funds ran out.

Marianne Parra Rosales is a recent graduate of the camera loader training program at Reel Works, a nonprofit that trains youth and young adults for careers in film, tv, and media. Parra Rosales says the program's \$1,800 stipend and unlimited MetroCard made it possible for her to persist through the month-long training program. Although she had been working as a barista prior to the training program, she had to give up most of her hours in that job because the training program lasted from 8:30 to 4:30 every day. "I would have not been able to do the program if not for the stipend," says Parra Rosales, who has landed several paid gigs in the industry following the training program, including for a Netflix show and the recent Bob Dylan biopic "A Complete Unknown."

A trainee at Green City Force, a sustainability-focused workforce development organization, needed a winter coat to work outside during his pre-apprenticeship program—and nearly abandoned the program because he didn't have one.

"In the fifth week, which was late November, he called me up and let me know that he was quitting the program. And I was just like, why? And it was because it was getting cold and he didn't have an appropriate jacket to work outside," says Stephanie Klocke, former Director of Career Services at Green City Force. "And so we got this young person a jacket. He stuck it out for the last two and a half weeks. And he graduated successfully and is now making \$39 an hour."



I would have not been able to do the program if not for the stipend”

PARRA ROSALES, TRAINEE (PARTICIPANT)



# Wraparound Supports That Are Needed Most

## LEADERS OF WORKFORCE DEVELOPMENT PROGRAMS

interviewed for this report say that a wide range of wraparound services are needed by their clients, ranging from direct cash assistance and loaner technology to mental health support and financial counseling to help navigate housing insecurity or to access to benefits. However, three key supports surfaced repeatedly in our research as both vital to participant outcomes and highly challenging for organizations to provide: stipends and direct cash assistance, help with childcare, and transportation support.



### 1. Training stipends and direct cash assistance

More than any other support, providers cited training stipends and direct cash assistance as the most important support for boosting participant recruitment, retention, and success.

NPower, a technology training program based in Brooklyn, estimates that 10 percent of trainees drop out because the program does not provide a stipend, according to Careline Vieira-Ruiz, program director at the organization. “Candidates really, really want to come to our program. But their work schedules don’t coincide with our hours. Because they can’t leave work, or they can’t find another job, they can’t come to our program because they need the funds to help out their families,” says Vieira-Ruiz. “Unfortunately, there are folks that come to our program, they stick around for a few weeks and—this happens a lot—they realize that they can’t do it anymore because their savings are dwindling, and they decide that it’s time to withdraw.”

The New York Early Childhood Professional Development Institute, which trains support and advises early childhood professionals through industry qualifying degrees, credentials and certifications, loses an average of five candidates every cohort due to challenges paying for daily expenses, according to Dr. Claudine Campanelli, the Institute’s senior director of career development and higher education. She says

that even in a small cohort in which New York City Public Schools paid for participants to attend a college certificate program at CUNY’s School of Professional Studies, where trainees also received childcare, many participants dropped out because they did not receive a stipend for the field work portion of the program. Those students lost out on both 12 free college credits and an industry recognized credential.

Apart from living expenses, a weekly stipend can also help participants pay for the specific tools and supports they need to succeed in a workforce development program, from a laptop to a hotspot or a uniform. Without those tools, participants have trouble even enrolling.

At Rebuilding Together NYC, which provides a pre-apprenticeship program in the construction industry, trainees are expected to purchase a tool bag, which costs \$135 and is used throughout the training, says instructor Thelma-Louise Fernandes. “We have one student who is worried that he’s not going to be able to start the apprenticeship program because he doesn’t have \$135,” says Fernandes of Rebuilding Together NYC. “In the grand scheme of things, it’s crazy that something as small as \$135 is keeping this person away from their potential future. But when you don’t have anything, \$135 might as well be a million dollars.”

Despite the importance of offering stipends, only nine of the 29 programs the Center for an Urban Future surveyed are able to provide a weekly or monthly stipend today. Another nine programs did not offer a recurring stipend throughout the program, but offered some kind of cash incentive with a contingency that does not cover week-to-week living expenses, ranging from a \$100 stipend which is paid out when a student hits a certain milestone to a \$3,000 end-of-training internship stipend. Even when organizations are able to raise the unrestricted funds needed to provide cash assistance, demand typically far exceeds available dollars. Across the broader workforce development sector, fully 90 percent of surveyed providers say that they are either at capacity or cannot meet demand for cash assistance.<sup>3</sup>



## 2. Support for childcare needs

Along with direct cash assistance, childcare is among the top wraparound services that organizations say are critical to boosting participation and career outcomes.

