6576. I

National Evaluation of Welfare-to-Work Strategies

Evaluating Two Welfare-to-Work Program Approaches

Two-Year Findings on the Labor Force Attachment and Human Capital Development Programs in Three Sites

U.S. Department of Health & Human Services
Administration for Children and Families
Office of the Assistant Secretary for Planning and Evaluation

U.S. Department of Education
Office of the Under Secretary
Office of Vocational and Adult Education

The Manpower Demonstration Research Corporation is conducting the National Evaluation of Welfare-to-Work Strategies under a contract with the U.S. Department of Health and Human Services (HHS), funded by HHS under a competitive award, Contract No. HHS-100-89-0030. HHS is also receiving funding for the evaluation from the U.S. Department of Education. The study of one of the sites in the evaluation, Riverside County (California), is also conducted under a contract from the California Department of Social Services (CDSS), CDSS, in turn, is receiving funding from the California State Job Training Coordinating Council, the Califorma Department of Education, HHS, and the Ford Foundation. Additional funding to support the Child Outcomes portion of the study is provided by the following foundations: the Foundation for Child Development, the William T. Grant Foundation, and an anonymous funder.

The tidings and conclusions presented herein do not necessarily represent the official positions or policies of the funders.

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December 1997

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ACKNOWLEDGMENTS

This evaluation could not have been conducted without the commitment and cooperation of state and county staff in its sites. Also necessary has been the initial desire of state administrators to subject their programs to intensive study. Similarly, staff in state and local agencies have remained willing to comply with the rigorous requirements of the complex research design, facilitated access to research sample members' program case files, and created the automated AFDC and Food Stamp payment files and Unemployment Insurance files used in this report. These individuals are due a great deal of gratitude.

The following key staff in the locations central to this report deserve particular thanks:

in California — Bruce Wagstaff, Paul Nakashima, Paul Warren, Debra Gamble-Hojjatie, Chuck Morga, Janet Secco, and Karen Sutton and in Riverside County, Dennis Boyle, Marilyn Kuhhnan, Ron Quinn, John Rodgers, Shirley Smith, Barbara Black, Herman Copsy, Terry Welbom, and Pat Virzi;

in Georgia — Michael Thurmond, Sylvia Elam, Linda Bryant, Veronica Thomas, Doug Greenwell, Jeffrey Blankenship, and Ed Nelson and in Fulton County, Ralph Mitchell, Doretha Watkins, Gwen Bailey, Judy Byerly, Freda Carroll, Dallas Chambers, Mary Parker, Linda Turner, and Nancy Chesna;

in Michigan — Gerald Miller, Dan Cleary, Gary Howitt, Leo Greco, Steve Miller, Dick Hall, F. Robert Edwards, and Dick Branch and in Kent County, Everett Vermeer, John Cole, Jim Poelstra, Ken VanLoo, John Rosendahl, Char Kramer, and Marilyn Pennebaker.

Executive Summary

Evaluating Two Welfare-to-Work Program Approaches: Two-Year Findings on the Labor Force Attachment and Human Cauital Development Programs in Three Sites

Welfare reform has been near the top of the American political agenda for almost a decade, a reflection of persistent dissatisfaction with the Aid to Families with Dependent Children (AFDC) program. At the center of the reform discussion is the bedrock value of work. AFDC was created in 1935 primarily to ensure that women whose husbands had died or were disabled could care for their children without being compelled to go to work. By the end of the 1980s, however, most mothers were in the workforce, including mothers of young children, and the Depression-era commitment to helping mothers stay at home was considered obsolete. The key welfare reform question then became *how best* to move AFDC recipients into the workforce, toward self-sufficiency, and out of poverty-still an immensely important question.

States have traditionally responded to this question by implementing one of two different welfare-to-work program strategies. The first, often referred to as the "labor force attachment" (LFA) strategy, emphasizes placing people into jobs quickly, even at low wages, reflecting a view that the workplace is where welfare recipients can best build their work habits and skills. The second, often called the "human capital development" (HCD) strategy, emphasizes education and training as a precursor to employment, based on the belief that the required skill levels for many jobs are rising and that an investment in the "human capital" of welfare recipients will allow them to obtain better and more secure jobs. Although each strategy has elements of the other-LFA programs include education and training components and HCD programs include job search components-the two approaches both convey different messages to welfare recipients about the best route to self-sufficiency and emphasize different program components.

This report examines the relative strengths and limitations of particular versions of the LFA and HCD program strategies. It includes the findings from one part of a multi-year, seven-site evaluation and draws on the advantages of a unique experimental design implemented in three of those seven sites. The evaluation had its origins in the Family Support Act (FSA) of 1988, which marked a major shift in the philosophy of welfare by establishing a system of mutual obligation-between government and recipients-within the AFDC entitlement structure. As part of the Job Opportunities and Basic Skills Training (JOBS) program created by the FSA, welfare recipients had to look for and accept a job or participate in employment-promoting activities such as education, vocational skills training, or temporary, unpaid work experience provided through the welfare department; if they refused, they risked losing part of their cash (and, in some cases, Food Stamps and Medicaid) benefits. In turn, government was to provide a wider array of services and supports to a broader share of the welfare population than it ever had before-all with the purpose of equipping welfare recipients for work. More recently, the emphasis of welfare reform has again shifted: Recipients have stronger obligations to meet, states have a commanding and more flexible role, and the receipt of federal benefits is now subject to a

time limit. Work, however, is still key. But what is the best way to make sure that welfare recipients who can work actually find and keep jobs? Various responses to that question are currently shaping federal and state welfare reform initiatives,' and this report takes a preliminary look at two of them-the LFA and HCD approaches described above.

The report is part of a larger study called the National Evaluation of Welfare-to-Work Strategies (formerly known as the JOBS Evaluation), conducted by the Manpower Demonstration Research Corporation (MDRC) under contract to the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education.[2] The study was a response to the FSA's call for an evaluation with a random assignment design, to assess the various welfare-to-work programs anticipated under the Act. The specification of this type of research design reflected the legislators' desire to obtain the most reliable estimates of the effects of these welfare-to-work programs, taking into account "normal" welfare dynamics (that is, the fact that many welfare recipients get jobs and/or leave the welfare rolls each year "normally''-without the help of any special program). Under a random assignment design, people eligible for a program are randomly assigned to either a program group (and subsequently enroll in the program) or to a control group, which neither has access to the program nor is subject to its requirements. This method assures that individuals in these groups do not systematically differ in their measured and unmeasured background characteristics. As a result, any differences in their subsequent job search, education, training, employment, or welfare experiences can be attributed with confidence to the effects of their particular program. (The term program "impacts" is used to refer to these subsequent differences.) In the National Evaluation of Welfare-to-Work Strategies, over 55,000 individuals in seven sites have been randomly assigned to groups who remained eligible for specific welfare-to-work programs or to groups who did not participate in these programs.

The three sites covered in this report are Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California.[3] As part of a largely unprecedented effort to rigorously compare the effects of two distinct types of welfare-to-work program strategies, each of the three sites simultaneously operated two different programs: a labor force attachment program and a human capital development program.[4] In each site, AFDC applicants and recipients were randomly assigned to one of three groups: a group subject to the LFA program, a group subject to the HCD program, or a control group not subject to any welfare-to-work program. (Control group members were neither eligible for any program services nor subject to program participation and employment requirements; they could, however, on their own initiative, enroll in employment-related activities

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'The specific provisions of JOBS (but not its overall aims) have been largely superseded by the federal Personal Responsibility and Work Opportunity Reconciliation Act, signed into law in August 1996. Among its provisions, this Act replaces AFDC with block grants to states, known as Temporary Assistance to Needy Families (TANF).

'Child Trends, Inc., as a subcontractor, is working with MDRC on the child outcomes portion of the evaluation.

[3]The other evaluation sites are Columbus, Ohio (Franklin County); Detroit, Michigan (Wayne County); Oklahoma City, Oklahoma (Oklahoma, Cleveland, and Pottawatomie counties); and Portland, Oregon (Multnomah and Washington counties).

[4]In practice, many programs mix elements of both the LFA and HCD approaches. In contrast, Atlanta, Grand Rapids, and Riverside volunteered, for this study, to implement programs that were distinctly LFA- or HCD-oriented, in order to permit a clear test of the effects of each approach on subsequent employment and welfare receipt.

normally available in their communities.)[5] Based on a comparison of the experiences of individuals in the three randomly generated groups, this report presents, for single-parent AFDC recipients (94 percent of whom were women), findings on the implementation, participation patterns, and costs of the two types of programs operated in each site. In addition, the report assesses, in the short run (based on only two years of follow-up), the effectiveness of the two program approaches in promoting employment and reducing welfare expenditures.[6] The major research questions addressed in the report are as follows:

Implementation. Did the LFA and HCD programs convey different messages to and provide qualitatively different experiences for welfare recipients assigned to each type of program?

Participation. Did the programs succeed in engaging a substantial proportion of individuals in program services consistent with either an LFA or HCD approach? What was the duration of participation in these services? How did participation levels in the LFA and HCD groups compare with the extent to which control group members enrolled in activities on their own?

Enforcement of a Welfare Obligation. To what extent were welfare recipients participating in a program activity, employed, or sanctioned (that is, experiencing a welfare grant reduction because they didn't cooperate with the program's participation mandate) during every month in which they were required to participate?

Cost. Was the HCD model more expensive than the LFA model, as anticipated? How did these costs compare with the costs of other services used by control group members? What accounts for differences in costs between the two models and across the three sites?

Impacts. Within the two-year follow-up period, did the two types of programs, relative to the experiences of the control group, increase employment, earnings, and GED attainment, and reduce AFDC receipt and AFDC payments?

LFA compared with HCD. Is the LFA or the HCD model more effective at this early point? Are the impacts of either model likely to be sustained, drop off, or increase past the two-year point? Do the results leave open the possibility that the HCD model may be superior in the long run?

This summary presents selected findings from the very comprehensive report. Following

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[5]Among the four other evaluation sites, a three-group random assignment test was also implemented in Columbus, in this case comparing two different case management approaches. In Detroit, Portland, and Oklahoma City, two-group random assignment tests were implemented. In these sites, the evaluation is measuring the effects of the sites' particular welfare-to-work program approaches under JOBS relative to what would have happened in the absence of a special welfare-to-work program. Later documents will discuss program implementation, participation, costs, and impacts in these four sites.

[6]The samples analyzed in this report consist of single-parent AFDC recipients randomly assigned to a research group in the three sites from mid-1991 through the end of 1992. Random assignment continued for an additional 6 to 13 months in these sites. The report samples thus represent between 50 and 63 percent (depending on the site) of the three sites' eventual single-parent samples.

an overview of the findings, the rationales behind the LFA and HCD welfare-to-work program approaches are explained, highlighting the relevance of the two approaches to current welfare reform initiatives. The subsequent sections discuss findings on the nature, costs, and employment and welfare effects of the LFA and HCD program strategies, relative to what would have happened in the absence of these welfare-to-work programs; then, taking advantage of the unique research design implemented in each of the study sites, the effects of the two strategies are directly compared. Finally, the implications of the findings for current welfare reform policies are discussed.

I. Overview of the Findings

Implementing two distinct welfare-to-work programs within the same locality, and randomly assigning welfare recipients to the different programs or to a control group, represented an untried research design in welfare studies. The results indicate that the design was, in fact, implemented as was intended, and the LFA and HCD programs provided qualitatively different program experiences for welfare recipients:

- **The LFA and HCD program staff communicated different "messages" to welfare recipients about how to obtain employment-that** is, whether to take the first job that came along or to first invest in education or training and be more selective.

- **The two types of programs also differed in the way they sequenced and emphasized services.** Compared with what would have happened in the absence of these mandatory welfare-to-work programs, the LFA programs most significantly increased participation in job search while the HCD programs most notably increased participation in adult basic education (not college). The HCD programs in two of the sites also increased the percentage of individuals who obtained a high school diploma or GED certificate during the two-year follow-up period by 10 percentage points, whereas none of the LFA programs resulted in any increase.

- **The LFA and HCD programs were mandatory to the same degree. Staff in** both types of programs frequently responded to nonparticipation by imposing welfare sanctions-that is, grant reductions.

- **The HCD programs cost about twice as much as the LFA programs.** Most of the HCD programs' costs, however, were borne by non-welfare agencies (that is, organizations providing adult education, vocational training institutes, business and trade schools, and community colleges).

Follow-up much longer than two years is needed to fully assess the relative effectiveness of the two welfare-to-work program approaches: Theoretically, only the results in the later years of the follow-up period are expected to show the predicted payoff from the HCD approach, because by then HCD sample members will have had time to put their newly acquired education and training

skills to work in the job market. Similarly, longer follow-up is needed to determine whether the LFA approach will enable individuals to acquire skills on the job and "work their way up" from entry-level positions. Nevertheless, the following two-year results were found when the experiences of the LFA and HCD sample members were compared with those of the individuals in the control group:

- **Both the LFA and HCD programs increased individuals' two-year cumulative employment and earnings.** On average, one out of every five welfare recipients who normally would not have worked in an unsubsidized job during the two-year follow-up period did so as a result of the LFA programs. In addition, two-year earnings were increased by more than $1,000 per average LFA sample member in each of the three sites, and the quarterly patterns suggest that the earnings impacts are likely to continue in follow-up year 3. The HCD programs in two of the sites led to small first-year increases in employment and earnings that grew in the second year of follow-up; HCD employment and earnings impacts were smaller and decreasing in the third site.

- **The cumulative employment and earnings impacts over the two-year period were smaller for the HCD programs than for the LFA programs.** Future trends, however, are not clear from the two-year data: HCD *earnings* impacts for most subgroups had not caught up with those of the LFA programs by the end of the two-year follow-up period, but HCD *employment* impacts for some subgroups had surpassed LFA impacts as of this point.

- **Both the LFA and HCD programs reduced welfare expenditures within the two-year follow-up period.** Relative to the total welfare payments that the control groups received over the two years, the LFA and HCD programs reduced welfare expenditures between 6 and 18 percent, depending on the site and program, This result was not expected for the HCD programs, given their initial "investment" period and the small observed HCD impacts on employment and earnings.

- **The magnitudes of the welfare impacts for the LFA and HCD programs at each site were either fairly similar throughout the follow-up period or, if not, became similar by the end of the two-year follow-up period. In** both types of programs, sanctions appear to have contributed to the impacts on welfare payments and partly explain why welfare savings were sometimes larger than earnings gains.

- **For those who entered the study without a high school diploma or GED certificate, both the LFA and HCD approaches achieved AFDC savings. While the LFA approach consistently produced earnings impacts across all sites for this subgroup, the HCD approach did not. As a result, individuals in this subgroup who were subject to the HCD approach experienced, on average, welfare reductions that were not offset by**

earnings gains. For those who had a high school diploma or GED certificate at the start of the study, AFDC savings and increases in earnings were achieved by both program approaches.

The report's findings also shed light on issues of heightened importance under the recently enacted state block grants known as Temporary Assistance to Needy Families (TANF), which replaced AFDC:

- **Both the LFA and HCD programs decreased the proportion of individuals who remained continuously on the welfare rolls throughout the two-year follow-up period.**

- **Sanction rates in these LFA and HCD programs were much higher than in previously studied programs, but the higher sanction rates were not associated with higher rates of eventually participating in program activities, compared with participation results for past programs.**

- **Women with preschool-age children were able to participate in program activities; moreover, earnings and welfare impacts, resulting from both the LFA and HCD programs, were found for this group as well as for women with older children,**

- **Although the LFA and HCD programs were not operated under TANF rules or designed to meet TANF standards, it is likely that they would have failed to meet the ultimate participation rates specified in TANF, even though they achieved many TANF aims:** They engaged large numbers of individuals in employment-related activities or imposed financial sanctions on them, generally increased the number of individuals who worked during the follow-up period, and decreased welfare use and expenditures.

II. The Labor Force Attachment and Human Capital Development Program Annroaches: Their Underlying Rationales and Relevance to Current Welfare Reform

The labor force attachment and human capital development welfare-to-work program approaches represent opposing views on how best to promote ongoing work and self-sufficiency among welfare recipients. According to adherents of the LFA approach, welfare recipients can best build their work habits and skills and move up to better positions in the workplace, even if their initial jobs are not high-paying, long-lasting, or particularly desirable. In contrast, proponents of the versions of the HCD approach tested in these sites believe that when more program resources are invested up-front in basic education and skill development (but not college) and entry into the labor market is delayed (relative to an LFA approach), recipients will eventually obtain better and more stable jobs, and will be less likely to lose their jobs and return to the welfare rolls. The

control group, in contrast to both LFA and HCD, represents what would happen in the absence of a special, mandatory welfare-to-work program.[7]

Since welfare-to-work programs began in the 1970s, welfare administrators have designed programs that have leaned toward either the LFA or the HCD approach, for a locality's entire welfare caseload or for certain subgroups of welfare recipients. In the early 1990s, rigorously comparing the effects of the LFA and HCD approaches as part of a large-scale evaluation was seen as a way to provide valuable operational lessons for federal, state, and local policymakers and program administrators.

