



Center for Research on Employment of  
Disadvantaged Populations

## Expansion of the Employment Advancement (Kidum) Program for Low-Wage Workers – Summary Evaluation Report

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The study was commissioned funded by JDC-Tevet

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## Related Myers-JDC-Brookdale Institute Publications

Fischman, N. and Wolde-Tsadick, A. 2016. *Developing Methods for Improving the Work Conditions of Low-Wage Workers: Summary Evaluation Report of the Employment Advancement (Kidum) Program*. RR-707-16 (Hebrew).

Kahan-Strawczynski, P.; Vazan-Sikron, L.; Naon, D.; Hadar, Y. and Konstantinov, V. 2015. *Young Adults Working in Israel with up to 12 Years of Schooling: Integration into Employment – Resources, Barriers and Needs*. RR-656-14 (Hebrew).

Andebland-Sebag, M.; Ben-Shoham, A.; Brender, E.; Berkley, N. Galia, A.; Gottlieb, D.; Tennenbaum, V.; Naon, D.; Sofer-Forman, H.; Strawczynski, M.; Shachar, A.; Qsir-Keliner, N. 2015. *Negative Income Tax – Follow-up Research Report through Eligibility Year 2012* (Hebrew, no English summary available).

King, J.; Hadar, Y. and Wolde-Tsadick, A. 2014. Employment for *Empowerment (Ta'asuka le-Revakha) – Evaluation Study. Executive Summary*. RR-675-14 (Hebrew).

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# Executive Summary

## 1. Background

In recent years, employment programs in Israel and abroad have started offering employment advancement services to complement their job placement services. This comes from the understanding that most people who find work through employment programs are placed in low-paying jobs. Low pay is not unique to participants in employment programs, and indeed, the rate of workers in low-paying jobs in Israel is higher than the OECD average.<sup>1</sup> For this reason, JDC-Israel-Tevet developed the Kidum program, which provides services to help workers in low-paying jobs gain higher wages and professional advancement.

In 2012, a pilot of the Kidum program was introduced and implemented at employment centers throughout Israel. In early 2014, the program was expanded to Maftach and Kivun employment centers, which serve Haredi (ultra-Orthodox) Jews, and, on a more limited scale, to other employment programs including Riyan centers for the Arab population and Rampa for people with disabilities. The current report examines the outcomes for participants who joined Kidum in early 2014 and remained in the program for at least one year. The vast majority of Kidum participants who had been in the program for that amount of time were at Maftach and Kivun centers.

The coordinators of the Kidum program were trained by JDC-Tevet and then began recruiting participants for the program. Note that they worked part time as Kidum coordinators and part time in another capacity at the center, usually as job placement advisors. The program participants were selected on the understanding that advancement constitutes the second stage of successful integration into employment, with the first stage being placement and retention.

The implementation model of the program included identifying and selecting suitable participants, helping them set advancement goals, developing a customized work plan, and supporting them in their efforts to achieve their goals.

Myers-JDC-Brookdale Institute was commissioned by JDC-Tevet to evaluate the program from its inception, and has continued to monitor its implementation and to track the outcomes of the participants.

## 2. Examination of Implementation of the Program

Implementation of the program was examined by analyzing program administrative data and through 21 interviews with the Kidum coordinators, their managers at the centers, and Kidum staff at JDC-Tevet. At the time of the study, the program operated mostly at the Maftach centers and, for this reason, the following findings relate only to those centers.

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<sup>1</sup> There is extensive discussion in the international literature on the question of how to define low pay. OECD defines this as "the share of workers earning less than two-thirds of median earnings." According to this measure, as of 2016, some 20% of all fulltime employees in Israel work in low-paying jobs, compared with the OECD average of 17%.

**Selecting and training staff:** 11 existing staff members at the Mafteach centers were selected for the role of Kidum coordinators and were trained by the Kidum staff at JDC-Tevet. In addition, a national coordinator was appointed and provided ongoing guidance to the Kidum coordinators. The coordinators and center managers expressed a high level of satisfaction with the training.