Childcare is a fundamental support for participants in workforce training programs simply because a large share of participants in these programs are parents. In fact, parents account for 75 percent of participants at Hospitality Pathways, which trains New Yorkers for front-of-house restaurant jobs and cannabis retail. Brooklyn Workforce Innovations estimates that 35 percent of its training participants are parents. In 2024, Hot Bread Kitchen enrolled 311 members, and 159 of the members (51 percent) were parents. Ninety were single parents.

“Annette came to us inquire about our program, but when she found out it was full time every day of the week she didn’t come back because she didn’t have the childcare to take advantage of that opportunity,” says Plinio Ayala, CEO of Per Scholas. “That’s a story that our admissions department hears time and time again. New Yorkers shouldn’t be prevented from acquiring new skills and preparing themselves for good-paying careers because of family responsibilities.”

While childcare constraints keep some aspiring trainees like Annette from enrolling in the first place, it also prompts many others to drop out before completing the training. “What we found out is that a lot of the parents have childcare issues, so they may come one

week, and they don’t come the next week,” says Hong Shing Lee, executive director of Chinatown Manpower Project (CMP), a nonprofit workforce development organization based in Manhattan’s Chinatown. “There are people who would not enroll in our classes because they couldn’t resolve the childcare issue or the elder care issue.”

“We need better ways for people to be able to access high quality, affordable childcare, if they’re going to be able to participate in workforce development programs,” says Shawn Hegele, Director of Strategy and Evaluation at Brooklyn Workforce Innovations, a nonprofit that offers eight free career training programs ranging from woodworking and fabrication to film and tv production.

It is rare for workforce organizations to have on-site childcare, and many organizations are reluctant to add these services on-site, given onerous permitting and insurance requirements and staffing needs. However, receiving direct support from the city provides challenges of its own. Even as participants in workforce training are technically eligible for the city’s childcare voucher program, receiving a voucher can take weeks or months. If participants begin the application process on day one of a six-week training, the program may have ended by the time they receive approval.

Program leaders say that enabling training providers to provide care vouchers directly to applicants would make a meaningful difference in enrollment, retention, and graduation rates—and make training more accessible to New Yorkers who are primarily responsible for childcare or eldercare.

Yet, just three of 29 programs surveyed currently offer any type of childcare assistance or services.



Annette came to us inquire about our program, but when she found out it was full time every day of the week she didn’t come back because she didn’t have the childcare to take advantage of that opportunity,

PLINIO AYALA, CEO OF PER SCHOLAS





I think that the MetroCard is a non-negotiable.

SONAM CHOEDON, DIRECTOR OF COMMUNITY AND MEMBER ENGAGEMENT, HOT BREAD KITCHEN



### 3. Help with transportation costs

Twenty-one out of the 30 organizations interviewed said that assistance with transportation costs, like distributing free MetroCards, is a vital wraparound support that makes the difference in whether some people can participate and complete programs.

According to interviews, the majority of New Yorkers who participate in workforce development programs use public transit to commute to training programs and to reach other work-related events such as site visits, internships, and job interviews. Participants tend to live in lower-income neighborhoods spread across the five boroughs, even though training sites are disproportionately clustered in Manhattan and other more central areas. For instance, 45 percent of workforce program training sites are located in Manhattan, even though Manhattan is home to just 19 percent of the city's population. Queens is home to 27 percent of the city's population, but just 12 percent of workforce training sites.<sup>4</sup>

For participants who are already struggling to cover basic living expenses while scaling back paid work to focus on unpaid career training, the cost of public transportation too often derails trainees from persisting in and completing multi-week training programs. Subway and bus fares to and from training sites can add up to hundreds of dollars over the course of a short-term training program, or as much as \$1,800 or more for a year-long program—equivalent to more than 112 hours of work at minimum wage.

