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Successes of Pa.'s subsidized-jobs program

By Jane M. Von Bergen

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On Labor Day, Barbara Izquierdo, 22, will be enjoying a day off from her new job as a case manager and bilingual advocate for Philadelphia's hungry.

It's an opportunity that she hardly would have imagined a year ago, when she got in an accident, lost her job, and had to go on welfare to support her two children.

"This job has given me stability," she said. "I'm living proof that Way to Work actually works."

Way to Work is the name Pennsylvania gave to its version of a national, stimulus-funded welfare and subsidized-jobs program that will end Sept. 30, unless Congress extends it. So far, bills have passed the House, but not the Senate.

Many states, including New Jersey and Delaware, also have versions.

"We're seeing signs of economic recovery," said Pennsylvania Labor Secretary Sandy Vito, who spoke last week at a rally in North Philadelphia.

"But the recovery isn't strong enough or fast enough to get everyone back to work," she said.

Vito and other proponents say that the program helps people like Izquierdo while helping employers as the economy remains shaky and unemployment is at 9.6 percent on Labor Day 2010.

Proponents hope companies will keep people on their payrolls when the program ends. If not, they still get experience to list on a resume.

Opponents say the program's national \$2.5 billion price adds to the deficit without addressing underlying problems.

"I don't object to a subsidized-job program," said Robert Rector, a policy expert with the Heritage Foundation, a conservative think-tank in Washington. "But the deficit is itself operating as a huge drag on employment.

"With this deficit, the future isn't looking good for our society, so employers are less likely to invest in expanding their business and hiring."

Rector may be right on a macroscale, but Angela Vendetti is making a different bet on the 2800 block of Girard Avenue, where she will employ 10 people at a soon-to-open sister coffee shop to Mugshots, her cafe at 21st Street and Fairmount Avenue.

Rosangela DelCampo, 33, and Dorothy Jones, 47, both from South Philadelphia and formerly unemployed, are among a handful of Way to Work people Vendetti has hired at Mugshots. Their \$8-an-hour wages are paid for by the government.

With wages covered, Vendetti has more cash, making it more likely that her bet will succeed in Brewerytown. The longer the program lasts, the better her chances.

"For a new business to last, it's all about cash flow," she said. "We're kind of on the cusp there. If I can't get beyond that hump, those 10 jobs won't be there."

Like all restaurants, turnover is high. Vendetti thinks DelCampo and Jones will stay longer than her usual transient crew of college students. "I'm excited to find employees who are potentially long term and can grow with us," she said.

Bustling behind the counter, DelCampo clearly enjoys the work, but the pay is a mixed bag. On welfare, she gets cash assistance, food stamps, health care for her children and herself, and she doesn't need child care.

As a Way to Work employee, she gets half the food stamps and loses cash assistance, but she gets child-care help and health benefits - enough to break even.

If Vendetti moves her onto the payroll, DelCampo will keep health care for her five children, but lose hers, unless she can afford to buy into the plan Vendetti offers.

"I've been struggling all my life," said DelCampo, who says she wants to work. "It's hard to get a job out there, especially if you don't have a high school diploma."

Fresh Grocer and its sister company, Save Philly Stores L.P., which operates two Save-A-Lot food stores in West Philadelphia, have also hired subsidized workers.

Most of the 75 people working for \$8 an hour at the six Fresh Grocer stores will lose their jobs at the end of the program, said human resource director Sheila Lajoie.

Even though the stores have 100 percent turnover in a year, she said, there will likely not be enough of the right kind of openings in time to accommodate all 75. Many now demonstrate food products at the stores, which is fun for customers and improves the stores' relationship and bargaining power with its vendors.

"I'm very excited to be back at work," said Kevina Thompson, of West Philadelphia, who looked upset when she learned she might lose her job. "I thought I was going to be a permanent employee."

Ideally, what happened to Izquierdo should happen to all 12,684 Pennsylvanians working in the program.

In June, she landed at the Greater Philadelphia Coalition Against Hunger through the Way to Work program. As required, the nonprofit picked up various employment taxes, but the federal stimulus funding paid Izquierdo's salary of \$13 an hour.

Obviously, Izquierdo, a high school dropout, impressed her bosses at the coalition, because they put her on their payroll when a full-time position opened.

"She did a bang-up job," said Carey Morgan, executive director. "The fact that she has been on food stamps, the fact that she has been hungry, and she's so smart" made her a good permanent hire.

Fourteen others who came through the program are also working there, helping struggling families learn how they can qualify for food stamps. If the program ends, they'll be out of work.

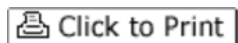
Last weekend, Izquierdo treated her children, 5 and 3, to a day at Sesame Place. Because she was able to go to Sesame Place, ticket takers, food servers, and ride operators also had work.

"I never had that experience with my parents," she said. "I saw all the negatives, all the drugs, all the violence. Now I'm able to offer things to my children I never had."

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