In the wake of recently enacted welfare policy changes, it remains critical to determine the effects of LFA and HCD program approaches. First, the importance of identifying successful and cost-effective ways of moving people from welfare to self-sufficiency-through jobs that will last and not simply be a revolving door back to the welfare rolls-increases when states are confronted with the challenges and opportunities of block grant funding, participation and "work" targets, and welfare time limits. Second, subgroup findings are more important. In order to most efficiently target state resources, it will be essential to determine who benefits the most and least from different types of welfare-to-work programs. This report examines program effectiveness for several subgroups; later evaluation documents will analyze results for many more subgroups. Third, one of the aims of the new welfare law is to increase the breadth, depth, and intensity of a welfare obligation for those receiving government assistance. The new law seeks to do that through more stringent and higher participation standards, increased penalties for nonparticipation in "work" or work-promoting activities, and expansions in the type and number of people who are required to work or participate in work-promoting activities in order to receive welfare. All these changes heighten the importance of examining the ways in which various welfare-to-work program approaches, such as the LFA and HCD strategies, can increase the extent to which individuals are "covered" by a welfare-to-work obligation. Although operated prior to the enactment of the new law, the programs in the three diverse sites examined in this report-which were well run, highly mandatory, and, in Grand Rapids, required women with children as young as age one to participate-can provide valuable lessons.

Finally, TANF's purpose, similar to the purpose of AFDC, is to financially provide for poor children. Continuing this focus on children, the National Evaluation of Welfare-to-Work Strategies contains a pioneering child outcomes study that will measure the effects on young children of changes in welfare parents' circumstances — in income, reliance on welfare, time spent out of the home, use of child care, and education achievement or literacy level — that were caused by various types of welfare-to-work programs. This report indicates the extent to which the LFA and HCD programs changed parents' earnings, welfare receipt, and education

[7]Note that in the absence of such a program, many control group members do volunteer for employment-related services, especially education and training programs at adult schools and local community colleges. This evaluation thus measures the extent to which mandatory welfare-to-work programs operated by welfare departments can elicit participation in employment-related activities from individuals who normally would not participate in them. In addition, the evaluation examines whether the requirement to participate, increases in the incidence of participation, and the imposition of sanctions for not participating result in employment increases and less dependence on welfare.

credentials; future documents will assess, within the evaluation's strong random assignment design, whether these and other types of changes in parents' daily living circumstances affected their children's cognitive development, behavioral and emotional adjustment, and physical health and safety.

III. Implementation of Distinct LFA and HCD Programs

- **In each of the three sites, the LFA and HCD programs conveyed different messages to welfare recipients about the most expeditious route to self-sufficiency and provided recipients with distinctly different in-program experiences.**

Setting up and running two different welfare-to-work programs and randomly assigning individuals to the various programs (or to a control group)-in order to produce more credible results than those generated by cross-site comparisons-was an untried welfare-to-work program research design when this evaluation began. While a number of earlier studies have examined the effects of specific additional program components using a three-group random assignment design, no prior welfare-to-work program evaluations have implemented this type of design to determine the effects of different *comprehensive* program models, emphasizing different program components and contrasting messages about the best means through which to achieve self-sufficiency. Therefore, one of the initial questions that should be addressed is: Was it possible, in fact, to implement such a research design? In brief, based on extensive data collected from field research, surveys of program staff and welfare recipients, and program case files, the answer is yes.

Staff in the LFA programs consistently pushed welfare recipients to get into the labor market quickly and encouraged them to not be too selective in deciding whether to take a job, and the available evidence suggests that welfare recipients in the LFA programs absorbed and understood this message. Program assignments also reflected this message: The first activity to which LFA sample members were assigned was usually "job club," which consisted of several weeks of classroom instruction on how to look for and obtain jobs, followed by several weeks, in a supervised setting, of calling employers and lining up interviews. The instruction and resources included in this activity were uniformly designed to help the participants rapidly obtain employment.

Staff in the HCD programs, in contrast, encouraged welfare recipients to invest time in education or training in order to prepare themselves for good jobs and, while HCD staff tended to encourage individuals to accept job offers when they came along, a lower percentage of HCD sample members, in comparison with LFA sample members, reported that they felt pushed to take a job *quickly*. HCD program assignments were in line with these messages: The first assigned activity for HCD sample members was generally adult basic education courses or, less commonly, vocational training courses.

- **While contrasts between the LFA and HCD approaches within each site existed, the three sites implemented the LFA model and, especially, the**

HCD model somewhat differently. This was to he expected, as the two models were ideal types; when' transformed into real programs, they inevitably were shaped by and adapted to their very different environments.

The LFA and HCD programs built on the three sites' varied prior experiences in operating welfare-to-work programs. In addition, each program was tailored to fit the divergent characteristics of its own welfare population, labor market, and available community employment and training services (shown below in Table 1). Individuals entering Atlanta's programs, for example, had reading and math test scores that were, on average, much lower than those of sample members in the other two sites. As might be expected as a result, staff in Atlanta's programs emphasized basic education to a much greater degree than vocational training and college, compared with staff in the other two sites.

Table 1
Site and Sample Characteristics

Characteristic	Atlanta	Grand Rapids	Riverside
Site			
County unemployment rate, 1993 (%)	6.2	5.5.	11.7
Average monthly AFDC caseload, 1993	23,113	7,508	27,775
AFDC grant level for a family of three, 1993	$280	$474	$624
Sample			
Percent of sample members:			
With a youngest child 3-5 years old	35	22	49
With a youngest child l-2 years old	1	44	6
Living in public housing	41	3	3
With no high school diploma or GED certificate	44	42	43
With low reading test scores	61	39	37
Already enrolled in an education or training program as of random assignment	8	36	12
Never worked full time for six months or more for one employer	31	36	29
Received AFDC for five years or more cumulatively	54	33	28
Median hourly wage at which sample members said they would take a full-time job			
With medical benefits	$6	$6	$7
Without medical benefits	$7	$8	$10

In addition, the programs reflected site differences in staff management methods, the level of emphasis on providing personalized attention and encouragement to welfare recipients, and approaches to monitoring participation in program activities. Relative to the programs in the other two sites, for example, Grand Rapids was notable for closely monitoring individuals' program participation and strictly enforcing participation rules; in the event of a failure to participate in an assigned program activity, individuals were sanctioned without delay.

Finally, the programs operated within the context of state welfare-to-work program policies and procedures. Riverside's programs, for example, operated under regulations governing welfare recipients' participation in adult basic education, specified by California's Greater Avenues for Independence (GAIN) program, the state's JOBS program. These regulations had the effect of restricting Riverside's HCD program to individuals who entered the study without a high school diploma or GED certificate.*

In sum, these particular sites provided the opportunity to compare the effectiveness of the LFA and HCD programs in three very different environments. The three boxes that follow highlight key site implementation differences and discuss how each of the sites concurrently implemented LFA and HCD programs.

IV. Findings for the LFA Approach

- **Although most individuals participated in job search while in the LFA programs, in both design and practice LFA program approaches do not consist of only this activity; short-term education and training activities, and unpaid work experience, were provided for individuals who were unsuccessful in their job search attempts.**

'The vast majority of individuals in the three LFA programs were first assigned to, and participated in, job search. Individuals who did not obtain work through job search were usually assigned to short-term education, vocational training, or unpaid work activities so they could boost their skills and resume their job search as soon as possible. In addition, some individuals were already participating in self-initiated education or training activities when they were randomly assigned to the LFA program; usually, they were allowed to continue in these activities as their program assignment.

For several reasons, LFA sample members in Riverside were less apt to participate in non-job search activities than were individuals in the LFA groups in the other two sites. First, clients were more often temporarily deferred from program participation in Riverside than in Atlanta or Grand Rapids, which resulted in lower participation rates in job search and non-job search activities in Riverside than in the other two sites. Second, among the Riverside sample members who participated in job search as an initial activity, about two-fifths found jobs while in this activity — a proportion that is much higher than the comparable one in Atlanta and somewhat higher than the one in Grand Rapids. As a result, fewer Riverside LFA sample members were available for a subsequent program assignment, relative to the other sites.

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[8]The GAIN regulations specified that only individuals "determined to be in need of basic education" could be assigned to education activities. Individuals included in this group were those who did not have a high school diploma or GED certificate, had low scores on baseline reading or math literacy tests (regardless of whether they were high school graduates or had a GED certificate), and were not proficient in English. In this summary and the report, Riverside sample members meeting these criteria are placed in the "no high school diploma or GED" subgroup.

Atlanta

"Customer Orientation" and Strong Staff Preferences for HCD

Under FSA initially (in the late 1980s), Atlanta's welfare-to-work program primarily served volunteers, due to a lack of sufficient case management staff to serve the entire JOBS-mandatory caseload. Prior to being selected as an evaluation site, however, Atlanta doubled its staffmg capacity and shifted to a fully mandatory program.

Compared with the programs in Grand Rapids and Riverside, Atlanta's LFA and HCD programs were distinguished by a "customer-service orientation" toward welfare recipients. Case managers emphasized counseling and the benefits the programs offered in the form of child care and transportation assistance. In addition, Atlanta staff did not monitor individuals' participation in program activities as closely and were more ambivalent about requesting financial sanctions for nonparticipation. Nevertheless, substantial proportions of LFA and HCD sample members in Atlanta were sanctioned during the two-year follow-up period, and Atlanta welfare recipients, through surveys, indicated that they heard the messages about the mandatory nature of participation in the site's welfare-to-work programs.

Under the evaluation, Atlanta program administrators set up separate LFA and HCD welfare-to-work programs by dividing their staff into LFA and HCD case managers. These case managers were responsible for translating the abstract concepts of "LFA" and "HCD" programs into concrete service plans for welfare recipients. Caseloads in Atlanta averaged 95 per LFA case manager and 88 per HCD case manager, lower than the caseloads in the other two sites.

In Atlanta's LFA program, as was the case in the other two sites, LFA sample members were generally first assigned to job club, which in Atlanta was operated in the JOBS office but was led by staff contracted through a community action agency. The classroom instruction section of job club lasted as long as three weeks, and was followed by one to two weeks during which sample members applied their job-seeking skills by calling employers, arranging interviews, and submitting job applications; at least 6 in-person contacts or 15 employer inquiry letters were required weekly. For those Atlanta LFA sample members who did not find a job during job search, many different activities could follow: vocational training, basic education, further job search, or unpaid work experience.

Atlanta's HCD program was notable for its high level of commitment to the HCD philosophy: On every measure concerning the HCD message, Atlanta came across as the most "HCD-oriented" of the three studied sites. Atlanta HCD sample members were typically first assigned to adult basic education programs or, less frequently, to vocational training programs. Atlanta emphasized basic education much more than other skills-building activities (e.g., vocational training and college), an emphasis that was apparent in the HCD programs in all three sites but was stronger in Atlanta. (Across all three sites, this emphasis reflected, in part, the fact that over two-fifths of all sample members lacked the high school diploma or GED certificate that was often required for entry into vocational training or college programs; additionally, in Atlanta, one of the site's largest vocational training providers required most program applicants to pass a basic academic skills test for entry.) Atlanta HCD sample members typically stayed in their initially assigned basic education or vocational training activity for many of the months they remained on welfare during the follow-up period; few individuals completed these activities and, if they were still receiving AFDC, moved on to subsequent assignments.

Grand Rapids

Staff Divided in their Preferences for LFA or HCD; Strong Emphasis on Enforcing a Welfare Obligation

Throughout the 1980s, Grand Rapids' welfare-to-work programs placed an unusual emphasis on enrolling a high percentage of the mandatory AFDC caseload in job search. Following the FSA, the site, in accordance with Michigan policy, converted to a human capital development-focused program. Grand Rapids' experience in operating both types of welfare-to-work programs qualified the site as a virtually perfect candidate for directly comparing LFA with HCD. Perhaps because of this mixed heritage, Grand Rapids staff did not, as a group, heavily favor either the LFA or HCD approach.

Relative to the other two sites, Grand Rapids was notable-in both its LFA and HCD programs—for its close monitoring of clients' participation and its exceptionally tough enforcement of participation rules. Grand Rapids program staff were also less likely to provide personalized attention or encouragement to their clients. The structure of the case management position in Grand Rapids probably limited case managers' ability to get to know their clients well: Rather than divide case managers according to the LFA or HCD program approach, as was done in the other two sites, in Grand Rapids the staff were separated into intake and ongoing case managers (with average caseloads of 120) and staff used color-coded case files to remind them whether an individual was in the LFA or HCD program. In addition, unlike the other sites, Grand Rapids' ongoing case managers specialized according to service provider; one case manager, for example, would handle all individuals enrolled in a particular education program and another case manager would work with those assigned to a specific vocational training center. (In the other two sites, staff worked continuously with the same individuals, regardless of the activity in which they were enrolled.) Finally, the Grand Rapids site was unusual in that approximately one-third of the site's research sample members were already enrolled in an education or training program, as a result of their own initiative, at the point when they entered the study.

As was the case in Atlanta, job club was generally the first assigned activity in Grand Rapids' LFA program, but job club in this site was operated by public school staff in a community education center separate from the welfare office. Classroom instruction in job club lasted two weeks and was followed by three weeks of job search, during which time participants were required to make at least 6 in-person employer contacts or to send at least 15 letters of inquiry (the same requirements as those in Atlanta). For individuals who did not find a job through job search, the next assigned activity was most typically unpaid work experience, but sample members were also assigned to vocational training, basic education, and further job search.

Grand Rapids' HCD program had several distinguishing characteristics. The first step in this program was a 15-hour, week-long, formal group assessment, conducted by staff from the public school system. It consisted of extensive testing of educational achievement and vocational aptitudes, plus an in-depth exploration of individuals' goals and career interests. Grand Rapids also differed from the other sites in that it made more use of vocational training, which probably reflected a variety of factors: an unusually large number of training providers in the community; aggressive recruiting on the part of the providers; and the fact that Job Training Partnership Act (JTPA) staff, who had contracts with vocational training providers, conducted the interviews in which individuals' HCD activity plans were developed. Finally, unlike the other two sites, Grand Rapids' HCD sample members were most frequently enrolled in high school completion programs rather than referred to GED programs, reflecting the fact that the State of Michigan funded this activity but not GED classes.

Riverside

Strong Staff Preferences for LFA; HCD Program Limited to Basic Education; Emphasis on Staff Performance Standards

Riverside's welfare-to-work program, California's Greater Avenues for Independence (GAIN) program, began in 1987. Even before its conversion to JOBS after the FSA, Riverside's program (along with the statewide GAIN program) placed an unusual emphasis on enrolling AFDC recipients with low literacy levels or no high school diploma or GED certificate in basic education activities. In a six-county evaluation of GAIN started prior to the National Evaluation of Welfare-to-Work Strategies, Riverside's late-1980s program was found to have the largest impacts on the earnings and welfare receipt of single-parent AFDC recipients. For the National Evaluation of Welfare-to-Work Strategies, Riverside changed its GAIN program somewhat. Most notably, in the late 1980s, individuals without a high school diploma or GED certificate could opt to first attend a job club instead of participating in basic education; in the early 1990s, during this evaluation, these same individuals were routinely assigned to job club if they were in the LFA group and to basic education if they were in the HCD group.