The Marcy Lab School reports that the majority of its fellows travel 50 to 60 minutes to its Sunset Park campus each day. Brooklyn Workforce Innovations, which trains around 900 New Yorkers each year, says that a little more than half of its participants live outside of Brooklyn and commute to training sites in

Gowanus, Downtown Brooklyn, and the Brooklyn Navy Yard. Andromeda Community Initiative, which provides training in the building trades, says that all of its participants spend significant time and money commuting, and estimates an average hour-and-15 minute public transit trip to its location in Long Island City for trainees. Hot Bread Kitchen provides economic opportunity through culinary job skills training and food entrepreneurship to New Yorkers who face barriers to employment. The program offers training in four boroughs, and says that the majority of its participants commute via public transit.

"I think that the MetroCard is a non-negotiable. There's just no way we can ask somebody to spend what, \$6 every day, to come to a program and go home," says Sonam Choedon, director of community and member engagement at Hot Bread Kitchen. "That's the bare minimum that we should all be doing for people to be able to participate in any kind of workforce program."

Stephanie Klocke, former Director of Career Services at Green City Force, says that they offer transportation support, because people were dropping out without it. "It is beautiful to not have to pay for training, but even a free training has a lot of costs associated with it," she says. "It is a MetroCard so that you can get yourself there without having to worry about, 'How am I getting on the subway?' Some folks, if they can't get there, just don't go."

One instructor of a job training program, who requested anonymity to describe actions that put trainees at legal risk, says that she discovered many of her students were hopping the turnstile to reach required site visits, because they were struggling to afford transportation while participating in training and earning near-minimum wage.

"I found out that my entire class is hopping the turnstile to go on site visits," she says. "Twelve people were hopping the train."

And yet, only 10 of the 30 organizations currently provide consistent transportation support to all participants in a program.

# The impact of a navigator on trainee success

One crucial support for participants in workforce development programs is a dedicated “navigator,” an umbrella term for the case managers, social workers or service coordinators focused on ensuring that participants are supported throughout their experience. Navigators keep up-to-date on trainee progress, connect them to in-house wraparound supports at the organization, and helps them apply to government benefits. But many programs either do not have a dedicated navigator, or the ratio of students to navigators is so high that the navigator’s capacity is severely limited. When equipped with the resources needed to invest in full-time navigators, program providers say that they are able to enroll, retain, and graduate more learners.

“Our social support managers (SSMs) help them when it comes to time management, when it comes to getting organized, when it comes to getting childcare, when it comes to getting clothing for an interview,” says Careline Vieira-Ruiz, program director of NPower’s New York program. “We see it in our comments during our end of year and cohort surveys. ‘If it wasn’t for my SSM, I would not be able to complete this program.’”

Navigators play a vital role in building trust with participants. Program leaders say it is all too common for participants to drop out because of a lack of child care, a loaner laptop or a pair of boots that staff learned about too late to help. Navigators are better able to anticipate and meet those needs, because participants feel comfortable asking navigators for help.

For Gary Lambert, a graduate of The HOPE Program, which provides job training and support in the Bronx and Brooklyn to formerly incarcerated New Yorkers, his case manager made all the difference. He said he found it challenging to access supportive services on his own due to his formerly incarcerated status, and had a hard time transitioning back to society. He credits the case manager he was paired with at The HOPE Program with helping him succeed in the NYC CoolRoofs training program, in large part because they connected him with services beyond training.

“What made a difference were the services I got, down to clothes for interviews, groceries because I didn’t have food,” says Lambert. “And that constant support, like, ‘Hey, how are things going? You need something? Having somebody to check up on you and actually ask these questions on a daily basis to see where you’re at is a beautiful thing. And I got a job like two weeks before I graduated.’”

While 19 of the 29 programs we surveyed identified a navigator (which includes case managers) or full-time social worker position as a crucial support, many workforce programs are unable to fund this role on staff, or experience high ratios of students to navigators.

Brooklyn Workforce Innovations estimates the ratio of participants to navigators (case managers, social workers, or service coordinators) at 130:1. Many other organizations rely on other program staff to play a navigator role, along with their other day-to-day responsibilities.

