

# REHIRE COLORADO SUPPORTED WORK PROGRAM LEADS TO LONG-TERM EMPLOYMENT AND EARNINGS GAINS

Poverty Focus Area:  
Economic Mobility

Partner:  
ReHire Colorado; Colorado Department  
of Human Services (CDHS)

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## KEY TAKEAWAYS

- While participants were receiving services, the treatment group had 21% higher quarterly employment rates and 17% higher quarterly earnings relative to the control group.
- After participants left the program, they remained 16% more likely than the control group to remain employed for every quarter of a seven quarter follow-up period.
- The program's long-term success hinges on one critical action: the participant transitioning from the subsidized transitional job (TJ) into a permanent, unsubsidized role with the host employer.
- The program's impacts were consistent across different demographic groups, including older workers and those with prior felony convictions, suggesting that the intervention's structure overcomes individual barriers.

## CONTEXT

Long-term unemployment (LTU) is defined as actively searching for work for 27 weeks or more. Over the past decade, roughly 25% of the unemployed population fell into this category. Research indicates that employers exhibit a strong bias against individuals with unemployment gaps in their resumes, often causing them to overlook qualified applicants. This bias creates a self-reinforcing cycle where an initial spell of joblessness leads to chronic LTU. There are racial and age-related disparities in unemployment rates as well.

The evidence suggests that for the LTU population, the primary barrier to re-employment is not necessarily a deficit in skills or education, but rather the difficulty of overcoming employer screening bias.

## INTERVENTION EXPLANATION

ReHire Colorado, administered by the Colorado Department of Human Services (CDHS), is an intensive, supported work program designed to circumvent the structural barriers faced by the LTU population. The model integrates financial, training, and logistical support, anchored by the subsidized Transitional Job (TJ):

- Participants receive monthly, individualized coaching to develop a plan for employment and to systematically address personal barriers (e.g., housing, transportation, health).
- A range of financial and logistical assistance is provided, including support for training, transportation, vehicle repair, clothing, and utilities.
- Participants are placed in a TJ for up to 30 weeks. Crucially, all employee wages are paid from program funds, resulting in no direct costs to the host employer. The primary goal of the TJ is to secure a path to an unsubsidized position with the host-site employer.

To participate, an individual must be a Colorado resident, be documented, be actively seeking a job, and have a household income below 150% of federal poverty guidelines. The program prioritizes veterans, non-custodial parents, and individuals 50 years or older (70% of participants).

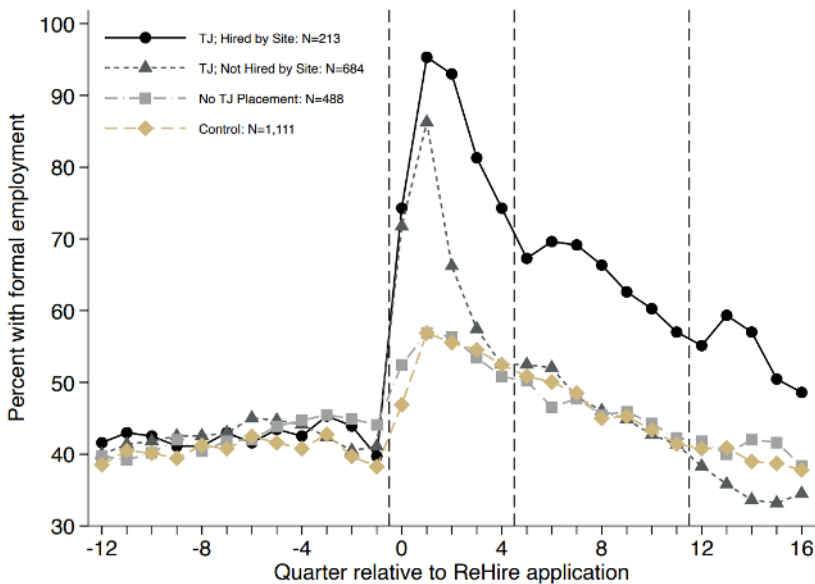
## THE STUDY

Researchers conducted a randomized control trial (RCT) between July 2015 and December 2018. A total of 2,496 eligible applicants were randomly assigned to one of two groups:

- Treatment Group (N=1,385): Given access to the full suite of ReHire services, including the TJ placement.
- Control Group (N=1,111): Retained access only to non-ReHire funded, less intensive job search assistance.

The random assignment ensured the two groups were statistically equivalent before the study, meaning differences in post-application outcomes could be reliably attributed to the ReHire services. Researchers tracked employment, earnings, and safety net participation (SNAP, TANF) using administrative data from state agencies over multiple quarters and years.

The applicant data confirms the study population faced significant disadvantages. Over 40% of the study population had ever been homeless, nearly 25% had ever been convicted of a felony, and nearly 70% received SNAP benefits in the year prior to application.



## MAJOR FINDINGS

ReHire generated strong, durable improvements in the labor market outcomes of its participants.

While participants were receiving services, the treatment group had 21% higher quarterly employment rates and 17% higher quarterly earnings relative to the control group. After participants left the program, they remained 16% more likely than the control group to remain employed for every quarter of a seven quarter follow-up period. Additionally, the program helped people return to work without triggering a “benefits cliff,” or loss of the government safety net. Participants were equally likely to receive SNAP and TANF compared to the control group in the years following application.

Deeper analysis revealed that the program's long-term success is concentrated among participants who were hired full-time by their transitional job site.

- Successful Conversion: Participants who were hired by their transitional job site (N=213) demonstrated the highest and most durable employment rates, significantly outpacing all other groups.
- Unsuccessful Conversion: Participants who either completed a transitional job but were not hired (N=684), or those who received no transitional job placement (N=486), had long-term labor market outcomes that were statistically similar to the control group (N=1,111).

The core value of ReHire lies in its function as a risk-free, extended working interview. The 30-week subsidized period allows employers to observe the worker and neutralize the structural bias against the “resume gap.” The study found that program benefits were generally consistent across applicant characteristics, such as age, education, or prior felony history. This consistency suggests that the subsidized work experience itself is the most powerful determinant of success, not the individual's pre-existing profile.

## WHAT THIS MEANS FOR FUTURE PROGRAMS:

- **Maintain Broad Eligibility:** Individual characteristics do not reliably predict who will benefit most, so programs should maintain broad eligibility. Narrowing criteria based on perceived likelihood of success would exclude systemically disadvantaged individuals who stand to gain substantially.
- **Focus on Conversion Efficiency:** Because long-term success is dependent on the conversion to permanent, unsubsidized employment, it is critical to target host employers with a proven conversion record, who commit to a formal hiring path for successful TJ participants. For the best chance of success, the participant's skills, the coach's plan and the long term needs of the host employer should be aligned.