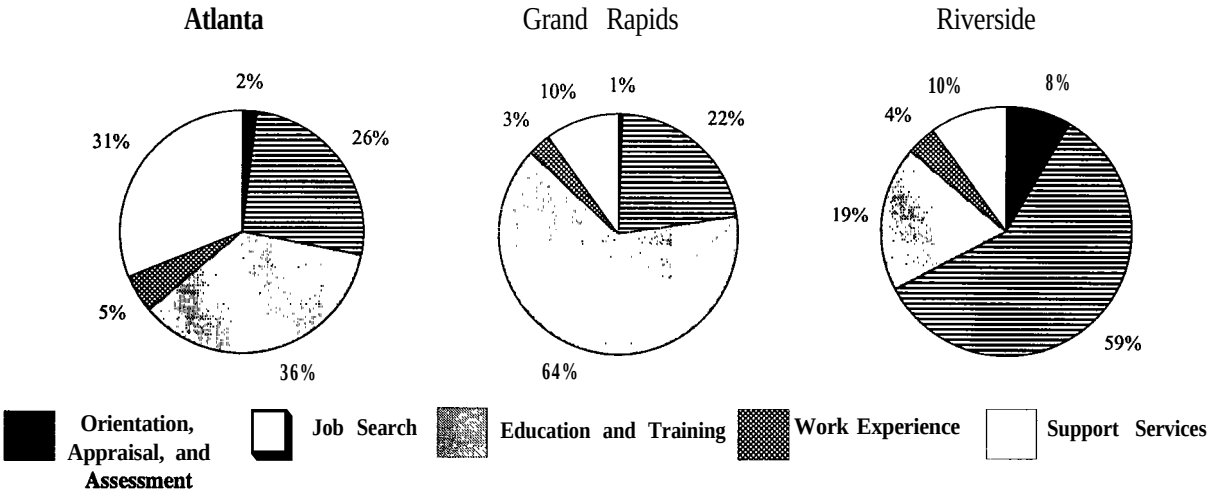
Riverside was distinctive from the other two sites included in this report in its performance standards, which held case managers-who had average caseloads of 110 in the LFA program and 118 in the HCD program—accountable for their clients' employment or education outcomes. Case managers responded to these measures in a variety of ways, including placing a high emphasis on encouraging clients to succeed in their assigned programs and monitoring clients' attendance and progress closely. Staff also were tough in enforcing program participation, although California's sanctioning rules provided individuals with more opportunity to come into compliance before sanctions went into effect than was the case in Atlanta or Grand Rapids.

Like the other two sites, Riverside's LFA program emphasized job club as a first activity, and JOBS staff operated these sessions within the JOBS offices. In contrast to the job clubs in the other two sites, however, the classroom part of Riverside's job clubs was one week shorter and did not promote career exploration at all. One unique exercise that Riverside's job clubs ***did stress*** was an individualized comparison of welfare versus earned income, with the result being an estimate, for each person, of the wages and job hours they needed to do better than welfare. In the two weeks of job search required following job club, individuals were to make 25 to 35 contacts of some type with employers each week. Among the three sites, Riverside was the only site that used full-time job developers, who contacted employers, learned about job openings and qualifications, and notified program staff and clients about these opportunities. During the five weeks of Riverside's job club and job search, some individuals left the activity because they found jobs (many of them part-time jobs that still allowed the job-holders to qualify for AFDC); some individuals dropped out for other reasons, and were either deferred from further activity or sanctioned; and only a few completed the entire job club/job search sequence and were given a subsequent program assignment.

In its HCD program, Riverside stood out from the other sites most notably in its clientele and assigned activities: Since only individuals who lacked a high school diploma or GED certificate were eligible for Riverside's HCD program, there was very limited use of vocational training or post-secondary education. In addition, Riverside negotiated contracts with schools and used its JOBS dollars to help pay for basic education classes in the schools serving JOBS clients. The site took advantage of its resources and contracting authority to specify incentive payments, based on very precise criteria, that would reward schools that succeeded in getting individuals to make progress in and complete their education assignments (and "completion" often meant that literacy test scores had increased, not that a GED certificate or high school diploma had been obtained). In contrast, Atlanta and Grand Rapids generally relied on education providers funded by sources outside of JOBS (usually state and local education departments), placed more discretion in the hands of the education providers, and stressed acquiring a GED certificate or high school diploma.

Reflecting the role of activities other than job search in the LFA programs, a substantial share of the per-sample-member cost of providing services while individuals were enrolled in the LFA programs was spent on education or training activities. In addition, as shown in Figure 1, this share varied widely by site because the LFA case managers in Atlanta and Riverside stressed education and training activities to differing degrees and because many of the sample members in Grand Rapids who entered the LFA program had already started an education or training program; in most cases, Grand Rapids LFA case managers allowed them to continue these activities in fulfillment of their welfare-to-work program obligation.

Figure 1
Percent Distribution of Two-Year Program-Related Costs per LFA Sample Member, by Activity



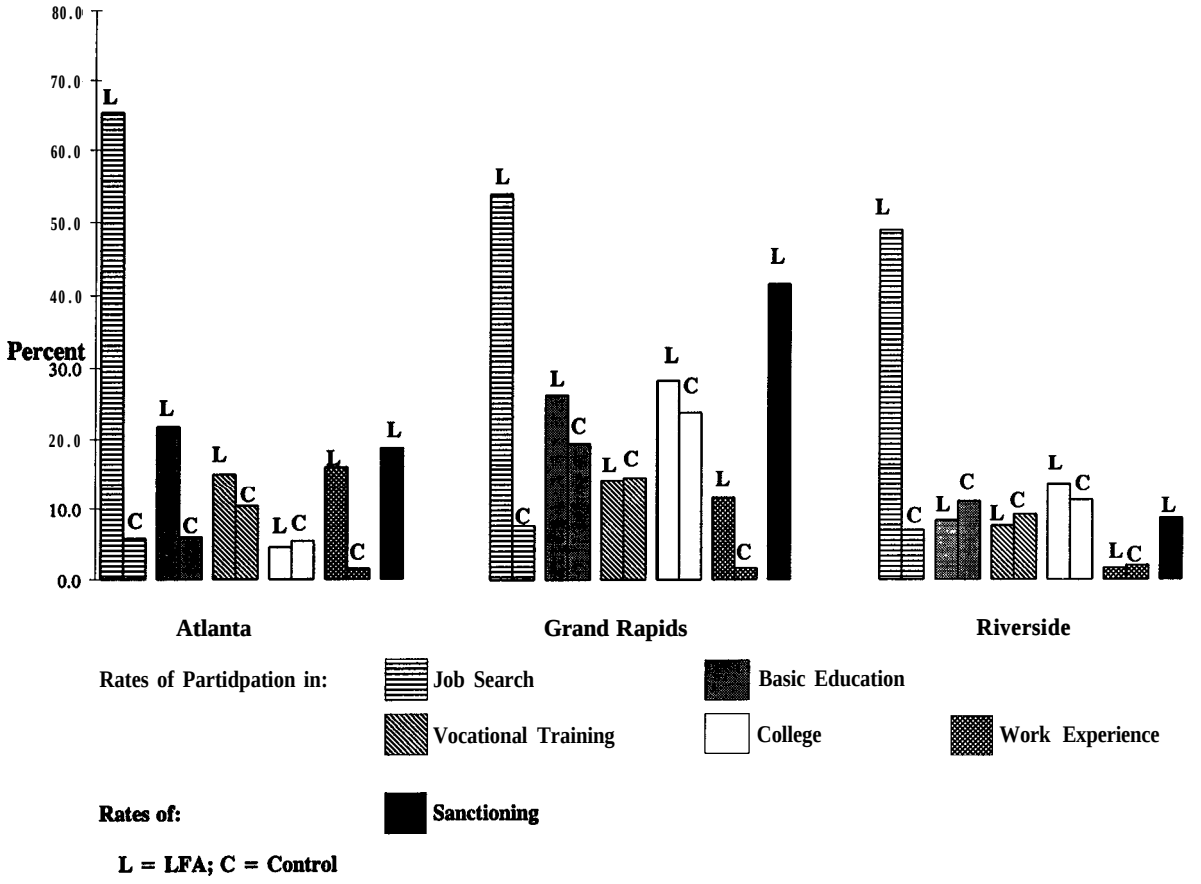
- **Overall, compared with what would have happened in the absence of a welfare-to-work program, the three LFA programs most dramatically increased participation in job search.**

In all three sites, as shown in Figure 2, LFA sample members were at least seven times more likely to engage in job search than their control group counterparts during the two-year follow-up period. (The first bars in the Atlanta section of the figure, for example, illustrate that **65** percent of the site's LFA group members participated in job search during the follow-up period, compared with 6 percent of the Atlanta control group members.) In addition, in Atlanta, relative to the control group members' independent employment-related activities, the LFA program also resulted in substantial increases in basic education participation. The LFA programs' increases in participation, relative to participation levels in the control group, were similar for those who did and did not have a high school diploma or GED certificate as of program entry. (These results are not shown in Figure 2 but appear later, in Figures 9, 10, and 11.)

The three LFA programs also sanctioned substantial numbers of individuals for failing to

participate in a program activity (see Figure 2). Sanctioning rates were extremely high in Grand Rapids, where 42 percent of all LFA sample members were sanctioned.

Figure 2
Rates of Participation and Sanctioning, by Site and LFA or Control Group Status



- **Excluding spending that would have occurred in any case-that is, without any special welfare-to-work program-the two-year net LFA per-person cost, averaged across the three sites, was $1,550. Welfare departments paid the majority of the program costs, but non-welfare agencies provided and paid for a substantial share of the LFA program services.**

The gross cost per LFA sample member during the two-year follow-up period consists of costs paid by welfare departments and non-welfare agencies, while sample members were enrolled in the LFA programs as well as after they exited the programs and, in some cases, left AFDC. The gross cost ranged from $2,082 to $4,406 across the three sites (see Table 2). Welfare departments paid only a portion of the gross cost, since some of the services of the LFA programs were provided and paid for by organizations offering adult education, vocational training institutes, business and trade schools, and community colleges. Across the three sites, for every dollar welfare departments

spent operating the LFA programs, they were able to secure another $.78 worth of services from non-welfare agencies.

The net cost per LFA sample member during the two-year follow-up period consists of the gross LFA cost minus the gross cost per control group member. The net cost thus represents how much was spent per LFA sample member *in addition to* what would have been spent in the absence of a mandatory welfare-to-work program. While Grand Rapids had the highest gross cost per LFA sample member, it also had the highest gross cost per control group member (owing to the many control group members enrolled in self-initiated activities), resulting in the lowest net cost of the three sites. Riverside's net cost per LFA sample member was also relatively low, but was due to the low participation by LFA sample members in education and training activities. Atlanta LFA sample members tended to participate more in education and training, relative to the other sites, so net costs were higher in this site.

Table 2
Two-Year LFA Gross and Net Costs (in 1993 Dollars)

Site and Activity	Gross Cost per LFA Sample Member	Gross Cost per Control Group Member	Net Cost per LFA Sample Member
Atlanta			
Operating costs	$2,345	$758	$1,587
Support services	968	277	691
Total	3,312	1,035	2,277
Grand Rapids			
Operating costs	4,013	3,090	922
Support services	393	207	186
Total	4,406	3,298	1,108
Riverside			
Operating costs	1,945	789	1,156
Support services	137	29	107
Total	2,082	819	1,263

NOTE: Rounding may cause slight discrepancies in calculating the sums and differences.

- **The LFA programs produced immediate increases in employment and AFDC savings relative to what would have happened in the absence of a mandatory welfare-to-work program. These results were found in all three sites, suggesting that the LFA approach can have positive effects in different geographical and economic environments, for different types of welfare recipients, and with staff who have different attitudes and work styles.**

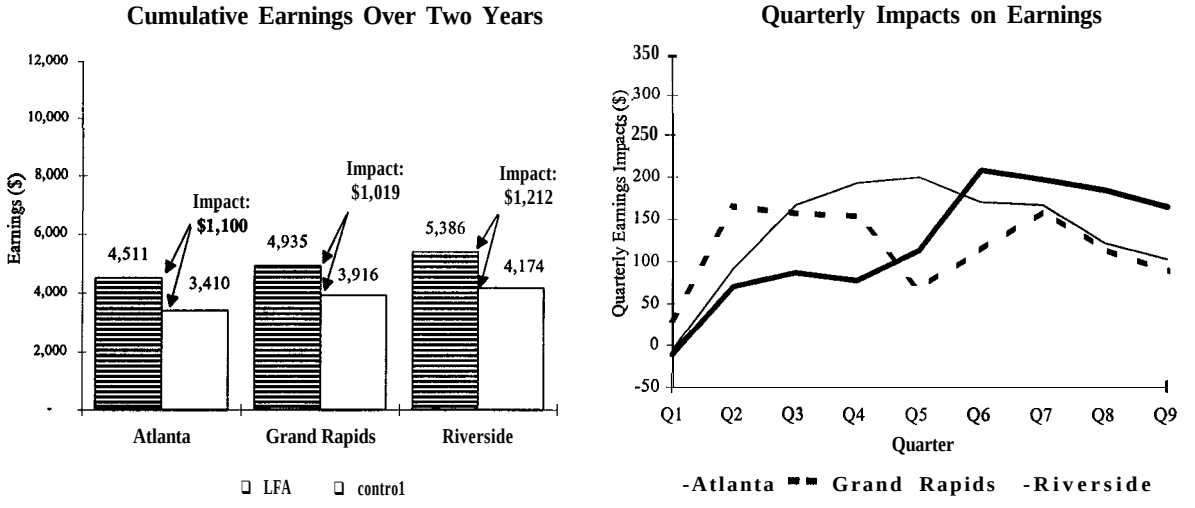
The labor market and welfare behavior of the control group represent what would have happened to study sample members in the three sites in the absence of a mandatory welfare-to-work program. Over two years of follow-up, as shown by the two-year earnings levels in Figure 3, control group members earned, on average, between $3,410 (in Atlanta) and $4,174 (in Riverside).

(These figures include those who did and did not work during the follow-up period.) Comparing the average two-year earnings of the controls with those of LFA group members (see Figure 3), the LFA programs increased earnings by more than $1,000 per average sample member in each of the three sites.

The quarterly earnings impact patterns depicted in Figure 3 reflect the difference between the LFA and control groups' earning levels. As the graph suggests, the earnings impacts in all sites are likely to continue in follow-up year 3. In Atlanta, for example, the earnings impact (that is, the difference between the LFA and control groups) was relatively small during the first several quarters of the follow-up period. Starting in quarter 4, however, the difference between the two groups' earnings increased, with the magnitude of the difference (that is, impact) stabilizing or declining slightly beginning in quarter 6. Given that the Atlanta quarterly earnings impacts remained between $164 and $208 per quarter in the last four quarters of the follow-up period, it is likely that earnings impacts will continue to accrue in the third year of follow-up (for which data are currently unavailable).

Various types of changes can contribute to earnings impacts to varying degrees: More people might be working as a result of the program; on-the-job earnings might increase for people who would have worked even in the absence of the program; or those same people might keep their jobs longer. In Grand Rapids and Riverside, impacts on total earnings were generated solely by increases in employment, without increasing earnings for those who normally would have worked or leading to longer-lasting jobs. In Atlanta, increased earnings on the job, in addition to increases in employment, generated total earnings impacts.

Figure 3
LFA Impacts on Earnings

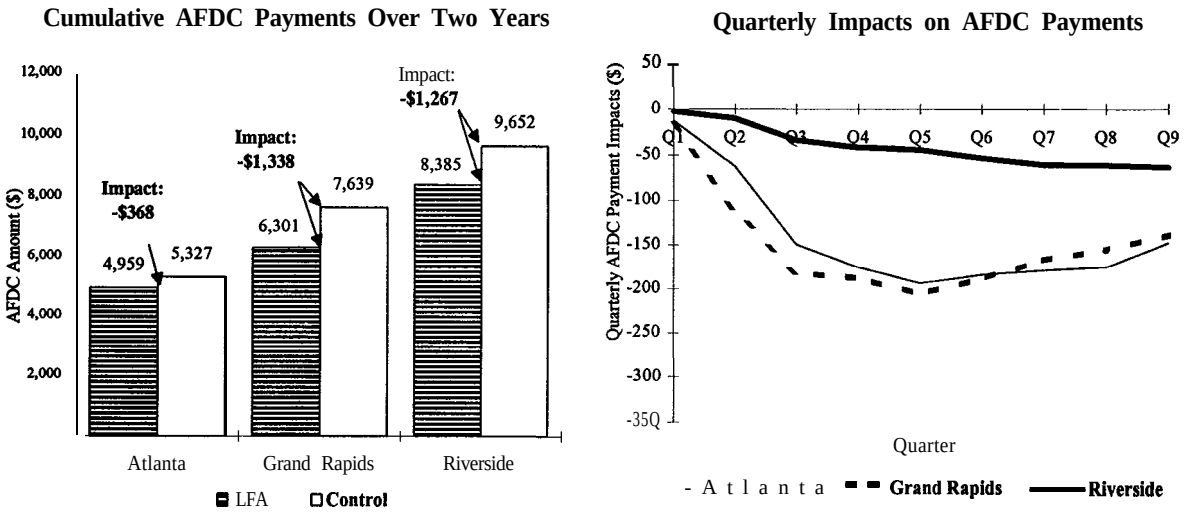


AFDC savings were also achieved in all three sites. Relative to the total AFDC payments that the control groups received within the two-year follow-up period (shown by the unshaded bars in Figure 4), the LFA programs reduced welfare expenditures by $368 to $1,338, depending on the site. These reductions represented savings of 7 to 18 percent, relative to the welfare payments that

control group members received. As suggested by the graph of quarterly impact patterns in Figure 4, the AFDC savings are likely to continue to accrue in future follow-up years. In Grand Rapids, for example, while the difference in the AFDC grant amounts received each quarter by the LFA and control group members started to become smaller after the fifth quarter of the follow-up period, this difference (that is, impact) was still substantial ($139) and statistically significant in the last (ninth) quarter, suggesting that AFDC savings will continue.