“I think a lot of times funders only focus on the critical staff who help people to get jobs,” says Connie Mendez, vice president of workforce development at Henry Street Settlement, a social services agency on the Lower East Side. “We’re incredibly grateful for our funding but recognize that social workers are also essential to the success of any workforce program. And one social worker cannot provide quality services if our programs are serving 1,200 people per year. These roles need to be baked into funding sources.”

# Obstacles to Wraparound Services Facing Workforce Providers

**WRAPAROUND SERVICES SUCH AS STIPENDS,** childcare, and transportation assistance are vital to improving outcomes for workforce development program participants. However, several challenges prevent workforce organizations from offering or expanding these services, despite the apparent need. Our research identifies the following key obstacles to providing and scaling wraparound services:

## Public funding for wraparound services is limited and restrictive

Program leaders say that the biggest barrier to providing more—and more consistent—wraparound services is a chronic lack of public sector funding that can be allocated to meet these needs without reducing funding for other key services.

Providers say the problem includes several core components. Government contracts almost never cover the full cost of delivering the program's core services, which means that nonprofits are obligated to raise money privately to cover necessary costs, including staff salaries and benefits, rent, insurance, and technology. At the same time, government contracts typically limit other-than-personnel expenses to only 10 percent of the program budget—a category that has to account for all program overhead, as well as any direct supports to participants, assuming those expenses are allowed as part of the contract agreement. As a result, even when wraparound services are treated as technically allowable expenses, available funding covers just a tiny fraction of the need—and providers end up having to allocate private dollars to help cover gaps in government funding for staff salaries and other hard costs, rather than investing those dollars in wraparound services.

Many of the organizations that receive funding from government say that whatever wraparound services they are able to provide is entirely supported by private fundraising.

Hot Bread Kitchen says it does not receive any money for “emergency or member needs” in its contracts with city agencies. Brooklyn Workforce Innovations reports that its resources for cash supports, which are provided to trainees on a case-by-case basis, are “almost entirely from individual donors and philanthropy.” “It is extremely rare to see things like cash supports included in a government RFP,” says Shawn Hegele, the organization's Director of Strategy and Evaluation.

The Door, which trains youth ages 16 to 24 in construction, solar, the culinary trades, and other industries, offers food, parenting, and legal supports to participants, and government contracts do not cover the immense needs of trainees.

“I just think that there's not enough funding for these needs,” says Alex-Ann Espeut, managing director of Career & Education Services of The Door's Manhattan and Bronx Youth Centers at The Door. “Increased funding for supports would allow us to run programs in a way that truly benefits young people. It will allow us to be more intentional in the level and layers of support that's provided.”

A major contributor to the challenge is that city and state contracts to provide workforce development services typically cover less than 75 percent of the cost of delivering the program, not including wraparound supports, and sometimes much less. Rebuilding Together NYC estimates that government contracts only cover 50 to 75 percent of the cost of delivering a program. Another workforce development provider, who requested anonymity in order to speak candidly about a current funder, says that a contract with the New York State Energy Research & Development Authority (NYSERDA) will provide \$5,000 per person to train participants for green economy careers, even as the cost to provide training and support is likely to total \$15,000 or more per participant. When contracts do not cover the full cost of providing services, organizations are forced to use general operating dollars to meet basic expenses, leaving little if any funding left over to provide wraparound services.

“If it's a very lean contract that doesn't fully pay for itself, then that's where you're going to run into a challenge of, you have to cut somewhere,” says Michelle Howard, Chief Program Officer at the Osborne Association, which provides transitional and permanent employment to formerly incarcerated individuals. “And the wraparound services are more likely to get cut than something that's a core service in order to deliver the program.”

Workforce program leaders commend a handful of city-funded programs that do integrate dollars for wraparound services, while mentioning that available funding hardly ever meets demand. For instance, the Department of Youth and Community Development's well-regarded Train and Earn Program offers stipends to youth in the program. However, only half of the participant stipends are covered by city funding, and these are reserved for the internship portion at the end of the program, not paid throughout the program. Program leaders say the model is working, but that providers still struggle to raise funds to cover stipends for the other half of the program's participants each cycle.