**Recruitment of program participants:** By August 2016, 368 participants had been recruited to the program. Fifty-four percent were already receiving services from the same center; 46% were recruited shortly after their first visit to the center. Sixty-two percent were women; the average age of the participants was 32; 76% were married and had children. Thirty-nine percent had a post-secondary certificate or academic degree and 62% reported that they had a profession.

**Implementation of the operating model:** For the most part, the program was implemented according to the model. The coordinators reported that participants completed an intake questionnaire, came to at least three meetings, and developed a work plan. Suitable participants were encouraged to enroll in vocational training or academic studies and some received financial assistance from the program.

Examination of implementation at the Mafteach centers brought to light several difficulties that could be relevant to the Kidum program in other centers targeting different populations.

**Difficulties in recruitment:** Most of the centers were unable to meet their recruitment targets. The main difficulty was in recruiting Haredi men. This is because many were earning higher wages than the maximum allowed for admission to the program (i.e., more than NIS 6,000). It is also possible that the long-term process suggested by the program was less suitable for Haredi men (and perhaps others as well) looking for a short-term way to increase their income.

**Coordinators' workload:** The Kidum coordinators dedicated only about 10 hours per week to the Kidum program, as it was not their main position at the center. Consequently, it was hard for them to divide their time between their different positions.

**Particular problems for the Haredi population:** The Haredi population tends to work part-time, because the men are committed to continuing their religious studies concurrently with work and the women are committed to home and the family. Increasing the number of work hours can help with employment advancement, while not doing so presents a considerable challenge. Furthermore, many of the program participants were willing to work only in a Haredi environment, which could also limit opportunities for employment advancement.

**The process of applying for financial assistance was not sufficiently accessible:** The coordinators reported bureaucratic difficulties in the process of applying for financial assistance from the program. Almost 20% of the participants reported they had received financial assistance. It is possible that more of them could have received support had the process been more accessible.

**Periodic changes in the program operator:** Once every two years, a tender is issued for a program operator. This process can lead to instability at the centers, and can also make it more difficult to develop new and innovative programs such as Kidum within the centers. In the middle of 2016, the Kidum program was discontinued at the Mafteach centers because Tevet and the new program

operator were unable to agree on terms for the position of Kidum coordinator. According to a program staff member, discontinuation of the Kidum program in Mafteach was disconcerting both for the coordinators and for the participants.

In addition to program activities at the Mafteach centers, from early 2014 through mid-2016, Kidum was also implemented to a lesser extent at other centers: Riyan centers for the Arab population, through the Eshet Chayil program for Arab women in Ussefiya, the Rampa program in Karmiel, which provides services for people with disabilities, and the Rashut Mekademet Taasuka in Kiryat Shemona. In most of these centers, there was no allocated position for the Kidum coordinators who had to find a way to fit the Kidum program in with their other functions at the center. This created numerous structural difficulties and most of the coordinators were unable to meet their recruitment targets. Nevertheless, the coordinators and most of the center managers felt that the program was important and necessary, and expressed a wish to increase its activity.

### **3. Program Outcomes and Impact**

The examination of the program outcomes was based mainly on telephone interviews with the participants conducted in August 2016. We endeavored to interview all participants who had been in the program for between 1 and 2 years (N=368). Altogether, 220 interviews were conducted, 60% of the study population. No significant differences were found between the participants who were interviewed and those who were not.

We interviewed an additional 243 individuals with similar characteristics to those of the program participants. The respondents in this comparison group were receiving services at the same centers as the Kidum participants, but were not participating in the Kidum program. We compared the Kidum participants to the comparison group to try to estimate the impact of the program. We used three additional statistical methods designed to strengthen the degree of similarity between the two groups: ordinary least squares regression and the nearest neighbor matching and propensity score matching methods. For selected measures, we present the range of the impact estimates we found using the four different methods. Importantly, although the two groups were found to be similar in the observed variables (those that can be measured), we may not have succeeded in controlling for differences due to unobserved factors, such as motivation.