In all three sites, most of the AFDC savings can be attributed to a reduction in the number of months individuals received AFDC payments at all. A significant portion of the savings, however, especially in Riverside and Grand Rapids, was explained by reduced payment amounts during months when individuals were still receiving AFDC.

Figure 4
LFA Impacts on AFDC Payments



- **The LFA programs reduced joblessness and decreased the proportion of individuals on AFDC at the end of the two-year follow-up period, but up to half of the LFA sample members were on the welfare rolls, and not employed, at the end of the tracked two years.**

As in previously studied programs, the three LFA programs reduced overall joblessness: On average, one out of every five AFDC recipients who normally would not have worked during the two-year follow-up period did so as a result of the LFA programs. In addition, compared with the control group members, the proportion of individuals in the LFA programs who were receiving welfare benefits at the end of the follow-up period decreased from 7 to 11 percent, depending on the site. Finally, the LFA programs produced earnings and welfare impacts for individuals who had a high school diploma or GED certificate at the beginning of the study as well for those who entered the study without these education credentials.

However, between 50 and 68 percent of LFA sample members were receiving welfare at the end of the two-year follow-up period; moreover, between 38 and 50 percent were both receiving AFDC benefits and were unemployed at this point.

V. Findings for the HCD Approach

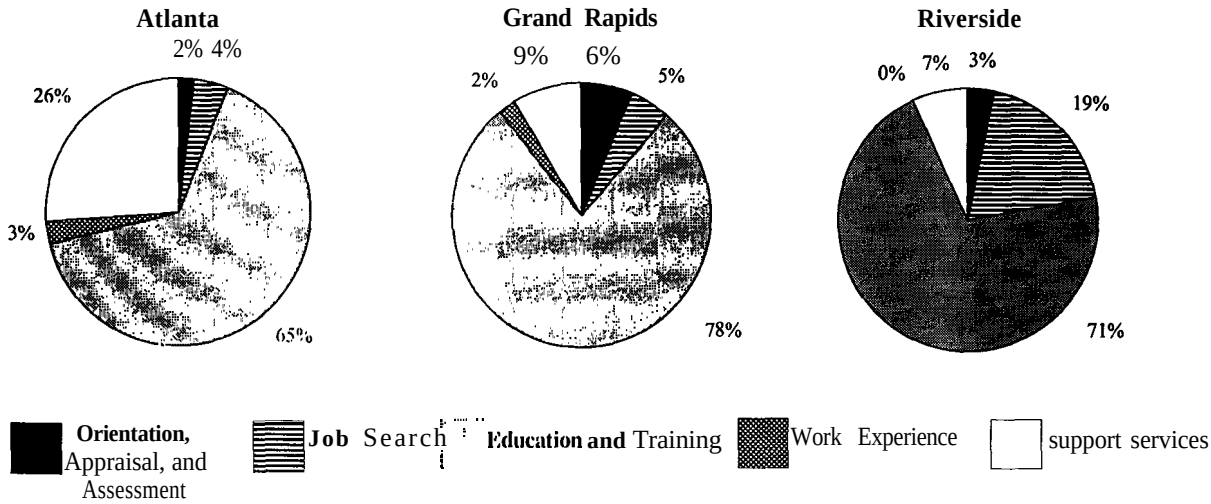
- **Compared with the LFA approach, the implementation of the HCD approach was more varied in the three sites, indicating that HCD approaches can encompass a broader range of activities and aims.**

Welfare recipients in the HCD programs in all three studied sites were encouraged to initially invest time in education or training in order to prepare themselves for good jobs, and activity assignments reflected this emphasis. The Atlanta and Grand Rapids HCD programs, however, were markedly different from Riverside's HCD program, partly owing to the sample characteristics of those eligible for Riverside's HCD program. In Atlanta and Grand Rapids, HCD sample members were commonly assigned to basic education programs (such as high school completion classes, GED preparation courses, classes for those with low achievement levels, or English as a Second Language [ESL] courses) or to vocational training activities; job search and work experience were also frequently assigned. In Riverside, as discussed earlier, the HCD program included only individuals without a high school diploma or GED; HCD assignments were limited to basic education, and assignments to vocational training or other activities were rare. In all three HCD programs, however, college played a very small role: If individuals were already enrolled in college, they were generally allowed to continue; assignments to college, however, were usually not made. All in all, while different types of activities were permitted in the three HCD programs, basic education was the predominant activity in which individuals participated during the two-year follow-up, primarily as a result of welfare recipients' low levels of educational achievement.

HCD program participants in education and training activities were also allowed to remain in these activities for a substantial period of time. (Education and training assignments in the HCD programs could last up to two years, while education and training assignments in the LFA programs were limited to nine in-program months.) As a result of the large number of HCD sample members who participated in education or training, along with the length of time they spent in those activities, at least 65 percent of the cost of providing services while individuals were enrolled in the HCD programs in each site was associated with education or training activities (see Figure 5). In contrast, this percentage was much lower in the LFA programs, particularly in Atlanta and Riverside.

- **Compared with what would have happened in the absence of these special programs, all three HCD programs most dramatically increased participation in adult basic education; in two of the sites, participation in vocational training programs was increased as well, though the increase was not as large.**

Figure 5
Percent Distribution of Two-Year Program-Related Costs per HCD Sample Member, by Activity



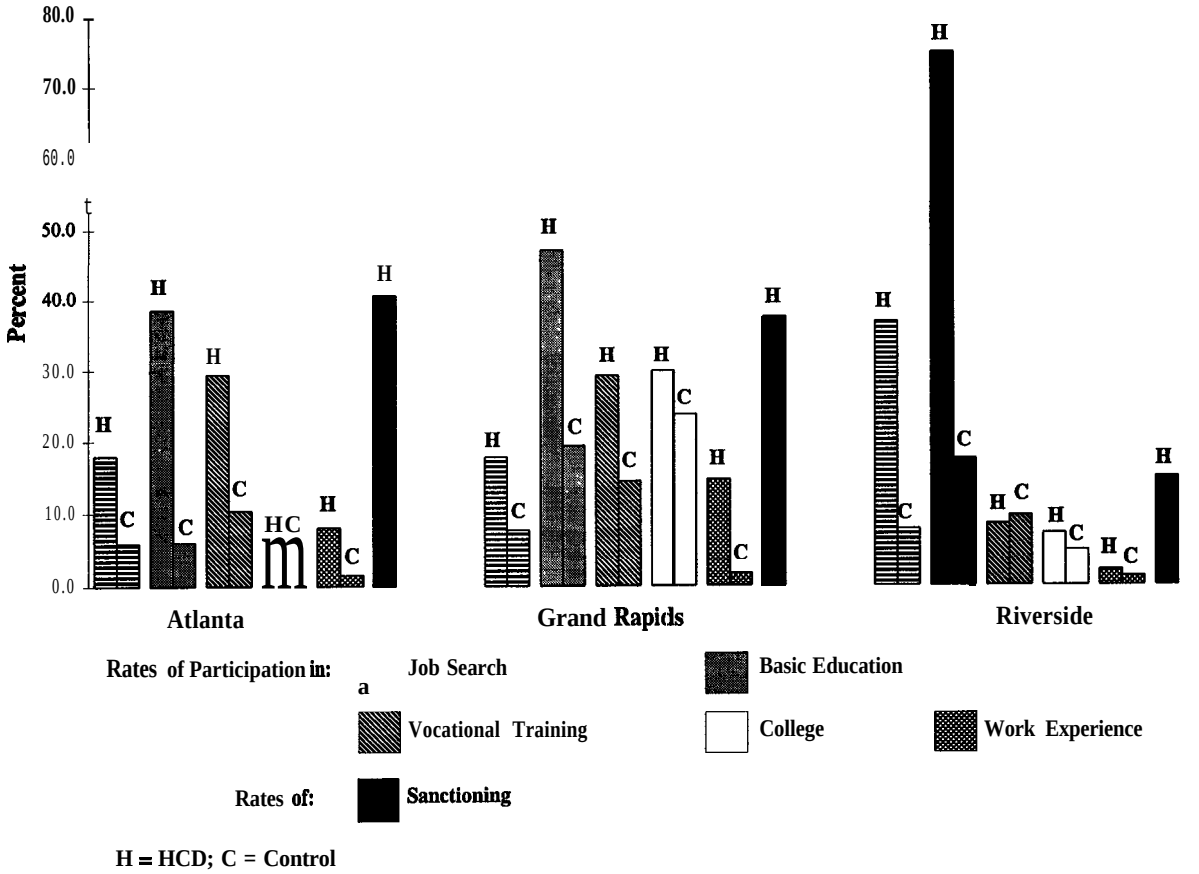
NOTE: The Riverside sample includes only individuals without a high school diploma or GED certificate.

Levels of participation in employment-related activities among individuals in the HCD group and those in the control group are presented, by site, in Figure 6. Over six times as many HCD group members as controls in Atlanta participated in basic education programs; participation in this type of activity was increased more than twofold in Grand Rapids; and HCD group members in Riverside, who all lacked a high school diploma or GED certificate, were over four times as likely as their control group counterparts to participate in a basic education program. In addition, the HCD programs in Atlanta and Grand Rapids increased participation in vocational training; and the HCD programs in all three sites-but especially the one in Riverside-increased job search participation. Also, for HCD sample members in both Atlanta and Riverside, the HCD programs had the effect of increasing the number of hours that basic education participants spent in classrooms (not shown in Figure 6). For example, Atlanta HCD group members, compared with their control group counterparts, spent, on average, 256 more hours in basic education programs. Finally, as shown in Figure 6, substantial numbers of HCD sample members, particularly in Atlanta and Grand Rapids, were sanctioned for failing to participate in a program activity within the two-year follow-up period.

- **The average two-year net HCD cost per sample member was about double that of each LFA sample member's cost. Non-welfare agencies bore the majority of the costs of operating the HCD programs.**

The gross cost per HCD sample member during the two-year follow-up period--consisting of costs paid by welfare departments and non-welfare agencies, while sample members were enrolled in the HCD programs as well as after they exited the programs-ranged from $3,540 to $6,170 across the three sites. (See Table 3.) Welfare departments paid only a portion of the gross cost, however. Averaged across the three sites, HCD program-related costs paid by welfare

Figure 6
Rates of Participation and Sanctioning by Site, and HCD or Control Group Status



NOTE: The Riverside sample includes only individuals without a high school diploma or GED certificate.

departments were only $406 higher per HCD sample member than per LFA sample member ($1,747 versus $1,341, respectively). Put another way, for every dollar the welfare department spent on an HCD sample member, it was able to secure another $1.22 worth of services from non-welfare agencies, compared with just $.78 worth of services per LFA sample member.

The HCD net cost-that is, the amount spent per HCD sample member beyond what would have been spent in the absence of a mandatory welfare-to-work program (as measured by the control group)-averaged $3,077 per HCD sample member across the three sites. HCD net costs did not vary substantially by site.

- **The HCD programs in Grand Rapids and Riverside increased the number of individuals who obtained a high school diploma or GED certificate.**

About 5 percent of the control group members in Grand Rapids and Riverside who did not have a high school diploma or GED certificate as of study entry earned one during the two-year

Table 3
Two-Year HCD Gross and Net Costs (in 1993 Dollars)

Site and Activity	Gross Cost per HCD Sample Member	Gross Cost per Control Group Member	Net Cost per HCD Sample Member
Atlanta			
Operating costs	**$3,367**	**$758**	**$2,609**
Support services	1,097	277	819
Total	4,463	1,035	3,428
Grand Rapids			
Operating costs	5,594	3,090	2,504
Support services	576	207	369
Total	6,170	3,298	2,872
Riverside			
Operating costs	3,302	595	2,707
Support services	238	15	224
Total	3.540	609	2.930

NOTES: Rounding may cause slight discrepancies in calculating the sums and differences. Riverside sample includes only individuals without a high school diploma or GED certificate.

follow-up period. In the HCD programs in these two sites, about 15 percent of the sample members received one of these degrees, usually the GED certificate, during this same time period. Thus, the two HCD programs increased the number of individuals who obtained these credentials by roughly 10 percentage points. No impacts on high school diploma or GED certificate receipt were found over the two years in Atlanta.

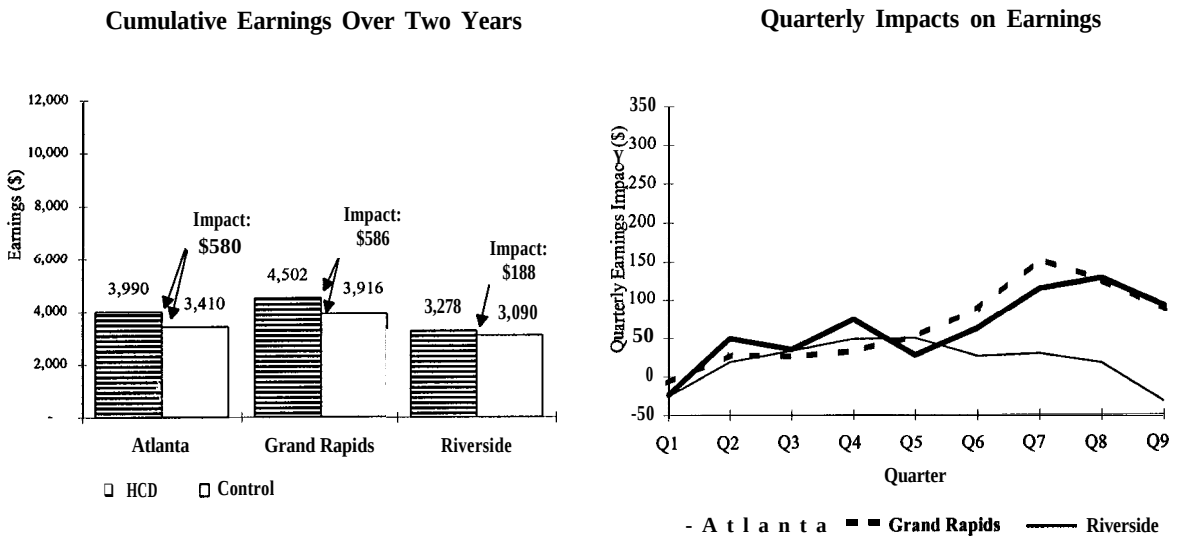
- **The HCD programs in Atlanta and Grand Rapids led to small. first-year increases in employment and earnings that grew in the second year of follow-up. In Riverside's HCD program, which included only individuals who did not have a high school diploma or a GED certificate as of program entry, a moderate first-year employment impact and a small earnings impact decreased in the second year. In the other two sites, two-year HCD employment and earnings effects were smaller for those who, at program entry, did not have a high school diploma or GED certificate than for those who had such credentials.**

As would be expected, since many HCD sample members were in school or training during the first year of the follow-up period (an "investment" period), HCD impacts on employment and earnings did not always appear quickly. A comparison of the controls' average two-year earnings with those of HCD group members (see Figure 7) reveals that the HCD programs in Atlanta and Grand Rapids, which included individuals with and without high school diplomas or GED certificates, increased earnings by almost $600. In both of these sites, the earnings impacts were small and not statistically significant in the first year, but more than doubled in the second year (illustrated in the graph of quarterly impacts in Figure 7) and became statistically significant.

Earnings impacts occurred primarily because the HCD programs helped some individuals find jobs who would not have found employment on their own, and secondarily because the HCD programs helped some individuals obtain longer-lasting jobs.

For individuals who entered the study with a high school diploma or GED certificate, the HCD approach increased employment and earnings in both years 1 and 2 of the follow-up period. Over the two-year period, earnings for individuals in this subgroup were increased by $960 in Atlanta and by $805 in Grand Rapids. For individuals who entered the study without these credentials, the HCD approach increased earnings in year 2 in Grand Rapids, but not in Atlanta or Riverside. (These results, not shown below in Figure 7, appear later in Figures 9 and 10.)