Some recent requests for proposals and new initiatives developed by city agencies have been more intentional about including resources for wraparound services—a shift that providers say is greatly appreciated. One promising example is the city's newest industry partnership, Pathways to Industrial and Construction Careers (PINCC), which launched in 2024. Led by the Human Resources Administration, with support from the Mayor's Office of Talent and Workforce Development, the initiative will connect New Yorkers with jobs in construction, industrial, security, building maintenance, and transportation. Importantly, PINCC has been designed from the start to integrate wraparound supports—including MetroCards for training and early employment, free financial counseling, and driver's education—reflecting the growing consensus that these supports are essential for generating strong outcomes.

## **Partnerships can help close gaps in wraparound services, but require resources and incentives to work.**

With limited funding for wraparound services, program providers sometimes turn to partnerships with other organizations to fill in service gaps. Workforce program leaders say that some supports make sense to administer internally, such as cash stipends or MetroCards, while others are better provided through partnerships with organizations that have specific expertise, such as mental health support, benefits counseling, help with housing instability, or assistance navigating the city's childcare voucher system.

“I think from an organizational capacity perspective, we really cannot do everything,” says Bryan Sanchinell, former senior program director at The Knowledge House, a Bronx-based provider of training for technology careers. “It's really difficult to support housing insecurity or food insecurity. We do have strong partnerships and I think that's where partnerships are really vital to wraparound services.”

That is the idea behind a partnership between Building Skills NY and Commonpoint Queens, a social services nonprofit, where students receive help with food, MetroCards, financial literacy, and more while training at Building Skills. “I think nonprofits, particularly in workforce development, oftentimes go further when they're partnering with other great organizations. Commonpoint, they're such a great partner because we're providing the credential training. They're providing the space with other services on site,” says David Meade, executive director of Building Skills New York. “Then for us, we can focus on the training.”

Despite the apparent benefits, workforce organizations say it is challenging to identify and develop partnerships that can help meet their learners' needs.

“Every provider is expected to bring their own resource directory to the table, but the city already has access to this data, as many of these providers are

city funded" says Evelyn Ortiz, co-CEO of Opportunities for a Better Tomorrow, a nonprofit that provides sector-based training programs in Brooklyn and Queens. Ortiz says that the city could help by facilitating the development of place-based resource networks with sufficient funding to support the needs of trainees referred by OBT and other providers.

"Having access to a centralized database of contracted service providers in each community would make it so much easier for us to connect our clients to the resources they need," says Ortiz. "Currently, we dedicate months of staff time to building our own resource directories, but a city-managed system would streamline this process, allowing us to focus on delivering services."

While government and other funders often promote an interest in organizational partnerships, these collaborations are rarely incentivized in RFPs or formalized in contracts. Most partnerships are instead initiated by an organization because of a need to fill a gap in services.

"I mean, funders always want to see partnerships. They don't necessarily want to fund the staff and time that it takes to develop and maintain the partnerships," says Valerie Payne, executive director of Rebuilding Together NYC. "We don't have a memorandum of understanding or assigned agreement about how we work together. It's kind of a handshake agreement."

## **Workforce organizations struggle to connect participants with government benefits.**

A large number of workforce development participants are parents, food insecure, or experience housing instability, and would benefit from connecting to city services such as the childcare voucher system, City FHEPS, the rent supplement program, Fair Fares, or nutrition programs such as SNAP or WIC. Accessing city services can help participants enroll in and succeed in workforce training programs, boosting the effectiveness of public investment in training. However, workforce organizations struggle to help participants navigate through the process of accessing benefits.

Providers say that they lack funding through both government contracts and private philanthropy to screen participants for benefits eligibility, or partner with other nonprofits to provide benefits screening and application support. Lengthy application turnaround times mean that even if participants apply at the beginning of a training program, they are unlikely to receive benefits before the program has ended. And providers say that despite the evident benefit to the public sector of enabling more program participants to succeed in programs, they face major challenges finding partners in government willing to help them navigate their way to a more efficient process.

"Our leadership has spent the better part of the last nine months trying to figure out who in city



Having access to a centralized database of contracted service providers in each community would make it so much easier for us to connect our clients to the resources they need.

EVELYN ORTIZ, CO-CEO OF OPPORTUNITIES FOR A BETTER TOMORROW



government might possibly be able to facilitate child care vouchers for folks that qualify, and we are still trying to figure that out,” says one CEO of a nonprofit workforce development organization, who requested anonymity in order to speak openly about frustrations with city agencies.