From here on, our focus is on participants who were employed when they joined the program (N=169), the reason being that it was one of the criteria for admission to the program, although some participants were admitted to the program even though they did not meet that criterion.

#### **3.1 Final Outcomes**

The program defined aspects of advancement that included increased wages and/or improvement in other aspects such as professional advancement or improved work conditions. The program set advancement goals for the different aspects of advancement. For example, one goal was that at least 25% of the participants would increase their monthly or hourly wage by 10% or more. The program surpassed this goal, as 46% of its participants increased their wages. However, the comparison group also surpassed this goal by a good margin. Thus, in retrospect, it seems clear that the goal could have been set higher.

Table I presents the range of impact estimates for selected measures found with the four statistical methods used in this study (difference of averages with no statistical adjustment, OLS, nearest neighbor matching, and propensity score matching). These estimates are all based on differences between the participant and the comparison groups and they are presented in percentage points. A positive value indicates a positive impact of the program on its participants, while a negative value indicates a negative impact of the program on its participants.

**Table I: The Range of Impact Estimates for Selected Measures Found with the Four Statistical Methods Used in this Study**

Measure	Range of Estimates (percentage points)	Statistical Significance ( $p < .05$ )
Increased wages	7-15	2 of the 4 significant
Perceived improvement in financial status	10-16	2 of the 4 significant
Improvement in other aspects <sup>1</sup>	-4-0	None significant
Enrolling in vocational training, academic studies or other courses (e.g., English) <sup>2</sup>	11-18	All 4 significant

1 Increased wages, professional improvement, and/or improved work conditions.

2 About 60% enrolled in vocational training, 20% enrolled in academic studies, and 20% enrolled in other courses (e.g., English).

**These findings suggest that the program had a modest positive impact on the employment advancement of its participants, even if not all of the impact estimates were significant.**

- ◆ 46% of the participants increased their monthly or hourly wages by 10% or more 1-2 years after joining the program. In the comparison group, 39% increased their wages, a difference of 7 percentage points in favor of the participants. The estimated impact of the program for this measure ranges from 7 to 15 percentage points depending on the method used, and the two highest estimates were statistically significant (Table I). These findings are consistent with the reports by 45% of the participants of a subjective improvement in their financial status. Furthermore, the estimates of the program impact for that measure ranged from 10 to 16 percentage points depending on the methods, and two of them were statistically significant (Table I).
- ◆ 63% of the participants reported an increase in wages, professional improvement or improved working conditions, compared with 66% in the comparison group. The difference between the two groups is slightly negative, i.e., in favor of the comparison group, at -3 percentage points, though none of the impact estimates were statistically significant (Table I).
- ◆ Note that 28% of the participants were still enrolled in a study program at the time of the interview and a significant percentage of them had therefore reduced their weekly work hours. Thus, it is possible that in the long-term, after they have completed their studies, the impact estimates will increase.
- ◆ Among the participants whose wages increased, the average increase was NIS 1,540 per month (an increase of 40%) and NIS 6 per hour (an increase of 20%). Importantly, although a relatively large change was found in the wages of the program participants who increased their wages, the



changes among all participants who were working when they joined the program was lower, at approximately NIS 150.

Below we present the difference in the average changes in the monthly wages between the participants and the comparison group (difference in differences). We will also present additional methods that were intended to strengthen the similarity between the two groups. We will present the range of impact estimates found with all four methods.

- ◆ The estimates of the impact on the average change in monthly wages ranged from NIS 122 per month, according to the difference in differences in averages, to NIS 496 according to the nearest neighbor matching. None of the estimates of the program impact were statistically significant. However, a positive trend was found, which provides an additional reason for thinking that the program had a modest positive impact on participants' employment advancement.
- ◆ We calculated the impact estimates separately for the men and women. Among the women, the estimates were relatively high, and some were statistically significant. In contrast, among the men, the estimates were lower and sometimes negligible. These findings indicate that it is possible that the program helped Haredi women more than Haredi men. This applies, as noted, to participants in the Mafteach program. However, these estimates must be interpreted cautiously, as they are based on relatively small samples.