Figure 7
HCD Impacts on Earnings



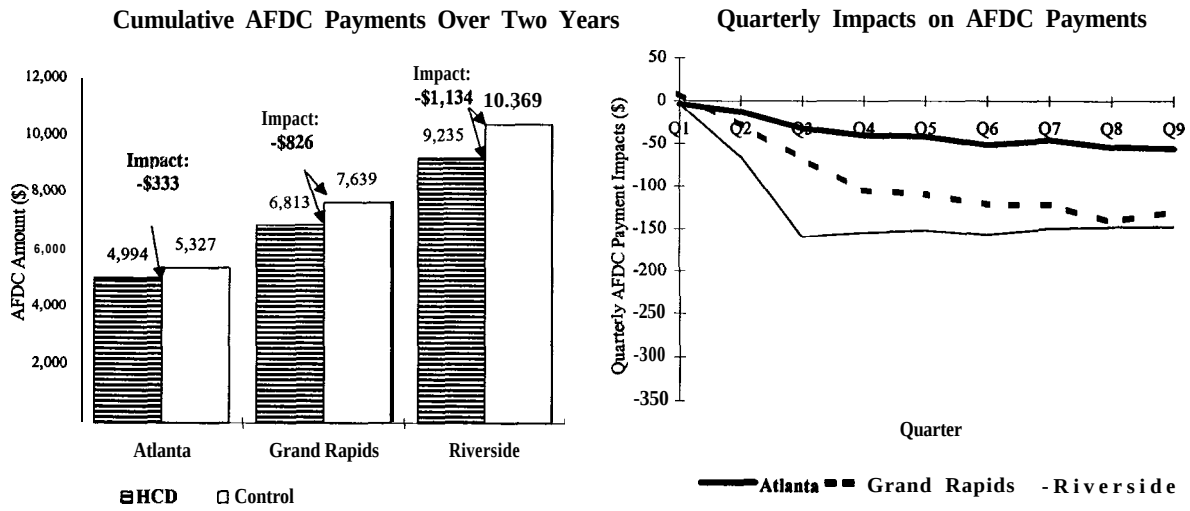
NOTE: The Riverside sample includes only individuals without a high school diploma or GED certificate.

- **The HCD programs in all three sites produced AFDC savings within the two-year follow-up period, a result that was not expected given the initial "investment" period of this approach and the small observed HCD impacts on employment and earnings. Welfare savings were found for individuals with and without a high school diploma or GED certificate as of program entry.**

Relative to the total AFDC payments that the control group received within the two-year follow-up period (see Figure 8), the HCD programs reduced welfare expenditures by $333 to $1,134, depending on the site. These reductions represented savings of between 6 and 11 percent, relative to the welfare payments that control group members received. As the graph of quarterly impact patterns shows, the AFDC savings are likely to continue to accrue in future follow-up years. In Riverside, for example, the difference in the AFDC grant amounts going to the LFA and control group members each quarter leveled off starting in quarter 3, and the difference (that is, the

quarterly impact) was still substantial ($147) and statistically significant in the last quarter, suggesting that AFDC savings are likely to persist into the third year of follow-up. While most of the AFDC savings resulting from the HCD programs were due to reductions in the number of months an individual received welfare, a substantial portion of the savings were accounted for by reduced AFDC payment amounts in months while individuals were still receiving AFDC, especially in Atlanta and Grand Rapids. It is likely that the high sanctioning rates in these two sites contributed to this particular result and, in general, to the welfare savings observed for the HCD programs.

Figure 8
HCD Impacts on AFDC Payments



NOTE: The Riverside sample includes only individuals without a high school diploma or GED certificate.

In Atlanta and Grand Rapids, the HCD programs reduced AFDC expenditures for those who had a high school diploma or GED certificate as of program entry. (The Riverside sample did not include this subgroup.) AFDC impacts for individuals with these education credentials grew larger from year 1 to year 2, and the trends suggest that the AFDC reductions are likely to continue into year 3. For individuals who lacked a high school diploma or GED certificate at program entry, the HCD programs also reduced AFDC expenditures, and the savings are likely to continue into year 3. In Atlanta, two-year AFDC impacts were larger for "graduates" than for "nongraduates," while in Grand Rapids the opposite was true; in neither site, however, were differences in the AFDC impacts for the two subgroups statistically significant.

VI. Comparisons Between the LFA and HCD Approaches and Comparisons with Previous Welfare-to-Work Programs

Comparisons of the LFA and HCD approaches in the National Evaluation of Welfare-to-Work Strategies rest on an unusually strong research design. By virtue of the randomization process, individuals subject to the two welfare-to-work program approaches within each site were

similar in observed baseline characteristics and in unobserved characteristics, such as motivation. In addition, they lived in the same localities and consequently faced the same labor markets, AFDC regulations and practices, and work and welfare trade-offs. Finally, as described earlier, the program messages communicated to welfare recipients in the two types of programs, as well as the sequence and emphasis of program activities for sample members, differed in ways that were true to the theoretical LFA and HCD program models being tested. Differences in LFA and HCD sample members' subsequent employment and welfare behavior must therefore be caused by differences in the welfare-to-work program approaches they experienced.

Figures 9 through 11 compare, for each site, the LFA and HCD impacts on participation in employment-related activities, sanctioning, and cumulative earnings and AFDC payments within the two-year follow-up period. All LFA-HCD comparisons are presented separately for individuals who, at baseline, had a high school diploma or GED certificate and for those who lacked these education credentials. One reason for focusing on these two subgroups is that the HCD programs placed an emphasis on and increased participation in different types of program activities for individuals with and without these education credentials: For those without a high school diploma or GED certificate, the HCD programs most dramatically increased participation in basic education; for those possessing these credentials, the HCD programs (in Atlanta and Grand Rapids) increased participation in vocational training as well. (See the top panel of Figures 9 through 11.) Another reason for focusing on the education subgroups is that the HCD program in Riverside included only individuals who did not have a high school diploma or GED as of program entry. It is thus appropriate to compare the LFA and HCD impacts for the "graduate" subgroups in Atlanta and Grand Rapids and for the "nongraduate" subgroups in all three sites. Key findings from these comparisons are discussed in the following section.

- **Two years is not enough time in which to fully assess the effectiveness of either the LFA or HCD approach.**

Theoretically, it is only the results in later years of the follow-up period that are expected to show a "payback" from the HCD approach, because it will take some time for HCD sample members to put their newly acquired education and training skills to work in the job market.[9] Similarly, longer follow-up is needed to determine whether the LFA impacts will increase, stay the same, or decrease over the long run. As a result, based on only two years of follow-up data, it is not possible to confirm or refute the theory that HCD programs result in higher-paying or longer-lasting jobs or that LFA programs effectively promote "working one's way up on the job."[10]

'Recent five-year findings from the GAIN Evaluation in California underscore this point. In Tulare County, one of the studied counties that operated a human capital development-oriented welfare-to-work program, earnings impacts were small or negative in the first two years of follow-up, but positive (statistically significant) earnings impacts emerged in year 3 and persisted throughout the remainder of the five-year follow-up period. See Stephen Freedman Daniel Friedlander, Winston Lin, and Amanda Schweder, *GAIN: Five-Year Impacts on Employment, Earnings, and AFDC Receipt (New* York: MDRC, 1996).

[10]Further analysis of the nature of the program-provided education and training services, to be presented in a future report, will also help explain the eventual labor market "payback" results of the HCD programs.

- **As might theoretically be expected, total two-year employment and earnings impacts were smaller for the HCD approach than for the LFA approach. Impacts as of the end of the two-year follow-up period, however, do not clearly forecast a trend: HCD earnings impacts for most subgroups had not caught up with those of the LFA approach at this point, but HCD employment impacts for some subgroups had surpassed the LFA employment impacts.**

In the first follow-up year, employment and earnings impacts were smaller for HCDs than for LFAs among both those who did and did not enter the study with a high school diploma or GED certificate. Over the entire two-year follow-up period, earnings impacts were about $500 to $1,000 lower for the HCD approach than for the LFA approach, a statistically significant difference for two of the five site/subgroup combinations (see the second panel of Figures 9 through 11). One exception to this pattern was that the two-year HCD earnings impacts and the two-year LFA earnings impacts were very similar for individuals in the "graduate" subgroup in Grand Rapids.

In only one of the five site/subgroup combinations-the Grand Rapids "graduates''-had the HCD quarterly earnings impacts caught up with (and, in fact, exceeded) the LFA quarterly earnings impacts by the end of the two-year follow-up period (not shown in the figures). For both education subgroups in Atlanta, and for the "nongraduate" subgroup in Grand Rapids, the HCD earnings impacts in the last quarter of the follow-up period were about half as large as the LFA earnings impacts. In Riverside, where LFA-HCD comparisons can be made only for "nongraduates," the LFA earnings impact in the last quarter was small, but the HCD earnings impact was below the LFA impact level. With only two years of follow-up, however, it is too soon to tell whether the HCD earnings impacts will eventually overtake and surpass the LFA impacts.

The quarterly employment impacts at the end of the two-year follow-up period underscore the need for longer follow-up, as these estimates show some evidence of HCD "catch-up." In particular, HCD employment impacts for those with a high school diploma or GED certificate in both Atlanta and Grand Rapids had caught up to, and in fact surpassed, LFA employment impacts by the end of the two-year follow-up period (not shown in the figures).

- **While smaller than the AFDC payment impacts for the LFA approach in some sites or subgroups in year 1, the quarterly HCD impacts on AFDC payments had mostly caught up to the quarterly LFA welfare impacts by the end of year 2.**

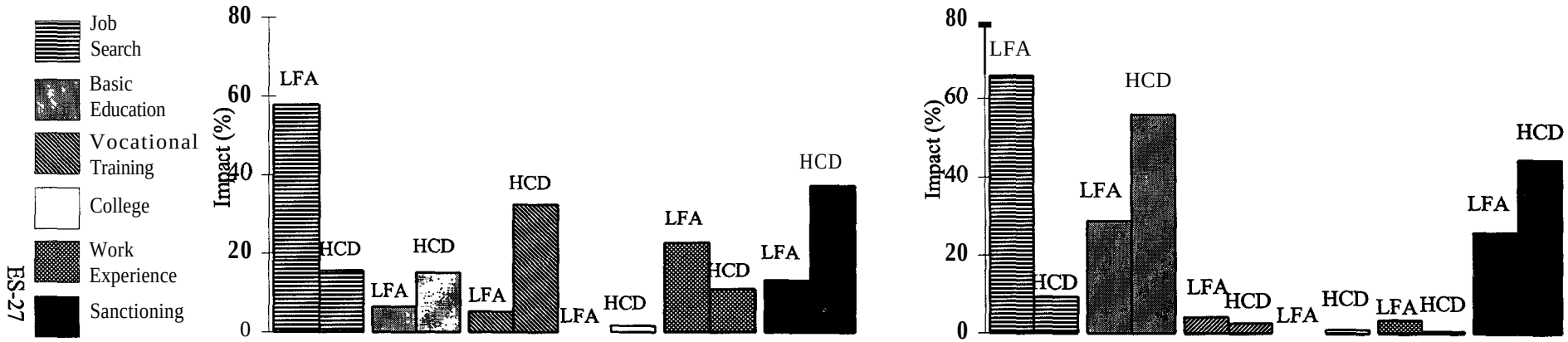
Over the entire two-year follow-up period, as shown in Figure 9, the LFA and HCD programs in Atlanta produced welfare payment impacts that were similar for individuals in the two education subgroups. In the other two sites, the HCD programs produced smaller welfare payment impacts than did the LFA programs (see Figures 10 and 11).

Figure 9
Atlanta: LFA and HCD Two-Year Impacts
For Those With and Without a High School Diploma or GED

High School Diploma or GED as of Study Entry

No High School Diploma or GED as of Study Entry

Two-Year Impacts on Rates of Participation and Sanctioning



Two-Year Impacts on Earnings and AFDC Payments

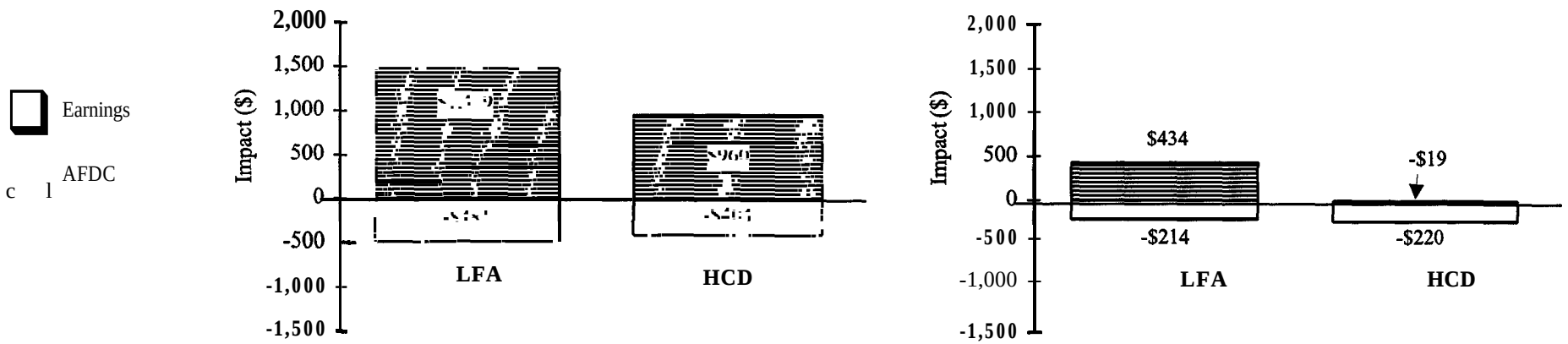
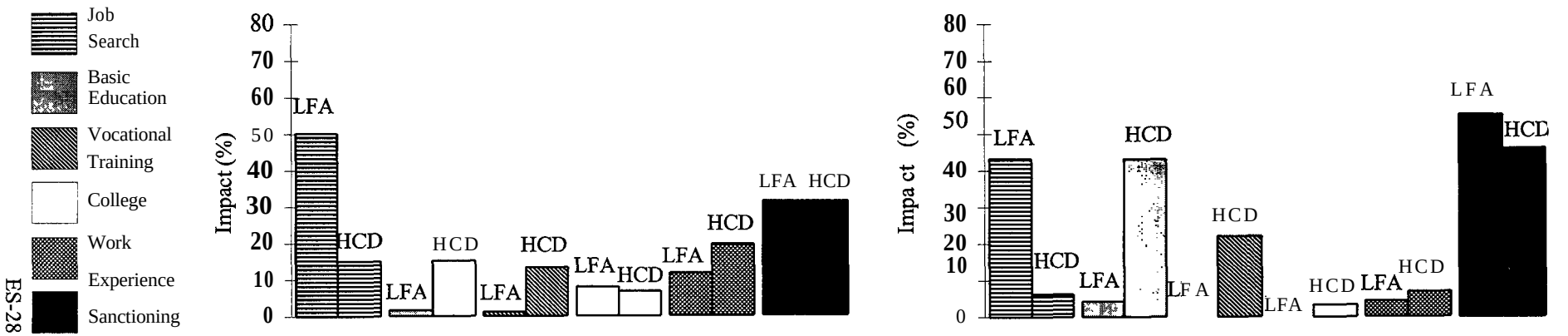


Figure 10
Grand Rapids: LFA and HCD Two-Year Impacts
For Those With and Without a High School Diploma or GED