One workforce training provider, who also requested anonymity due to their relationship with government, said a typical benefits application through the city’s Human Resources Administration can take 30 to 45 business days, and the agency has a history of exceeding that wait time to make determinations. Likewise, processing a childcare voucher application through the city’s Administration for Children’s Services can take up to 12 weeks—six weeks for a determination and then another six weeks to issue the voucher to an eligible childcare provider.

New York City has made a commendable effort to speed up processing times and make the process less burdensome through the online MyCity portal. The city has also deployed ACCESS NYC, which leads applicants through a questionnaire to determine benefits eligibility, and the NYC benefits screening application programming interface (API), which allows organiza-

tions to query the ACCESS NYC database to help determine whether their clients are eligible for benefits using data they may already have in their systems.

However, program leaders say that their participants need significant support to navigate the process—support that they are rarely if ever funded to provide—and additional resources to enable organizations to take advantage of tools like the screening API.

Without hands-on support, many participants simply will not end up enrolling in the benefits for which they are eligible. Ruth Leger, social support manager at NPower, says that she has spent several hours helping trainees through a single benefit application. In some cases, she says, participants end up foregoing benefits that they are eligible for because the process is so time-consuming.

“I was working with one young lady with three kids, and I tell her, you could get WIC [cash help to provide food to children] for all of them, and that will supplement the food that’s in your house. She’s like, ‘Well, the WIC office, I’ve been on that line for several days. Then I call and that’s several days. She’s like, ‘I’d rather just figure out what I have, than have to go through a whole brick wall to get my needs.’”

#### PROMISING MODELS TO BUILD ON FOR EXPANDING WRAPAROUND SERVICES



### Work Progress Program provides stipends to workforce opportunities for youth

The Work Progress Program (WPP) is a workforce development initiative, launched by the Mayor’s Office for Economic Opportunity, that funds community-based organizations to provide young adults with paid work experiences. Launched in 2012, WPP partners with more than 50 nonprofits to place participants in a range of paid internships and work-based learning opportunities, including in healthcare, technology, construction, media, film, and design. The program has demonstrated promising outcomes; a recent evaluation found that 88 percent of participants in WPP-funded workforce development programs were employed at some point during the year following their subsidized job, and they experienced a nearly \$1,000 boost in earnings. The program, funded at about \$4.2 million per year, is currently limited to youth ages 16 to 24, leaving out adults in the workforce development system.



## PROMISING MODELS TO BUILD ON FOR EXPANDING WRAPAROUND SERVICES



## Promise NYC offers immediate childcare to families in need

Promise NYC is an innovative program providing free childcare services to undocumented immigrant families pursuing work, education, or job training. Launched by the Adams administration in 2023 with a \$10 million investment, the program's key innovation is in how childcare vouchers are provided: nonprofit partner organizations are permitted to give clients immediate access to childcare support, and bill the Administration for Children's Services (ACS) for services provided, bypassing the lengthy childcare voucher application process.

Partner organizations scout communities for eligible childcare providers, help them enroll through the city, and then connect Promise NYC participants to their services. One current partner in Promise NYC is the Center for Family Life in Sunset Park, which operates a variety of social services programs. Co-executive director Julia Jean-Francois sees enormous potential to expand this initiative to meet the needs of participants in a wide range of job training programs.

"I think it would be an amazing addition to our adult employment services," says Jean-Francois. "To serve as a pass through conduit for publicly available money to help people actually obtain a childcare option that will work for them."

## PROMISING MODELS TO BUILD ON FOR EXPANDING WRAPAROUND SERVICES



## NYC Benefits increases the capacity of direct service providers to expand benefits access

One of the city's most promising initiatives to facilitate greater benefits access is NYC Benefits, which funds and trains direct service providers to expand benefits access work in their communities. Through NYC Benefits, several social services agencies have begun to integrate benefits counseling and other supports into their workforce development programs. Launched in 2023, the program also has dedicated liaisons at the NYC Human Resources Administration (HRA) that can help applications that might have gotten stuck in the process and move them along.

