

STEPUP

Providing employer incentives and job seeker opportunities.



COMMISSIONER'S REPORT REGARDING THE SUBSIDIZED TRAINING AND EMPLOYMENT (STEP UP) PROGRAM

SEPTEMBER 2014

Submitted by
Commissioner Sharon M. Palmer
Connecticut Department of Labor

*Data for reporting period through June 2014
As required by Public Act #12-1*

Commissioner's Report on Step Up for Reporting Period through June 2014



“ Growing jobs continues to be a priority in our state, and Step Up has proven to be a valuable catalyst in helping companies to expand their workforce. This innovative program is providing excellent opportunities to help get people back into jobs and allows employers to benefit their businesses.”

— State Labor Commissioner Sharon M. Palmer

The Subsidized Training and Employment Program (Step Up) is a statewide bipartisan initiative administered by the Connecticut Department of Labor and the state's five Workforce Investment Boards. The goal of Step Up is to help small businesses expand, provide jobs to unemployed workers, and boost the state's economy. The programs were created as part of Public Act #11-1 and Public Act #12-1, both the result of Special Sessions held to stimulate job creation.

The initial report provided Step Up program data from June 2012 to December 2012 for the Small Business Wage Subsidy Program (Small Business) and the Small Manufacturer Training Grant Program (Small Manufacturer). This report provides data from the first hire as a result of the program (February 2012) through June 2014, including available data on:

- Number of small business participants in the Step Up Program and the general categories of these businesses.
- Number of small manufacturers that participated in the Step Up Program and the general categories of these manufacturers.
- Number of individuals that received employment as a result of Step Up.
- Most recent estimate of the number of Step Up jobs created or maintained.



Cover photo and above: Eight employer conferences were held throughout the state this past May and June. The events, designed to help employers learn more about programs to benefit their business, included information about the Step Up program.

Step Up by the Numbers

The program has served as an important economic stimulus since its initial creation in October 2011. Of the 2,354 individuals hired, 1,415 of those were reported by the hiring companies as new jobs created specifically as a result of Step Up program incentives. This represents a 60 percent job creation rate directly attributable to the Step Up program.

With an average starting wage of \$14.65 an hour, positions include Project Engineers, Account and Production Managers, Assembly Supervisors, CNC Operators, Graphic Designers, Welders, Tool Makers, Press Operators, Process Engineers, Operations Directors, Bookkeepers, Accounting, Masons, Glaziers, Engine Builders, Insurance Agents, Dispatchers, and Assistant Solar Installers. From February 2012 to June 2014, a total of 1,365 individuals hired through Step Up program have completed the initial six-month subsidy period, earning on average \$14.65, with an average employer reimbursement of \$9,613.

Step Up at a Glance – February 2012 to June 2014

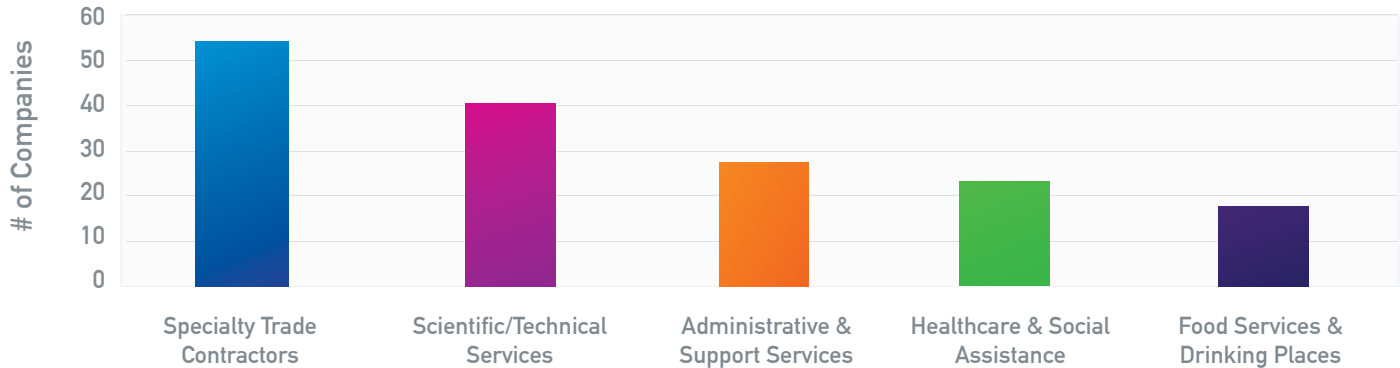
Number of Small Business Participants	650
Number of Small Manufacturer Participants	245
Total Number of Individuals Hired	2,354
Small Manufacturer Hires	1,068
Small Business Hires	1,286
Estimated Number of New of Jobs Created	2,354
<hr/>	
Average Hourly Wage at Hire	\$ 14.65
Average Employer Reimbursement	\$ 9,613
Year-to-Date Payments	\$ 15,072,141
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Dollars Obligated	\$ 14,241,958