High School Diploma or GED as of Study Entry

No Hlgh School Diploma or GED as of Study Entry

Two-Year Impacts on Rates of Participation and Sanctioning



Two-Year Impacts on Earnings and AFDC Payments

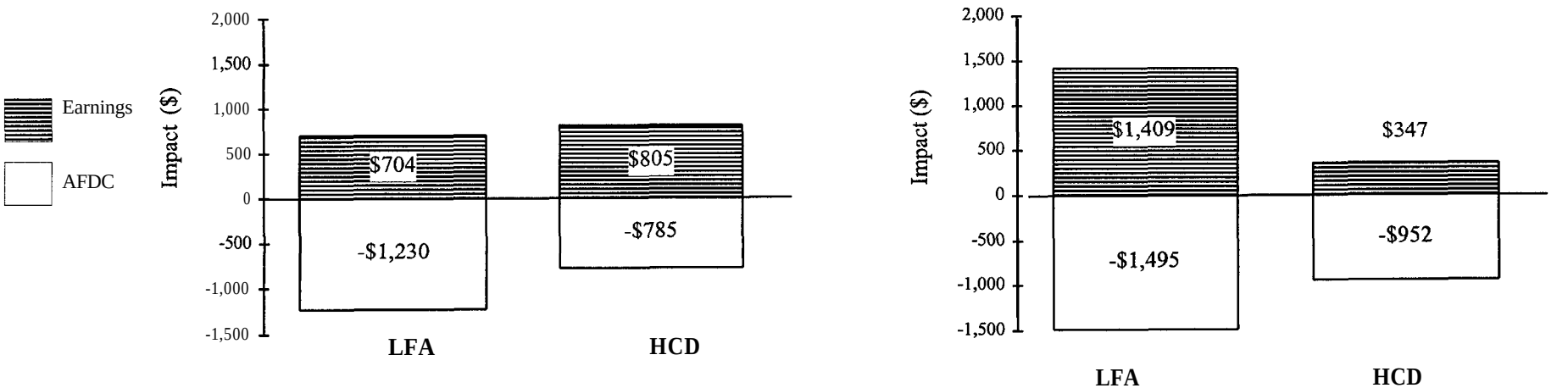
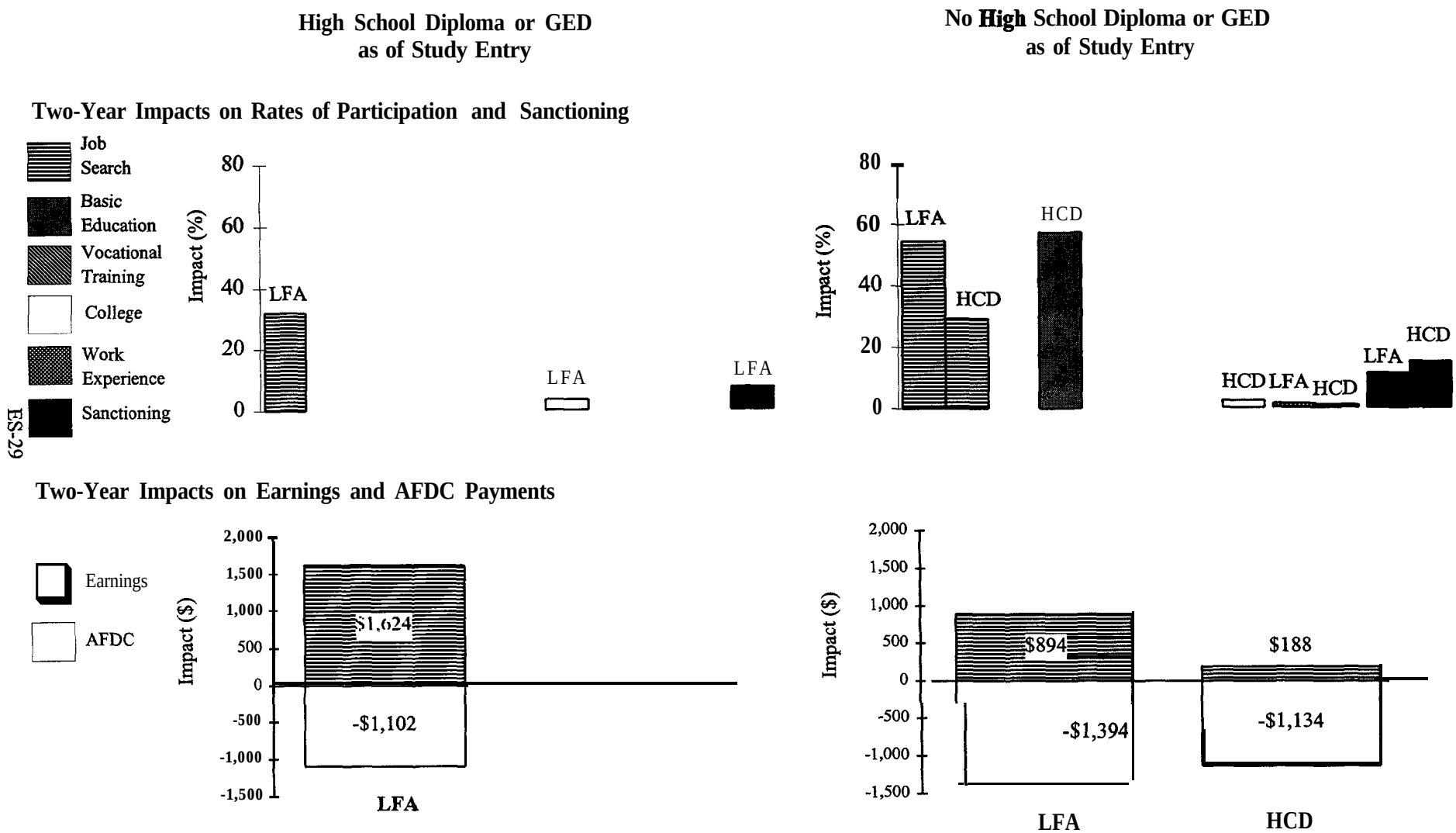


Figure 11
Riverside: LFA and HCD Two-Year Impacts
For Those With and Without a High School Diploma or GED



NOTE: HCD sample includes only individuals without a high school diploma or GED.

The quarterly pattern of LFA-HCD differences in AFDC payment impacts differed from the pattern for earnings impacts. AFDC impacts for LFA and HCD sample members in all five site/subgroup combinations were either fairly similar throughout the two-year follow-up period or became similar by the end of the follow-up (not shown in the figures).

- **For those who entered the study without a high school diploma or GED certificate, both the LFA and HCD approaches achieved AFDC savings. While the LFA approach consistently produced earnings impacts across all sites for this subgroup, the HCD approach did not. As a result, individuals in this subgroup who were subject to the HCD approach experienced, on average, welfare reductions that were not offset by earnings gains.**

Generally speaking, welfare recipients gain financially through their own work effort only if their earnings exceed the amount of money they lose in AFDC payments. Although earnings and AFDC payments are not the only ingredients of family income, the LFA and HCD impacts on these two income sources suggest that the degree to which earnings gains replaced reductions in AFDC payments differed substantially across the sites but did not differ consistently for the full samples according to program approach. For the two education subgroups, however, HCD earnings gains matched or exceeded AFDC reductions for individuals with a high school diploma or GED certificate, but HCD earnings gains were much smaller than AFDC reductions for individuals without these education credentials (see Figures 9, 10, and 11). In both the LFA and HCD programs, sanctioning, as well as an increased incidence of working while on welfare, may have contributed to the larger AFDC impacts (compared with earnings impacts) in some sites and subgroups.

The finding that HCD sample members who entered the study without a high school diploma or GED certificate experienced a net loss of income during the two-year follow-up period, at least as measured through the income sources of AFDC and earnings, was unexpected. At the outset of the National Evaluation of Welfare-to-Work Strategies, it was hoped that the HCD approach would increase the income of precisely those individuals who lacked educational credentials or had poor basic skills. It was considered likely that the initial effects on earnings might be small, while the group was out of the labor market completing their education activities, but AFDC reductions were not expected during this period, either. The finding of a cumulative income loss, however, should be qualified by the fact that there are only two years of follow-up presently available. If earnings impacts increase in the third, fourth, and fifth years of follow-up, income losses for this subgroup in the first two years of follow-up could be offset and, if the impacts were sustained, income gains could be eventually realized.

- **Given that the FSA expanded the number of welfare recipients required to participate in welfare-to-work programs, *aggregate* impacts in the three studied sites for both the LFA and HCD programs are most likely larger than those of previous welfare-to-work programs.**

A Comparison with Riverside's Late-1980s Welfare-to-Work Program

How do Riverside's LFA and HCD program impacts in the early 1990s compare with the positive impacts found by the GAIN Evaluation in the late 1980s?

Impacts on AFDC payments were similar for the program operated under the GAIN Evaluation and for Riverside's LFA and HCD programs, for both those with and without a high school diploma or GED certificate. Much greater differences were found for earnings impacts. For both of the education subgroups, the late-1980s Riverside program achieved two-year earnings impacts that exceeded those of the site's LFA program by about $950; for those without a high school diploma or GED certificate, the 1980s program impact on earnings greatly exceeded the small HCD program impact.

There are several possible explanations for the earnings impact differences across Riverside's programs, which will be explored in the future: Some Riverside activity assignment procedures changed as part of the LFA-HCD test described in this report, as noted in the earlier box on the Riverside program; the demographic characteristics of the Riverside samples in the GAIN Evaluation and in this evaluation were somewhat different; labor market conditions were worse during the later evaluation; participation rates were higher in Riverside's program under the GAIN Evaluation than in the site's LFA and HCD programs; and costs measured under the GAIN Evaluation were higher than those measured for Riverside's LFA program (but lower than those for the site's HCD program).

One major goal of JOBS (as legislated in the FSA) was broader coverage of the AFDC caseload with a welfare "work" or participation obligation than was required prior to 1988. Theoretically, if JOBS programs even just maintained the level of per-person impacts achieved by prior programs, aggregate impacts would be larger than those achieved previously by virtue of the increase in the number of individuals "impacted." In reality, the LFA impacts for these three sites generally appear to be larger, on a per-person basis, than those measured for the low-cost, primarily job search-focused programs of the 1980s. HCD-oriented programs were uncommon in the 1980s, so appropriate comparison programs are not readily available.

A comparison of the longer-term costs of the LFA and HCD programs in the three sites with their longer-term benefits (that is, impacts), to be done at a future date, will determine whether the impacts of these programs will translate into government savings.

VII. Lessons and Implications for Current Welfare Reform Efforts

The report's findings can also be viewed as addressing issues that have heightened importance in light of the recently passed welfare reform bill.

- **Both the LFA and HCD programs, in all three sites, decreased the proportion of individuals who remained continuously on the welfare rolls throughout the two-year follow-up period.**

A prominent provision of TANF is a lifetime limit on the number of months a family can receive federal welfare benefits. Although sample members in the National Evaluation of Welfare-to-Work Strategies were not subject to welfare time limits, the two-year findings for the three well-run, "tough" programs analyzed in the report can provide some evidence as to whether special

welfare-to-work programs exhibit the potential, within a two-year time frame, to reduce the number of individuals who would reach a time limit.

Depending on the site, the number of sample members who would have reached a two-year time limit on benefits within the available two-year follow-up period was reduced by 9 to 25 percent as a result of the LFA and HCD programs. Some of those who left welfare early in the two-year follow-up period, however, returned before two years had elapsed. Rates of recidivism among LFA and HCD sample members were generally similar to recidivism rates among control group members. (This recidivism finding is based on a nonexperimental comparison, however, since only employed sample members are included and employed LFA, HCD, and control group sample members may differ from each other in pre-random assignment background characteristics.) All in all, the three LFA programs reduced welfare receipt during the two-year follow-up period by 1.0 to 2.0 months, depending on the site; the three HCD programs resulted in reductions of 0.7 to 1.1 months on welfare.

- **Women with preschool-age children—a group not required to participate in welfare-to-work programs prior to the passage of JOBS-were able to participate in program activities. Earnings and AFDC impacts were also found for this group.**

TANF expands the number of welfare recipients who will be required to work in a subsidized or unsubsidized job or to participate in an employment-related activity while receiving welfare benefits. Welfare-to-work programs prior to JOBS required participation of single parents with children as young as age six; the JOBS legislation expanded the "mandatory" group of welfare recipients to include women with children as young as age three (or, at state option, as young as age one); TANF, as a result of'doing away with most previously allowed exemptions (e.g., for women with children ages one or two, with drug or alcohol problems, or with physical disabilities) expands the "mandatory" population even further.

In the three sites' LFA and HCD programs, which included women with preschool-age children, longitudinal participation rates-that is, the chances that an individual would ever participate in a welfare-to-work program activity after having been identified as required to participate-were similar to those in pre-JOBS programs, which included only women with school-age children. Depending on the site and program approach, between 44 and 74 percent of the LFA and HCD sample members participated in job search, education, training, or unpaid, temporary work experience, as part of a mandatory welfare-to-work program, for at least one day (but usually much longer) during the two-year follow-up period.

In both the LFA and HCD programs, earnings and AFDC impacts were found for individuals with preschool-age children as well as for those with older children. Across the sites, there was no clear tendency for impacts to be consistently larger among one or the other of these two groups of sample members.

- **Child care costs represented a sizable share-5 to 25 percent, depending on the site-of the per-sample-member cost of providing services while**

individuals were enrolled in the LFA or HCD programs during the two-year follow-up period.

Given the expanded groups of welfare recipients who are required to participate in employment-related activities under TANF, and TANF's increased participation-level targets, welfare program operators are concerned about the costs of providing child care. In the three evaluation sites, the cost of providing child care services (to children of all ages) while individuals were enrolled in the two types of welfare-to-work programs, averaged over all sample members in a site, ranged widely by site, from **$73** to **$709** per person over the two years. Considering only those who received child care assistance at some point during the two years, child care costs ranged from an average of $435 to $2,254 across the sites.

Several factors influenced the magnitude of average child care costs in each site: the proportion of sample members who used child care; the number of months a sample member participated in program activities and thus required child care; and the average cost of a month of child care, which was determined by the type of child care received and the number and age of children for whom care was provided. Each of these three measurement factors was highest in Atlanta and lowest in Riverside. On the last factor, Atlanta encouraged participants to use licensed home care or established day care centers, while Riverside urged participants to rely on less formal arrangements with friends or relatives, hoping to minimize county expenditures and to steer participants to low-cost care that they would be able to afford, on their own, after leaving welfare. Surprisingly, in Grand Rapids, where a very high percentage (44 percent) of the sample members had a child aged one or two, average per-person child care costs were lower than those in Atlanta but higher than those in Riverside. (In these latter two sites, less than 7 percent of the sample members had a child aged one or two.)

- **Although the LFA and HCD programs were not operated under TANF rules or designed to meet TANF standards, it is likely that they would have failed to meet the ultimate participation rates specified in TANF, even though they achieved many TANF aims: They engaged large numbers of individuals in employment-related activities or imposed financial sanctions on them, generally increased the number of individuals who worked during the follow-up period, and decreased welfare expenditures.**

TANF specifies that, eventually, at least one-half of all recipients of federal welfare benefits must be participating intensively in subsidized or unsubsidized work or in employment-related activities, where "intensively" means a time commitment of 20 to 30 hours in every week in any month they are receiving benefits. The JOBS legislation similarly specified participationstandards, but the standards differed from those of TANF in that they applied only to those "mandatory" for JOBS, counted participation in a wider variety of activities, set gradually increasing goals that did not reach a level of 50 percent, and did not require as much as 30 hours per week of activity. Nonetheless, the ways in which the report's three studied sites imposed a welfare obligation on sample members, under the JOBS rules and goals, can highlight the challenges of TANF's participation standards.

The three sites differed in the extent to which they "covered" individuals with a welfare obligation during the months in which they were required to participate in a welfare-to-work program or face consequences. Depending on the site and program approach, sample members were participating in an employment-related activity (for at least one hour), employed, or sanctioned for nonparticipation in 41 to 68 percent of the follow-up months in which they were subject to a participation requirement. Site differences in this proportion reflected several factors, most of which will play roles under TANF as well: Many welfare recipients in Atlanta and Grand Rapids met a welfare obligation by virtue of being sanctioned; given Georgia's relatively low AFDC grant level, few welfare recipients in Atlanta could meet the participation requirement by combining welfare and work, since many jobs made them ineligible for AFDC; and a substantial number of AFDC recipients in Riverside, consistent with California's GAIN program procedures, were periodically excused on a temporary basis from the participation requirement.

The above statistics, however, do not take into account the number of hours each week in which individuals were participating or employed; they simply count individuals as fulfilling a welfare obligation if they were participating or employed *at all*, or sanctioned, *at any point in a month*. Previous analysis of these same three sites indicated that monthly participation rates, defined similarly to those contained in TANF, probably would have been quite low." Many welfare recipients in the three sites did not participate or work for 20 hours in every week of a month because, in at least one week in the month, they had been assigned to a program activity, but were waiting for it to begin; their assigned program activity required less than 20 hours of participation or was having a session break; they were sanctioned or slated to be sanctioned; they had child care or transportation issues; they were sick or had a family member who was sick or incapacitated; their case workers had temporarily "lost track" of them; or they were grappling with other personal issues or experiencing other, normal administrative delays.