### **3.2 Interim Outcomes**

This section focuses on selected interim outcomes of the program:

#### ***3.2.1 Activities and Services Provided through the Program***

Program participants received many services from the program. According to their reports:

- ◆ 90% completed intake forms, 76% set advancement goals, and 60% developed a personal work plan with the Kidum coordinators.
- ◆ 76% met with the Kidum coordinator at the start of the program at least once a month.
- ◆ 43% received counselling about vocational training and/or academic studies; 41% participated in workshops or group activities (empowerment, scholastic assistance, soft skills enhancement).
- ◆ The most important services in their opinion were the support from the Kidum coordinator and the financial assistance.

#### ***3.2.2 Acquiring Soft Skills, Initiating Discussion with the Employer, and Finding a New Job***

Improving soft skills associated with employability, initiating discussions about promotion with the employer and also finding a new place of work are possible means of advancement.

- ◆ 67% reported increased self-esteem, 57% reported improved ability to present themselves to employers, and 57% reported they were better able to take initiative at work.
- ◆ 29% initiated discussions with their employer about promotion. This is relatively low given that most of the coordinators emphasized the importance of talking with employers about promotion. The rate of participants who initiated discussions with their employers was 4

percentage points higher than in the comparison group (29% vs. 25%), but the difference was not statistically significant.

- ◆ 39% started a new job vs. 30% in the comparison group – a 9 percentage-point difference in favor of the participants, but the difference was not statistically significant.

### **3.2.3 Vocational Training and Academic Studies**

Enrolling in a study program is a possible means to employment advancement. The program therefore encouraged suitable participants to enroll in vocational training courses, academic studies or other courses (e.g., English). The program also provided financial assistance for studies to selected participants.

#### **The program had a positive impact on the rate of participants who entered vocational training, academic studies or other courses:**

- ◆ 45% of the participants interviewed enrolled in a study program after joining Kidum, mainly in vocational training courses or academic studies. Sixty-one percent were studying at the time of interview and 39% had studied previously.
- ◆ The rate of participants enrolled in a study program was 11 percentage points higher than the rate in the comparison group (45% vs. 34%).
- ◆ The estimates of the program impact on this measure ranged from 11 to 18 points depending on the method. All of the estimates were statistically significant (see Table I).
- ◆ 66% of all the participants who began studying after joining the program received financial support for their studies. Of these, 45% received assistance from the Kidum program and 55% from other sources, mainly vouchers from the Ministry of Economy.
- ◆ 90% of all the participants who had studied previously completed their studies successfully, and 99% of those who were studying at the time of interview were confident or somewhat confident that they would complete their studies successfully.

### **3.3 Additional Outcomes**

The following additional outcomes are presented in order to highlight some additional aspects of the program.

**Participants' assessment of their chances for advancement in the future:** Only 37% of the program participants interviewed believed their chances for advancement in their current jobs were good or very good, and 61% thought that their chances of advancing by finding a new job were good or very good.

**Satisfaction with the program:** The participants expressed a high level of satisfaction with the program: 66% were satisfied or very satisfied with the program and 86% were satisfied with the Kidum coordinator. Eighty-five percent would recommend the program to others in similar situations.

**The social/Haredi composition in the place of work:** We asked the participants about the social composition at their place of work (Haredi/non-Haredi) and the extent that it affected their choice of place of work. Sixty percent reported that all, or at least most, of their colleagues were Haredi. Sixty-

eight percent reported that the social composition was important when considering a new place to work. In other words, it was important to the participants that their place of work had a Haredi character.

#### 4. Conclusion and Programmatic Directions

Since the start of 2014, the Kidum program has had to contend with many difficulties: It was difficult to recruit participants, particularly Haredi men. The coordinators reported a heavy workload and difficulty allocating the time needed for the Kidum program. The change of program operators at Mafteach created instability and made it even more difficult to implement the program. However, despite these difficulties, the Kidum coordinators managed to implement the program, mostly according to its implementation model:

- ◆ The participants received many services from the program.
- ◆ 87% reported some improvement in skills related to their employability.
- ◆ 45% enrolled in a study program after joining Kidum, mainly in vocational training courses or academic studies. All of the impact estimates for this measure were statistically significant.
- ◆ 46% increased their wages by at least 10%. Two of the four impact estimates for this measure were statistically significant.

**In summary, the program helped participants acquire vocational training or pursue academic studies. There is also evidence that the program had a modest positive impact on the employment advancement of its participants, even if not all of the impact estimates were significant.**

The study had several limitations: We attempted to find a comparison group similar to the participant group, but given that the allocation into groups was not random, we may not have controlled for unobserved factors such as motivation. Furthermore, the sample was relatively small, so the impact estimates should be interpreted with caution. However, the present study is part of a series of studies intended to examine the contribution of different Kidum tracks and programs. We believe that taken together these studies can provide a reliable account of the impacts of the Kidum program. The outcomes in the two studies conducted to date – the present study and an evaluation of the pilot program<sup>2</sup> – are similar. The findings from these studies suggest that the incorporation of some new features along with further adaptation of some of the existing ones could help the program continue to improve:

- ◆ **Peer support groups:** Introducing peer support groups could help the program by increasing the number of participants able to receive support without significant harm to the quality of the support given. This change might also offer an opportunity for the participants to learn from, and support each other.

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<sup>2</sup> Fischman, N. and Wolde-Tsadick, A. 2016. *Developing Methods for Improving the Work Conditions of Low-Wage Workers: Summary Evaluation Report of the Employment Advancement (Kidum) Program*. RR-707-16. Jerusalem: Myers-JDC-Brookdale Institute (Hebrew).

- ◆ **Shorter participation duration for suitable participants:** It may be worth trying to adjust the duration of the support offered by the program to meet individual needs, with some participants receiving support for a briefer duration than others. Shortening the duration of the support, at least for some participants, would allow the program to extend support to a greater number of participants.
- ◆ **Mentoring by volunteers working in different companies in Israel:** Only 15% of the participants received assistance from mentors. Some of the coordinators claimed that this service was not appropriate for many of the participants. However, the participants who did receive mentoring expressed a high level of satisfaction with the process. The mentors also reported that the process was beneficial to them and gave them the opportunity to get to know Haredi culture and society.
- ◆ **Making the work plan more structured:** Many of the participants had forgotten that a work plan had been built for them, and some of the coordinators noted that the work plans were not always structured. Constructing a more structured work plan with specific goals, relevant assignments, etc. could yield better outcomes.

## 5. Further Activity for the Program and the Evaluation

As noted, from early 2014 through mid-2016, the Kidum program operated primarily at the Mafteach and Kivun centers. It has recently significantly expanded its work in the Riyan centers, which provide services to Arab Israelis. The program has also started operating in two municipal employment centers in Jerusalem and Beersheva.

**Riyan centers:** Seven Kidum coordinators are working full time at the Riyan centers and the program is aiming to recruit and train two more. Between mid-2016 and March 2017, some 290 participants joined the program at the Riyan centers.

**Mafteach and Kivun centers:** Kidum discontinued its activity at the Mafteach centers in mid-2016 due to difficulty reaching agreement with Mafteach's new program operator. The program continues to operate at Kivun-Jerusalem with the same two coordinators. The intention is to introduce the program to Kivun-Bene Beraq.

Kidum is expanding its activities in municipal employment centers.

**Municipal employment centers:** In early 2017, Kidum began operating in employment centers in Jerusalem and Beersheva. Importantly, the program impact will be evaluated in a randomized controlled trial. For this purpose, at the end of 2016, the National Insurance Institute (NII) conducted a survey of potential candidates for the program, in which the respondents were asked whether they would be interested in participating in the Kidum program. Among those expressing interest, some were assigned to the participant group and some to the control group. Four Kidum coordinators, two in each city, are employed full-time, so that each one is meant to provide support services to around 50 people assigned to the participant group. MJB has been monitoring the implementation of this program from the beginning. The study is being conducted in partnership with the NII Fund for Demonstration Projects.

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