Step Up Program Progress Overview

Within the [Small Business category](#), Specialty Trade Contractors and Scientific/Technical Services represent the largest amount of participating companies with 53 and 40, respectively. Specialty Trade Contractors include roofers, carpenters, masons, glaziers

while Scientific/Technical Services represent placements in legal, veterinary, advertising and real-estate industries. Administrative and Support Services were next with 28, while Healthcare and Social Assistance and Food Services had 22 and 16 placements, respectively.

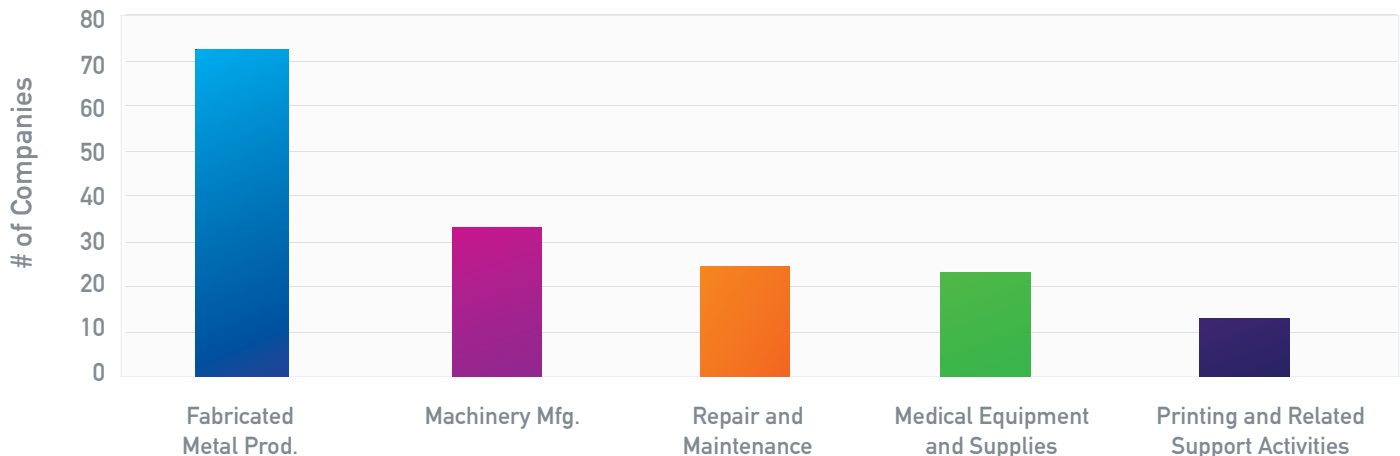
Small Business Participants



Within the [Small Manufacturer category](#), Fabricated Metal Products represent the largest amount with 73 companies in this sector. Types of companies found in this group include machine shops primarily engaged in machining metal and plastic parts, and parts of other composite materials on a job or order basis. The next largest sector was Machinery Manufacturing with 32 companies, and includes Tool and Die shops, primarily engaged in

manufacturing special tools and fixtures, such as cutting dies and jigs. Repair and Maintenance was next with 23 companies. Types of companies in this group include automotive repair and maintenance commercial and industrial machinery repair and personal and household goods repair. This was followed by Medical Equipment and Supplies with 21, and Printing and Related Support Activities with 12 companies.

Small Manufacturing Participants



“The Step Up program is aimed particularly at helping small businesses – which account for 94% of Connecticut’s employers – with the costs of training new hires during the first few months of employment. These are quality, good-paying jobs that will help small businesses expand their workforce, and as a result, strengthen our local economy.”

— Governor Dannel P. Malloy

Jobs Created or Maintained

Of the 2,354 individuals hired, employers reported that over half of those (1,415) were needed to fill new jobs created specifically as a result of Step Up program incentives. This represents a 60 percent job creation rate directly attributable to the Step Up program. The

Regional Step Up coordinators track this statistic by entering the employer's response to the question on the agreement form that all companies must complete: "Would you (employer) have hired this employee without the Step Up incentive?"