- **Sanctioning rates in the three sites, particularly in Atlanta and Grand Rapids, were very high relative to previously studied programs, and the sanctions lasted a long time, especially in Grand Rapids. Interestingly, these frequent and extended sanctions did not increase the chances that individuals would eventually participate in program activities, compared with the participation rates achieved in past programs.**

Some current welfare reform policies specify "full family sanctions"-that is, penalties for noncompliance with welfare program participation or work requirements that result in terminating a family's eligibility for welfare benefits. The programs in the three sites examined in this report operated under the JOBS sanction rules and, as such, sample members who did not comply with a welfare obligation could have their welfare benefits temporarily reduced, but not eliminated." The

[11]Gayle Hamilton, *Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs* (Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1995).

[12]For a three-person family in 1993, a sanction in Atlanta resulted in a $45 decrease in the monthly grant of $280; in Grand Rapids, the penalty was a reduction of $88 in a monthly grant of $474; and in Riverside, $120 was cut from a

(...continued)

programs in the three evaluation sites, however, implemented sanctions frequently and for long periods of time-more so than previously studied programs.

A comparison of sanctioning rates in the LFA and HCD programs shows that sanctions were not consistently more frequent in one approach or the other. Specifically, in Atlanta, about one-fifth of the LFA sample members and two-fifths of the HCD sample members had their AFDC grants actually reduced because they did not cooperate with the JOBS program at some point during the two-year follow-up period. In Grand Rapids and Riverside, the frequency of sanctions was similar for the two approaches, with sanctions implemented for approximately 40 percent of the Grand Rapids sample members and for less than 15 percent of the Riverside sample members (see Figures 9, 10, and 11). Between one-third and one-half of those sanctioned in Grand Rapids (depending on the program approach) were sanctioned for more than 12 months during the two-year follow-up period; up to one-fourth of those sanctioned in Atlanta and up to one-fifth of the sanctioned individuals in Riverside experienced sanctions of this duration. In contrast to these findings, sanction rates of 11 percent were the highest rates measured in studies of previous mandatory welfare-to-work programs, and sanctions in these prior programs lasted a maximum of three or six months. As mentioned earlier, longitudinal participation rates for the LFA and HCD programs examined in this report were similar to those for previously studied mandatory welfare-to-work programs.

The frequent and long-term use of sanctions in Grand Rapids and Atlanta appears to have contributed to the impacts on AFDC payments in these two sites by reducing the monthly grant amounts for which LFA and HCD sample members were eligible. Sanctioning also partly explains why AFDC savings were generally larger than earnings gains in these sites. Increases in combining employment and welfare receipt probably contributed to this result in Riverside as well.

VIII. Conclusion

The two-year findings presented above, on the labor force attachment and human capital development approaches to welfare-to-work programs, provide the most rigorous and credible comparison to date of these two approaches' potential to promote work and decrease welfare reliance among welfare recipients. A time frame of two years, however, is not long enough to observe the full effects of these two approaches. Future documents-as part of the full, seven-site evaluation-will provide up to five years of follow-up on the LFA and HCD sample members, analyze the programs' impacts on a wider array of outcomes, examine the extent to which these programs had "spillover" effects on sample members' children, investigate links between increases in GED certificate attainment or gains in literacy and increases in employment

(...continued)
monthly grant of $624. JOBS program sanctions were to continue until the sanctioned individual agreed to participate in the assigned program activity, with a minimum sanction length of three months for the second "offense" and six months for the third. There was no minimum length for the first incident of noncompliance.

or earnings, and compare the programs' five-year costs with their five-year benefits. The findings from Atlanta, Grand Rapids, and Riverside will thus continue to inform welfare policymakers and program operators as they seek to implement reforms to move adult welfare recipients into work.

CHAPTER 1

INTRODUCTION

Welfare reform has been high on the American political agenda for almost a decade, a reflection of persistent dissatisfaction with the Aid to Families with Dependent Children (AFDC) program-the nation's principal safety net for poor families--despite frequent program innovations since the early 1980s. At the center of the reform discussion is the belief in the fundamental value of work. AFDC was created as part of the Social Security system in 1935 primarily to ensure that women whose husbands had died or were disabled could care for their children without having to work. By the end of the 1980s, however, a majority of mothers were in the workforce, including mothers of young children, and the Depression-era commitment to helping mothers stay at home seemed obsolete. The key welfare reform question then was *how best* to move AFDC recipients into the workforce and toward self-sufficiency. Subsidiary questions included: which welfare recipients should be expected to work, how much, at what types of jobs, and with how much support and financial assistance from the welfare system or other government programs benefiting the poor?

These questions were answered in 1988 with the passage of the Family Support Act (FSA), which marked a major shift in the philosophy of welfare by establishing a system of mutual obligation within the AFDC entitlement structure. Under this system, government (the states, and sometimes localities, with federal aid) was to provide education, employment, and support services to AFDC recipients, who were, in turn, required to participate in the Job Opportunities and Basic Skills Training (JOBS) program created by the Act to equip them for work. Although the emphasis of welfare reform has shifted again since 1988—toward stronger obligations for recipients and, under some plans, weaker obligations for government-work is still key and questions about how best to ensure that the welfare recipients who can work do work are still at the heart of public debate about reform.'

This report is one of a series on an evaluation of JOBS called for in the FSA that is being conducted under contract to the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education, by the Manpower Demonstration Research Corporation (MDRC). The evaluation, which is currently known as the National Evaluation of Welfare-to-Work Strategies, employs a random assignment design, specifically called for in the FSA as well, to determine the effectiveness of the program in seven sites across the country. In three of these sites-Atlanta, Georgia (Fulton County), Grand Rapids, Michigan (Kent County), and Riverside, California (Riverside County)-the study includes an unusual three-way comparison, involving, in each site, random assignment to either of two different types of welfare-to-work programs operated side by side or to a control group receiving no program services.

'The specific provisions of JOBS (but not its overall aims) have been largely superseded by the Personal Responsibility and Work Opportunity Reconciliation Act, signed into law in August 1996. Among its provisions, this bill replaced AFDC with a program known as Temporary Assistance to Needy Families (TANF). This report, which was substantially completed by July 1996, retains the terminology of the earlier programs.

The first program model examined in this report, based on a Labor Force Attachment (LFA) strategy, emphasizes quick exposure to and entry into the labor market as the best route to earnings increases, job advancement, and self-sufficiency. The LFA theory is that welfare recipients can best build their work habits and skills in the workplace and move up to better positions, even if their initial jobs are not high-paying or particularly desirable. The second program model, based on a Human Capital Development (HCD) strategy, operates under the philosophy that welfare recipients should upgrade their skills before seeking work through basic education or vocational training. Supporters of the HCD approach believe that by investing more program resources upfront recipients will experience a bigger payoff in job quality and stability in the future. The objective is to prepare people for jobs that offer sufficient wages and benefits to get them off-and keep them off-welfare.

Under the FSA, states had flexibility in selecting the type and sequence of services offered in JOBS programs, so that both of these strategies were, and continue to be, in use nationwide, as are others. Most programs are a hybrid of LFA and HCD approaches rather than purely one or the other. However, the three sites analyzed in this report volunteered to operate relatively pure versions of the LFA and HCD approaches in order to create a fair test of the effects of each approach on subsequent employment and AFDC receipt.

This report examines the implementation of the LFA and HCD programs in the three evaluation sites, the patterns of participation by JOBS-eligible AFDC recipients in each of the two programs (and contrasts them with participation patterns by control group members in available community services), and the costs of providing LFA and HCD services (again, contrasting them with costs associated with providing community services to the control group). It also presents two-year impacts of the LFA and HCD approaches on the attainment of GED credentials, employment, earnings and welfare receipt of the individuals assigned to each program, as well as on welfare payments made by the state or county government. These analyses enable an early, but not final, judgment of the effectiveness of each approach and an early comparison of the two. The key questions answered here include:

- Were the LFA and HCD programs implemented as designed in each of the three study sites and did they provide qualitatively different experiences for welfare clients?
- Did the programs succeed in engaging a substantial proportion of eligible individuals in the service components intended for their assignment—under either the LFA or HCD approach-and what was the intensity and duration of participation in these services? How did participation in the LFA and HCD groups compare with the activities in the control group, in which members enrolled on their own?
- To what extent did the programs enforce a welfare-to-work program obligation as envisioned in the Family Support Act?
- Was the HCD model more expensive than the LFA model, as anticipated in the policy debate preceding enactment of the FSA? How did these costs compare with the costs of services used by control group members?

What accounted for differences in costs between the two models and across the three sites?

- As of two years, did impact measures show the programs to be more effective than services received by the control group in increasing employment, earnings, and GED attainment and in reducing AFDC receipt and AFDC payments?
- Was the LFA or the HCD model more effective at this early point in achieving some or all of these objectives? Were there indications that impacts of either model would be sustained past the two-year point, drop off, or increase?

Among the four other evaluation sites, a side-by-side test was also implemented in Columbus, Ohio-in this case comparing two different case management approaches. In Detroit, Michigan; Portland, Oregon; and Oklahoma City, Oklahoma, the National Evaluation of Welfare-to-Work Strategies will compare the effects of these sites' welfare-to-work program approaches with the effects on a control group who received no program services. Later reports will discuss implementation, participation, costs, and impacts in these four sites.

What follows in this chapter is a brief history of the JOBS program and earlier welfare-to-work programs, which provides a context for understanding the importance of a direct comparison of the effectiveness of labor force attachment and human capital development approaches. The remainder of the chapter describes the evolution of welfare-to-work policies in the three study sites and the environment for implementing JOBS in each locality. The chapter concludes with a description of the contents of the report.

I. A Brief Historv of JOBS and Earlier Welfare-to-Work Programs

A federal policy of encouraging AFDC recipients to work was first introduced in 1967, after a period of rising caseloads and program expenditures. In that year, Congress created the Work Incentive (WIN) program, which was initially a service-oriented program providing education, training, work experience, social services, and counseling to AFDC recipients, primarily those who volunteered to participate. [2]

Between 1971 and 1981, legislative and regulatory changes shifted WIN's emphasis from training and support services to job search assistance and immediate unsubsidized employment, and from a largely voluntary program to a mandatory program for most AFDC recipients with school-age children (6 and over). Despite numerous attempts to strengthen the program, however, WIN was routinely criticized for failing to affect most welfare recipients in a meaningful way or to reduce welfare rolls and costs significantly. In addition, the dual agency structure of WIN, in which the program was jointly administered by HHS and the Department of Labor (and their counterparts at the state levels) was sometimes problematic. While the structure

[2]The discussion in this section draws heavily from Hamilton and Brock, 1994, pp. 2-7.

was intended to capitalize on the expertise and services of each agency, it led to difficulties in coordination-particularly at the state and local levels.[3]

To encourage innovation, Congress gave states more flexibility in operating welfare-to-work programs under provisions of the 1981 Omnibus Budget Reconciliation Act (OBRA) and the 1982 Tax Equity and Fiscal Responsibility Act (TEFRA). Along with numerous rule changes intended to increase program participation, OBRA permitted WIN Demonstration programs run solely by welfare agencies; Community Work Experience Programs (CWEP) requiring welfare recipients to "work off their grants" in unpaid community service jobs; mandatory job search programs for both AFDC applicants and recipients; and work supplementation or grant diversion programs in which AFDC grants were converted to wage subsidies to promote on-the-job training for welfare recipients by public and private employers.

These OBRA amendments led to a high level of state experimentation with different models of welfare-to-work programs under a variety of conditions. By late 1986, 47 states had adopted at least one of the options made available under OBRA, and about half chose welfare agency administration (WIN Demonstration rules) over "regular WIN."[4] In addition, OBRA generated new research-based knowledge about the effects of welfare-to-work strategies because program evaluation was a condition of receiving federal approval for states to experiment with some OBRA-based programs. (States sometimes needed waivers of Social Security Act requirements for operating AFDC programs, particularly the requirement that AFDC and AFDC-related programs-like WIN-be offered statewide in essentially the same way.)

In order to satisfy the waiver approval requirement, some states participated in a series of studies launched by MDRC and the Ford Foundation that employed random assignment to measure differences between a program group of eligible welfare recipients who were either required or volunteered to participate in the new welfare-to-work program and a control group drawn from the same pool of eligible recipients who were excluded from the program but were free to seek other services in the community. Program effects were judged by comparing the employment, welfare, and other experiences of program and control group members over a follow-up period that usually lasted several years.'

These random assignment evaluations and other related studies yielded a large body of convincing evidence on the operations and effects of welfare-to-work programs. On the positive side, the research demonstrated that the programs were feasible to operate; that, in some cases, they could serve a substantial proportion of the AFDC caseload; and that welfare recipients did not object, in principle, to mandatory participation or even mandatory work. Equally important, the research showed that a range of welfare-to-work programs, including those that stressed immediate job placement as well as those that provided more intensive services, could lead to sustained increases in employment and earnings for single parents on AFDC. A number of programs also resulted in reductions in welfare expenditures. In most cases, the welfare-to-work programs were cost-effective: that is, they brought more benefits to the public, in terms of

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[3]See, for example, Nightingale and Burbridge, 1987; Rein, 1982; U.S. General Accounting Office, 1971 and 1982.

[4]Nightingale and Burbridge, 1987; U.S. General Accounting Office, 1987.

'Greenberg and Wiseman, 1992; Gueron and Pauly, 1991.

reduced welfare outlays and increased tax payments by participants, than it cost to run the programs. It is important to note, however, that most programs kept expenditures down by emphasizing low-cost activities like job search.

The research also provided important insights about the goal of universal participation in welfare-to-work programs. In the mandatory programs that tried to attain a high participation rate, program staff had to work with a much larger share of the AFDC caseload than actually attended program activities because, although staff spent time working with them, many recipients left welfare or became ineligible for the program prior to the start of their scheduled participation; many needed to be deferred from participation for personal and family reasons discovered through client-caseworker conferences; and some simply refused to comply, requiring staff to begin time-consuming procedures to enforce penalties for noncooperation.

Findings from the random assignment evaluations showed that the welfare-to-work programs tested were not promising in several areas. Positive program effects on earnings and welfare receipt were generally modest, the increased earnings tended not to lift families out of poverty, and the AFDC caseload reductions were not dramatic. Subgroup analyses revealed that the most job-ready clients tended *not* to be helped (relative to the performance of the control group) by low-cost services like job search. Most of the earnings gains came from a middle group neither very disadvantaged nor job-ready, and most of the welfare savings were attributable to reductions in the grants of the most disadvantaged clients.[6]

The Family Support Act of 1988 drew on the evaluations of welfare-to-work programs, particularly on some encouraging evidence that mixed strategies (including both labor force attachment and human capital development approaches) could produce positive effects for a broad range of AFDC recipients. Lawmakers were also motivated by a continuing concern about welfare "dependency''-a problem highlighted by pathbreaking research on welfare caseload dynamics, which showed that over half the women receiving AFDC at any point in time were in the middle of a "spell" that lasted eight years or more and that these women accounted for over half the expenditures of the AFDC program.[7]

In designing JOBS, the centerpiece of the Family Support Act,[8] lawmakers tried to capitalize on those elements of the earlier welfare-to-work programs that seemed to work well, while also incorporating new features or enhancements that might lead to greater effects than were achieved in the past, particularly for the group of recipients most likely to remain on the welfare rolls for long periods.[9] Building on the fruitful experience of the OBRA amendments, JOBS tried to preserve state flexibility in the design and operation of their programs. The JOBS legislation established basic requirements and expectations for the program but allowed states,

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[6]See Gueron and Pauly, 1991, and Greenberg and Wiseman, 1992.

'Bane and Ellwood, 1983.

[8]The law also established new procedures for child support enforcement and paternity establishment; required states to offer an AFDC-UP program, which provides benefits to two-parent families in which the principal wage earner is unemployed; and extended post-welfare child care and Medicaid benefits for a transitional period of 12 months after AFDC is terminated.

[9]See Baum, 1991; Haskins, 1991; and Szanton, 1991.

for example, to determine the exact sequence and content of services and to decide whether to enroll a broad cross-section of AFDC recipients or focus on selected groups.

JOBS preserved the activities that lay at the core of the earlier welfare-to-work programs-job search, work supplementation, on-the-job training, and community or alternative work experience-requiring the states to provide at least two of these services in their programs. However, JOBS departed from most of its immediate predecessors by including education and job training as essential program activities. Although there was not definitive evidence that these so-called human capital development services would be more effective than the typical activities offered under the OBRA Amendments, some of the architects of the Family Support Act hoped that education and job skills training "would eventually lead to better jobs for AFDC recipients" and provide better-skilled workers for business." In deference to some legislators who favored a stricter "workfare" approach, the law also required states, beginning in 1994, to enroll an increasing proportion of AFDC-UP (two-parent case) recipients in work programs for at least 16 hours per week."