"I think that there is a world where there could be a benefit add-on to every single service delivery contract in the city," says Katie Brennan, grants director of the NYC Benefits program. "People need a ton of support in how to do these applications, understanding policies and eligibility, and having points of contact within the agency to demystify the process." As of 2024, NYC Benefits works with about 35 nonprofit organizations, a small subset of direct service providers in the city, only some of which focus on workforce training.

## Recommendations

# 8 Ideas to Strengthen NYC's Workforce Development Programs by Expanding Access to Wraparound Services

### **1. CREATE NYC WORKFORCE SUPPORTS, A NEW INITIATIVE TO TEST AND EVALUATE THE EFFECTIVENESS OF KEY WRAPAROUND SERVICES.**

Evidence shows that wraparound supports—such as an OMNY card, childcare assistance, and stipends—can help make workforce development programs more inclusive and effective. But only a handful of programs have been able to secure sufficient funding to provide these supports to most program participants, and hardly any have had the resources to formally evaluate their effectiveness. To address these shortcomings, the next mayor should launch NYC Workforce Supports, a program to fund free OMNY Cards, childcare vouchers, and other key supports for participants in workforce training programs. The mayor should also enlist the Mayor's Office for Economic Opportunity and potentially a consortium of philanthropic foundations to launch a Training Support Pilot Initiative designed to rigorously test and evaluate different wraparound services. This initiative would test the impact of wraparound services on program access and completion, and employment outcomes, and generate data that can inform future investments in workforce development. By piloting key supports across a range of training programs, the initiative would help thousands more New Yorkers to succeed in achieving upward economic mobility and create a stronger evidence base for what works in strengthening workforce development outcomes.

### **2. ESTABLISH THE NYC SKILLS GRANT TO PROVIDE STIPENDS THAT HELP OFFSET \$1,000 IN NONTUITION COSTS FOR LEARNERS ENROLLED IN EVIDENCE-BACKED JOB TRAINING PROGRAMS.**

While New York City's proven, nonprofit workforce development programs are generally tuition-free, many low-income learners still struggle with nontuition costs—such as transportation, childcare, and lost wages—that are a major barrier to entry, persistence, and completion. To help make strong programs more inclusive and effective, the city should establish the NYC Skills Grant, which would provide a stipend of up to \$1,000 per learner to help cover these critical expenses. Similar programs piloted by nonprofit organizations have demonstrated positive outcomes, including increases in graduation, certification, and employment rates. Stipends can also make strong programs more accessible to learners with caregiving responsibilities and other potential barriers to completion. The grant would be available to participants in evidence-backed workforce training programs with demonstrated income-boosting outcomes, ensuring that short-term financial constraints don't prevent New Yorkers from building the skills they need to achieve economic mobility.

**3. DEVELOP A CHILDCARE FOR WORKFORCE PROGRAM THAT ENABLES PROVEN CAREER TRAINING PROVIDERS TO DIRECTLY PROVIDE LEARNERS WITH CITY-BACKED CHILDCARE VOUCHERS.**

Many low-income parents are eager to participate in career training programs but are held back by struggles accessing affordable childcare. One key challenge is that the voucher program run by the Administration for Children's Services can take months to access, meaning that if a participant applies on the first day of training, they would be unlikely to receive a voucher—let alone a placement—until after the program is over. To address this issue, the city should create a Childcare for Workforce program that allows proven training providers to offer childcare vouchers directly to their learners. This approach would build on the successful Promise NYC initiative, which focuses on programs that serve recent immigrants. By enabling nonprofit workforce development organizations to directly enroll their learners, the city can help more caregivers gain the skills needed to secure higher-wage jobs.

**4. LAUNCH A ZERO-INTEREST WORKFORCE LOAN PROGRAM TO HELP LEARNERS OFFSET EXPENSES DURING TRAINING.**

Even when tuition is free, many jobseekers struggle to afford the cost of living while completing a career training program. To bridge this gap, the city should establish a Zero-Interest Workforce Loan program, allowing participants in approved training programs to access small, no-interest loans of up to \$3,000 to cover basic expenses. These loans could be structured to require repayment only after the participant secures a stable, well-paying job, reducing financial risk while ensuring sustainability. Loan repayments would then help seed future loans, allowing successful graduates to pay it forward.

**5. INTEGRATE A NAVIGATOR STAFF LINE AND A WRAPAROUND SERVICES BUDGET LINE INTO ALL NEW WORKFORCE DEVELOPMENT RFPs.**

For many jobseekers, the path to successful career training is filled with nontuition costs, including childcare, housing, food, transportation, and mental health needs. Workforce navigators—specialized staff who help participants address these barriers—make a significant difference in program completion and job placement rates, but few organizations can afford to hire and retain these staff lines. To help change this, the city should launch new workforce development RFPs with a dedicated budget line for navigator staff, as well as specific funding for wraparound services like an OMNY card, childcare vouchers, and stipends. By embedding these supports into city-administered workforce contracts, policymakers can ensure that limited training dollars are able to generate the maximum possible impact.

**6. EXPAND THE WORK PROGRESS PROGRAM TO INCLUDE ADULTS IN CAREER TRAINING PROGRAMS, CREATING A NEW SOURCE OF TRAINING STIPENDS.** New York City's existing Work Progress Program (WPP)—established by the Mayor's Office for Economic Opportunity over a decade ago and operated in partnership with the Human Resources Administration—has been highly effective in helping young people gain work experience while earning a stipend, yet no equivalent program exists for adults enrolled in career training. The city should expand WPP to include adult learners, providing financial support to help offset the loss of work income experienced by many who enroll in full-time training. By leveraging the existing WPP infrastructure, this expansion could quickly provide stipends to adults enrolled in proven workforce development programs, enabling more New Yorkers who might otherwise forego career training to be able to participate and succeed.

**7. EXPAND THE CUNY COMMUNITY NAVIGATOR INSTITUTE TO TRAIN 50 WORKFORCE DEVELOPMENT NAVIGATORS AND DEPLOY THEM TO TRAINING ORGANIZATIONS CITYWIDE.** Workforce training programs see better results when participants are supported by a Navigator—a staff member with training in benefits access, coaching and mentorship, and the landscape of existing nonprofit service providers. However, very few nonprofit workforce programs today can afford a full-time navigator, and those that do experience high caseloads. To help address this shortage, the city should tap the existing CUNY Community Navigator Institute, which has already demonstrated success in preparing navigators to assist students at CUNY and support clients of other community-based organizations to meet their needs. The city should expand this model to workforce development programs. By training and deploying 50 Workforce Development Navigators to career training organizations across the city, the initiative would help learners access critical resources and benefits, and navigate the challenges that often derail job training progress.

**8. PAY FOR NEW INVESTMENTS IN EVIDENCE-BASED WORKFORCE DEVELOPMENT SUPPORTS THROUGH EXPANDED PAID STREET PARKING AND AN 0.05 PERCENT EMPLOYER SURCHARGE ON PAYROLL TAXES.** To fund these critical investments in making New York's proven workforce programs more inclusive and effective, policymakers have options. The next mayor should expand paid street parking, which could generate more than \$1 billion annually, and commit a fraction of that revenue to fund free OMNY cards for CUNY students and workforce training participants. Even after covering this new benefit, the city would still have hundreds of millions left each year to reinvest in safer streets, stronger transit, and other public goods. At the state level, policymakers should consider an 0.05 percent employer surcharge on payroll taxes. Modeled on the Workforce Training Fund Program (WTFP) in Massachusetts, this surcharge would generate approximately \$90 million annually. Half of the revenue—\$45 million—would be used to provide wraparound services, such as childcare, transportation, and stipends, for participants in proven workforce development programs. The other half would be allocated to grants for employers to upskill their existing workforce, helping to increase productivity and support employee advancement. This dual approach would strengthen both the support available to jobseekers and the training resources available to employers, fostering a more competitive and resilient workforce across the state.

# Endnotes

1. Center for an Urban Future calculations/estimates based on data gathered from interviews.
2. Killos, Lydia, and Jared Cowan. Rep. Do Direct Financial Supports Impact Our Learners' Key Performance Indicator (KPI) Outcomes? Per Scholas, 2022.
3. Bhise, Lena et al. New York City's Workforce Landscape: A network of programs, providers, and organizations foundational for catalyzing a robust and equitable economic recovery. NYC Employment and Training Coalition, Workforce Professionals Training Institute, The Center for New York City Affairs at the New School, 2022
4. Ibid.