2,354+
INDIVIDUALS HIRED

1,415
NEW JOBS CREATED

60%
JOB CREATION RATE

Individuals Hired/Receiving Employment

An extensive outreach and public relations campaign has connected employers with job seekers who may be interested in taking part in the Step Up program. Regional Step Up coordinators hired through the state's five Workforce Investment Boards assist with outreach and promotion of the program, and to process employer and job seeker application forms and determine eligibility. Step Up coordinators also assist employers by locating potential employees suitable for their specific job openings. The coordinators track

the number of individuals hired, track the progress of the new employee, and determine if the employee has been retained after the six-month period. Their goal is to facilitate the hiring process by meeting the workforce needs of the employer, provide quality employment to job seekers, and promote the program through one-on-one meetings, public events, media interviews and distribution of program information developed by the Department of Labor and the Workforce Boards.



Step Up conferences held throughout the state brought several hundred business owners together to learn more about state programs geared toward job creation and helping companies to grow. Companies were invited to the free events to learn more about benefits available to their business, including the wage reimbursement program through Step Up, low interest financing under the Small Business Express Program, assistance with recruitment and business plan development, and tax incentives for equipment upgrades and job creation initiatives.

Public Information and Outreach Strategies

As part of its campaign to promote the program and its benefits, during the Fall of 2013 and the Spring of 2013, the Labor Department offered a series of Step Up conferences throughout the state. Following the success of the three conferences held in 2013, the additional conferences were held in May - June of 2014.

The well-attended conferences provided business owners the opportunity to learn more about state programs geared toward job creation and helping companies to grow. Employers attending the free events learned about opportunities and benefits available to their business, including wage reimbursements through Step Up, low interest financing under the Small Business Express Program, how to obtain assistance with recruitment and business plan development, and potential tax incentives for equipment upgrades and job creation initiatives.

In addition to the Labor Department, conferences were sponsored by the Governor and Lieutenant Governor's office, the Secretary of the State, the state's Workforce Investment Boards, and the Department of Economic and Community Development. Co-hosts included local Legislators who assisted with presentations and helped respond to inquiries from the attendees.



To further promote the program, the agency developed web banners for the Labor Department's homepage and partner websites, issued electronic newsletters to over 10,000 employers signed up to receive employment information, placed articles in partner newsletters, and made presentations to local Chamber of Commerce groups and employment and community organizations.

In April 2013, the Labor Department enhanced its Step Up website and adopted an easy-to-remember web address: StepCT.com. The agency updated its outreach materials to reflect the new web address and included a new link to provide a quick and convenient way to access the names and contact information of the local Step Up coordinators.

The promotional activity undertaken to promote the enhanced site has resulted in a significant increase in the number of visits made to the site. From January to June 2014, for example, there were 5,179 visits made to the Step Up website, in comparison to 2,361 visits made the year before.

From January to June 2014, the website experienced a significant increase in the number of visits when compared to the prior year:

. **5,179 visits (+119%)**

(January - June 2013 = 2,361 visits)

To the Step Up website (includes all pages on the Step-Up site).

. **3,484 visits (+156%)**

(January - June 2013 = 1,361 visits)

To the Step Up home page: www.StepCT.com

. **706 visits (+60%)**

(January - June 2013 = 442 visits)

To the wage subsidy and manufacturing Step Up home page: www.ctdol.state.ct.us/StepUp/StepUp.htm

. **331 visits (+97%)**

(January - June 2013 = 168 visits)

To the Step Up for Veterans home page: www.ctdol.state.ct.us/StepUp/StepUpVets.htm

Step Up public information and outreach strategies include:

- Step Up employer conferences to promote and inform about the program. Events have generated TV, radio and newspaper pieces, as well as coverage from CT-N.
- Extensive social media outreach on Facebook and Twitter
- Web banners for the agency home page are made available to partner agencies, community organizations and Legislators.
- Updated fact sheets and flyers – available in both print and electronic format.
- Continuing outreach at job fairs, business events and seminars to promote Step Up.
- Periodic press releases that announce changes and enhancements to the program, as well as Step Up success stories.
- Electronic newsletter sent to more than 10,000 employers about the Step Up program.
- Information and contact info in the quarterly DOL Tax Division newsletter mailed to nearly 100,000 employers.
- Interviews with local radio stations, newspaper articles.
- Step Up success stories.
- Outreach via the American Job Centers to employers and jobseekers.

Outreach Samples

Newspaper Articles

Newspaper coverage has ranged from profiling specific companies and newly-hired employees that provide testimonials regarding the success of the program, to recent updates and changes made to the Step Up program.