II. Reasons for a Side-by-Side Random Assipment Test of Labor Force Attachment and Human Capital Develoument

The Family Support Act involved months of negotiation and compromise among liberal and conservative lawmakers, and between members of Congress and the Administration. The result was a JOBS program that allowed states to implement very different philosophies of participation (for example, both mandatory and voluntary approaches for single parents were theoretically possible) and to emphasize different potential routes to self-sufficiency, with the human capital development and labor force attachment models both having strong adherents at the state and local levels. HHS was interested in learning whether the relatively less studied— and presumably more expensive-HCD strategy could be as effective for welfare recipients as the LFA strategy had proven. Within the first two years of JOBS implementation, this question became even more crucial to the policy direction of JOBS because state programs had inclined toward the HCD strategy.[12]

The reason for the specific three-way random assignment side-by-side evaluation design employed for this study-in which two programs were operated and evaluated (with a control group) in the same locality at the same time-relates to the methodological difficulties with other types of comparison research. In the past, cross-site comparisons of welfare-to-work strategies, and evaluations comparing intentionally different interventions for cohorts of welfare-to-work program participants were not able confidently to distinguish the effects of programmatic

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[10]Baum, 199 1, pp. 611-612. As noted above, there was also some evidence that mixed strategies could be successful with the most disadvantaged groups of AFDC recipients, which came from an experiment in San Diego County called the Saturation Work Initiative Model (SWIM) and an evaluation of a welfare-to-work program in Baltimore, Maryland, called the Employment Initiative. (See Hamilton, 1988, and Hamilton and Friedlander, 1989, for SWIM; Friedlander et al., 1985, for Baltimore; and Friedlander and Burtless, 1995, and Gueron and Pauly, 1991, for both SWIM and Baltimore.)

"Congressional Quarterly, 1989; Baum, 1991; Haskins, 1991.

[12]Hagen and Lurie, 1994.

approaches from environmental factors, such as local labor market conditions,[13] or from the different characteristics of the welfare populations. The side-by-side test of LFA and HCD program strategies allows for the *isolation* of the effects of the program approaches from other environmental factors, ensuring that differences between the two groups were caused by the programs' design and implementation.

Figure 1.1 displays factors that affect the impacts of welfare-to-work interventions and arrays these factors to demonstrate how LFA-focused and HCD-focused programs can be accurately compared with each other and with the experiences of a control group not eligible for either LFA or HCD program services. The influences on program impacts can be separated into two distinct spheres: the external environment in which the program is implemented and the program itself. Factors such as local labor market conditions and the availability of training, education, and support services in the community (represented by the two upper boxes in the figure) fall into the first category. Characteristics of the welfare program, such as AFDC grant levels and welfare administrators' goals, are also part of the local environment external to the program. Within the environments created by these factors, welfare recipients make decisions about work, welfare, and training and education opportunities, as reflected in the actions and activities of control group members. Their own characteristics will influence program outcomes as well.

In the program sphere, represented by the LFA and HCD boxes in Figure 1 .1, lie the results of decisions and actions by program administrators who design and implement welfare-to-work programs. A number of these affect the nature and strength of these initiatives. The program model itself, local implementation practices (such as the messages communicated by program staff about employment preparation strategies), case management practices, and the level of "mandatoriness" of the program all potentially shape the experiences of the welfare recipients who take part in the program-as measured by how much they work, earn, and receive in welfare grants, for example. In this sphere, the availability and expenditure of program resources, including the provision of supportive services, are also likely to affect participant experiences.

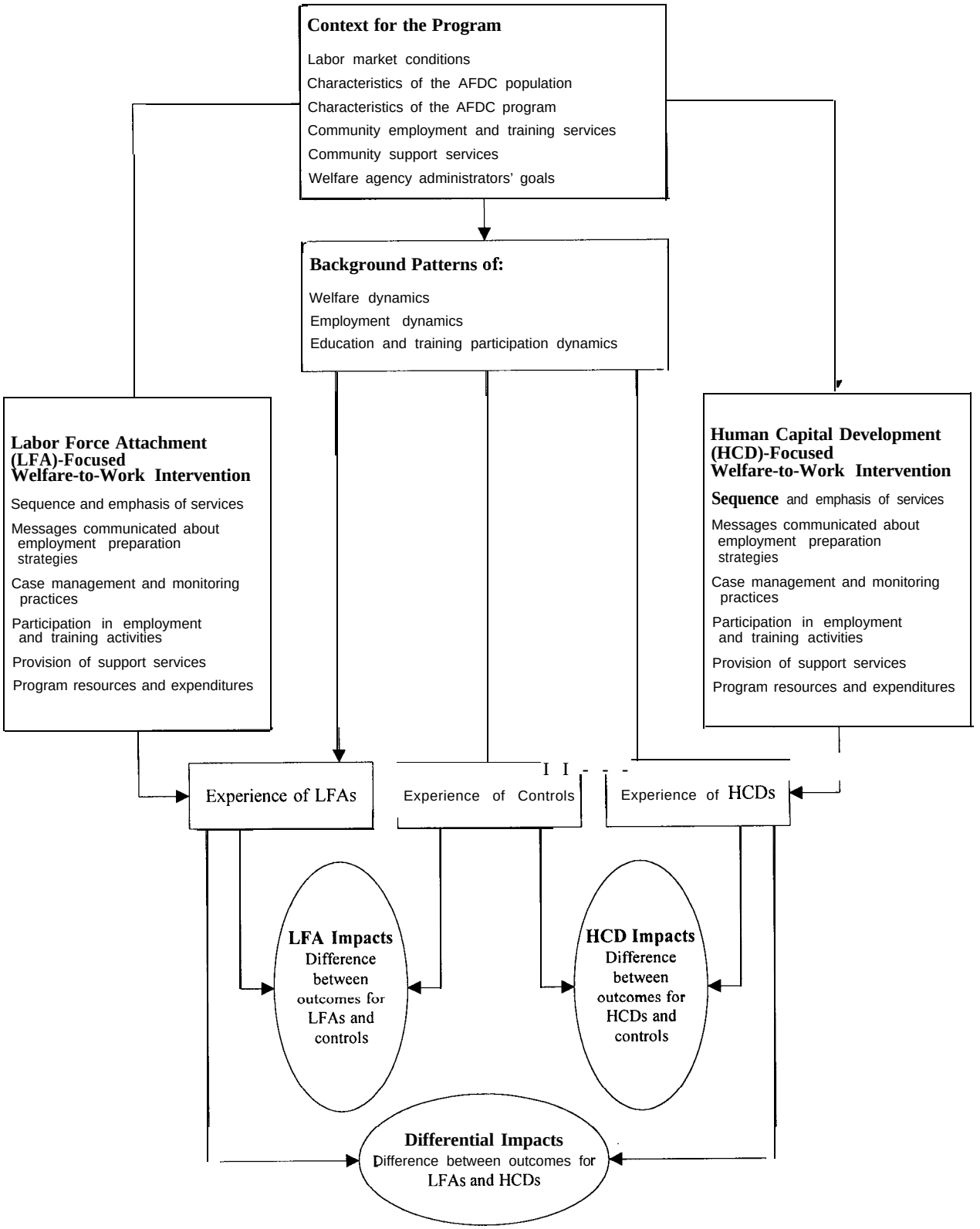
The lower section of Figure 1 .1 depicts the method by which program impacts are determined in this side-by-side test. Both the external and program factors operate to influence the employment and welfare patterns of individuals enrolled in the two program approaches, producing the outcomes labeled "experience of LFAs" and "experience of HCDs." The "experience of controls" is produced by the environmental factors only, including their own characteristics, and not the program factors. As depicted in the ovals in Figure 1.1, the control group's patterns of welfare receipt and employment are compared separately with those of the LFA and HCD groups to derive the impact of each program approach. To derive the *differential* impacts of the LFA and HCD program approaches, outcomes of the LFA and HCD groups are compared with each other.

In this three-way random assignment evaluation, the environment experienced by the groups eligible for the LFA and HCD program approaches in each site are identical to each other

[13]See, for example, Betsey, Hollister, and Papageorgiou, 1985; or Job Training Longitudinal Survey Research Advisory Panel, 1985.

Figure 1.1

Factors Affecting the Impacts of Welfare-to-Work Programs in Atlanta, Grand Rapids, and Riverside



and to the environment in which the experiences of the control group are produced, making it possible to attribute differences between the control group and the LFA and HCD groups, and between the LFA and HCD groups, solely to the program interventions. These identical environments are achieved, in part, by a research design that examines different program (or nonprogram) experiences in the same location at the same time. Fundamental to this research design as well is similarity in the characteristics of the AFDC recipients across the three groups under study so that differences in group outcomes are not accounted for by differences in the job-readiness, motivation, personal circumstances, or other individual attributes of people in the three groups. (See Chapter 2 for a discussion of baseline characteristics of the study sample.) This is the advantage of random assignment for program evaluation: It ensures that there are no systematic differences between groups eligible for program services and those not eligible.

III. The Evolution of Welfare-to-Work Policy in the Three Study Sites

A criterion for selection as a site for this evaluation was previous experience in running a strong welfare-to-work program. Accordingly, each site in the evaluation had run WIN Demonstration programs throughout the 1980s, building on these programs after passage of the Family Support Act in 1988.[14] The earlier WIN programs tended to be more voluntary in nature than the JOBS programs later implemented in each site. Moreover, JOBS brought a new focus on education and training, whereas WIN focused more heavily on job search.

Prior to the passage of the FSA, Grand Rapids had run a strong mandatory LFA program under WIN, which relied heavily on upfront group job search activities. Michigan's JOBS program, MOST, implemented in 1988, shifted welfare to work throughout the state to an upfront assessment model with a heavy reliance on basic education. Therefore, Grand Rapids came into the National Evaluation of Welfare-to-Work Strategies with considerable experience running both HCD and LFA programs.

In the 1980s, Fulton County ran a mandatory job search work experience program for AFDC mothers with school-age children (6 and over). Under JOBS, Georgia, like Michigan, shifted to more of a human capital development model, the PEACH program. Initially, Fulton County served primarily volunteers in PEACH because it did not have sufficient case management staff to serve the mandatory caseload. However, prior to being selected as an evaluation site, Fulton County doubled its staffing capacity and was able to begin random assignment with sufficient staff to shift to a fully mandatory program.

In Riverside, California, the welfare-to-work program that was operated before the National Evaluation of Welfare-to-Work Strategies, called GAIN (for Greater Avenues for Independence), was extensively studied by MDRC as part of an evaluation of GAIN as it was run in six of the state's counties.[15] Basic features of GAIN were the same from county to county

[14] For further details on the history of the JOBS program in each site, see Hamilton and Brock, 1994.

[15] GAIN Evaluation reports by MDRC include the following titles: *Planning and Early Implementation*, 1987; *Child Care in a Welfare Employment Initiative, 1989; Early Implementation Experiences and Lessons, 1989; Participation Patterns in Four Counties, 1991; Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties*, 1992; *Two-Year Impacts in Six Counties, 1993; Basic Education in a Welfare-to-Work Program,*

(continued)

because service sequences-which varied according to an individual's welfare history, employment experience, and education level-were written into state regulations. For example, all GAIN-eligible AFDC recipients were tested for reading and math skills and those who did not have a high school diploma or its equivalent (a General Educational Development—GED—certificate), scored low on either the reading or math part of the basic skills test, or were not proficient in English were determined to be "in need of education." These recipients could elect job search assistance first, but would then be required to enroll in a basic education class if they did not find a job. Others were initially assigned to job search activities unless they had already been involved in self-initiated education or job training and were authorized to continue attending such programs. GAIN participation was intended to last until recipients found jobs. Thus, following initial assignments, recipients who were still unemployed were reassessed and assigned to another activity, such as vocational or on-the-job training, unpaid work experience (referred to in GAIN as PREP), other forms of education and training, or job search.

Riverside County's version of GAIN was distinctive in several ways. Staff placed much more emphasis on moving people registered for the program into the labor market quickly than did the GAIN staff in any other county studied, and this philosophy pervaded staff interactions with registrants throughout the program. (For example, Riverside staff were much more likely than staff from other study counties to encourage registrants who were determined to need basic education to try job search *first*.) As a result, Riverside's program showed a greater use of job search relative to education and training than programs in the other counties and gave greater emphasis to staffs achievements in job placement and job development.[16] Riverside also resorted to financial sanctions for noncompliance with program rules-mainly for failure to participate in program activities. (Some noteworthy differences between Riverside's GAIN program and their JOBS program are discussed further in Chapter 11.)

IV. Program Environments in the Three Studv Sites

In addition to selecting sites with extensive previous experience in running welfare-to-work programs, the National Evaluation of Welfare-to-Work Strategies sought sites that offered a diversity of geographic locations, caseload demographics, labor markets, and AFDC grant levels. Among the three sites where side-by-side tests of LFA and HCD approaches were conducted, the range of program conditions was relatively broad. (See Table 1 .1.) For example, Riverside County, California, experienced explosive population growth in the late 1980s (a 36 percent increase from 1986 to 1990), undergoing a transformation from a formerly rural community to an exurban satellite of Los Angeles. Riverside County had the largest population of the three sites (nearly 1.2 million). In 1993, the monthly average AFDC caseload was 27,775.

In contrast, Atlanta (Fulton County, Georgia) had the second-largest population (648,951 in 1990) and experienced moderate population growth (4.2 percent) between 1986 and 1990. Atlanta is the major population center of the Southeast, with significant finance, government,

(...continued)
1994; and *Benefits, Costs, and Three-Year Impacts of a Welfare-to- Work Program,* 1994.

[16]Riccio and Friedlander, 1992; and Friedlander, Riccio, and Freedman, 1993.

Table 1.1

Program Environments of Three Sites in the Evaluation

Characteristic	Atlanta	Grand Rapids	Riverside
Population, 1990[a]	648,951	500,631	1,170,413
Population growth, 1986- 1990 (%)[a]	4.2	4.8	35.8
AFDC caseload[b]			
1991	18,507	7,660	23,325
1992	21,801	7,389	25,581,
1993	23,113	7,508	27,775
1994	23,121	7,137	32,044
JOBS caseload[c]			
1991	4,808	n/a	6,558 [d]
1992	3,500 (est.)	n/a	5,584
1993	3,919	n/a	5,194
1994	4,374	n/a	6,564
AFDC grant level for a family of three, 1993 ($)	280	474 [e]	624
Food stamp benefit level for a family of three, 1993 ($)	292	252	202
Unemployment rate (%)[g]			
1991	5.2	7.7	9.6
1992	7.3	7.5	11.5
1993	6.2	5.5	11.7
1994	5.6	4.5	10.6
Employment growth, 199 1 - 1994 (%)[h]	11.0	10.7	7.2

SOURCES: U.S. Bureau of the Census; U.S. Congress, House Committee on Ways and Means, 1994; U.S. Department of Labor, Bureau of Labor Statistics; site contacts.

NOTES: [a]Data are for counties: Atlanta (Fulton County), Grand Rapids (Kent County), and Riverside (Riverside County). Population growth figures were calculated using data from the U.S. Bureau of the Census.

[b]Caseload figures refer to a monthly average. Caseload figures are for counties.

"JOBS caseload figures refer to the annual unduplicated count of total individuals who enrolled in JOBS activities beyond initial orientation and assessment in the year, as reported by the sites. Another measure of JOBS caseloads is a count of individuals who are JOBS-mandatory at a given point in time. The average monthly JOBS-mandatory caseload for October and November 1992 was 5,272 individuals in Atlanta, 5,533 in Grand Rapids, and 6,813 in Riverside (Hamilton, 1995).

[d]In Riverside, JOBS caseloads are for the fiscal year.

[e]In Grand Rapids, part of the AFDC cash payment has been designated as energy aid and is disregarded by the state in calculating food stamp benefits.

[f]Food stamp benefits are based on maximum AFDC benefits shown and assume deductions of $327 monthly ($127 standard household deduction plus $200 minimum allowable deduction of shelter costs).

[g]County data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

[h]Data are for counties and represent survey-reported employment held by county residents. Calculated using data from the U.S. Department of Labor, Bureau of Labor Statistics.

N/a = not available.

health, retail, and transportation sectors, but ranks only 37th in size among U.S. cities. The county had a monthly average AFDC caseload of 23,113 in 1993.

Grand Rapids (Kent County, