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Wonkblog Analysis

He went from jail to a \$22-an-hour job. How can America get more stories like this?



Brian Potaczek of Mesa, Ariz., testified before Congress April 12 about how he went from being a drug addict in jail to earning \$22-an-hour as an electrician. (House Ways and Means Committee)



Brian Potaczek recently bought his first box of Girl Scout cookies, a small act full of meaning for the 31-year-old from just outside Phoenix.

A few years ago, he was addicted to opioids and in jail. Today Potaczek is an electrician with a steady job, earning enough money to do what many middle-class Americans do: Buy Girl Scout cookies and take his mom out for coffee.

Potaczek told his life story to Congress last month, captivating lawmakers at a <u>hearing</u> on America's "jobs gap" — the mismatch between job openings and workers qualified to fill them. Potaczek is what everyone wants to see: a true example of upward mobility in America who went from being unemployable to having a steady \$22-an-hour job.

Potaczek is an inspiration in many ways, but he's also an outlier. While it's easier now for the poor to get a job, they're still struggling to find good jobs.

Despite job openings hitting record highs and unemployment reaching historic lows, many people are struggling to connect with the type of jobs that can permanently pull them out of poverty.

[My best employee is from a prison in Las Vegas]

The New York Federal Reserve recently released a troubling <u>study</u> titled "Can Low-Wage Workers Find Better Jobs?" The answer was mostly no.

The researchers examined government employment data on about 170,000 low-wage workers (those earning \$13 or less) from 2011 to 2017. They found that each year, only 5 percent of low-wage workers managed to find a better job. The rest stayed put, stopped working or shuffled from one low-paying job to another.

"A lack of formal education appears to be a substantial barrier to finding a better job," the Fed researchers concluded. "Programs aimed at helping these workers increase their human capital, even to the level of a high school diploma (or equivalent), can improve the odds of moving up the job ladder."

President Trump and many Republicans believe it is the ideal time to get more people off government support and into jobs. They are drafting legislation to <u>add additional work</u> requirements to many social programs and to make it easier for the <u>formerly incarcerated to find employment</u>. Some of Trump's ideas <u>are controversial</u>, especially since there already are work requirements for most "able-bodied" adults receiving public assistance.

[The Republican plan to tighten food stamp work requirements is advancing]

What often gets lost in the debate is the key question: How do we get these people into *good* jobs?

Potaczek's life story offers possible answers. Dressed in a hoodie, with a tattoo over his right eye that says "Blessed," Potaczek told Congress that a job training program changed his life. He described how he became addicted to painkillers at age 19 after having his wisdom teeth removed. Life spiraled downward from there, and he ended up in and out of jail three times.

A company called Austin Electric Services taught him how to be an electrician while he was still behind bars in Arizona, a trade he says he had "never done before or never imagined doing." When he was released, Austin Electric Services hired him at \$12 an hour and even drove him to and from work for a while until he figured out his own transportation. A few months later, the company bumped his pay to \$22 an hour.

There are many unusual aspects to Potaczek's rebound. First is his pay. Half of the jobs in America <u>pay less than \$18 per hour</u>, according to the Labor Department, and about a quarter pay less than \$13.

He also got a raise quickly, almost doubling his salary in a matter of months. In much of America, wages have been <u>rising at paltry levels</u>, a significant barrier to becoming the type of person who can afford nonessentials such as the occasional \$5 box of Girl Scout cookies.

[There is now one job opening for every unemployed American]

Job training was key to Potaczek's prison-to-work transition, but there aren't enough programs for everyone who needs them, and it can be difficult to find transportation and child care to attend.

Toby Thomas, president of Austin Electric Services, which hired Potaczek and over 80 other former inmates, has had occasional issues, especially when workers leave the structured prison environment.

"Although we have had immense success with the program, we have had some challenges. The most glaring are transportation, housing and proper work attire," said Thomas. "Then there are the psychological aspects."

Job training isn't a panacea to help every worker, but it's an opportunity many researchers and advocates say should be expanded.

As Republicans draft bills to change various welfare programs, Urban Institute fellow Nisha Patel is urging them to focus on more training and education for welfare recipients.

"Nearly 40 percent of parents on TANF (Temporary Assistance for Needy Families) do not even have a high school education," Patel told Congress Wednesday, and there are limits on how long TANF recipients can do vocational training.

Americans without high school diplomas earn a median salary of just over \$500 a week, according to the Labor Department. That jumps substantially — to just over \$700 a week — once someone gets the degree.

In addition to training, Potaczek also credits his success to the environment his employer created, noting that beyond a paycheck, he felt he had a support network.

The bosses "would talk about the company as a family," said Potaczek. "They would help us out and do whatever it took to make us successful."