Republican-American



STEP UP CONFERENCE GIVES SMALL BUSINESSES A HAND

"STEP Up has been wonderful. We've added three new hires in the past six months," said Jamie Gregg, chief executive officer of Colonial Bronze Co., whose company employs 35 people. "And we've been able to defray the cost of that. New employees have a marginal utility; it's a sinkhole in the beginning while you train them. What this does is, it bridges that cost."

[Click Here To Read Full Article](#)

Bristol Press



STATE BUSINESS ASSISTANCE PROGRAM HOLDS CONFERENCE

Paul Lavoie wasn't expecting much when he went to the Step-Up Conference here on Tuesday. He figured he might glean something minor from the event, which is intended to help small business owners and managers navigate the myriad of services available to them from the state and other entities.

Lavoie was pleasantly surprised to learn he was wrong.

[Click Here To Read Full Article](#)

The New London Day



STATE STEP-UP PROGRAM TOUTS JOB PLACEMENT SUCCESS

More than 360 job seekers in the region have found help through the state's year-old Subsidized Training and Employment Program, according to figures provided by a local organization that helps place people in permanent positions.

[Click Here To Read Full Article](#)

News Times



STATE LABOR STAFF PITCHES GRANT PROGRAMS TO EMPLOYERS

By using one of several grant programs available through the state, Gray said employers can receive the money for hiring a new worker who was previously unemployed.

[Click Here To Read Full Article](#)

Press Releases

Media releases issued by the Labor Department, Governor Malloy and a number of Legislators have helped to promote the benefits of this successful job creation program.

OFFICE OF THE GOVERNOR



GOV. MALLOY: STATE WORKFORCE TRAINING PROGRAM CREATES MORE THAN 2,200 JOBS

"The Step Up program is aimed particularly at helping small businesses – which account for 94 percent of Connecticut's employers – with the costs of training new hires during the first few months of employment,"

[Click Here To Read Full Release](#)

Connecticut Department of Labor



STATE JOB & TAX INCENTIVES, MARKETING ANALYSIS, BUSINESS PLANNING, WEBSITE DESIGN OFFERED AT FREE EMPLOYER CONFERENCES

"These conferences are designed for companies that support our communities and could use the help of state resources to benefit their business."

[Click Here To Read Full Release](#)

Step Up is Working! A Look at Just a Few Success Stories:

Milford's Automated Services Steps Up – Gives People a Chance and a Job



Michael F. Daddona, owner of Milford based Automated Services, is a national distributor, retailer and operator of new and reconditioned gaming and automated equipment. According to Mike, Step Up allowed him to hire more than 20 unemployed candidates. “The program was very easy to enroll in, the staff is great to work with and the program gave me the flexibility to hire whoever I felt was a good fit for my company,” Mike says. He has hired individuals with disabilities, those previously incarcerated, veterans and

“ Opportunities like these make a business strong and make the heart feel good. More businesses should participate and give someone a chance and a job. ”

the long-term unemployed. Without this grant he would have been unlikely to have given all 20 people a chance to work for his company.

“Opportunities like these make a business strong and make the heart feel good. More businesses should participate and give someone a chance and a job,” he noted.



Company Profile: Connecticut Casket Company, Willimantic, CT

Company makes caskets, flag cases, cremation urns, pet caskets, and keepsake products, using New England-milled, kiln-dried eastern white pine or hardwoods and animal- and formaldehyde- free glues, finished with 100% natural Tung oil. Step Up incentives for new hires allowed business to:

- **Expand into adjoining space**
- **Go national**
- **Focus more on marketing products to solicit new business**
- **Purchase state-of-the-art machinery to expand product lines and produce more inventory job creation initiatives.**

“ The Step Up program has been instrumental in our expansion. Without the funds to train our new manufacturing employees, we would be years behind the progress we have made.” — Bill Covey, company owner

The Bottom Line — Step Up Is Investing in Our Workforce

As of June 26, 2014, approximately \$17 million has been obligated through the Step Up program, assisting 650 companies in hiring 2,354 employees – with an estimated 1,415 translating to new jobs. Average starting wage for these jobs is \$14.65 an hour. The success of Step Up depends upon the true job creators in this economy – the small business community – which accounts for 94 percent of Connecticut’s employers. The program

continues to help these companies grow their business, with the average employer reimbursement amounting to just under \$10,000 per new employee.

Step Up has allowed Connecticut to invest in its workforce and the local business community, and with the addition of the new program for veterans, we expect even more jobs will be created for this state.



For the digital format of this report, please visit: www.StepCT.com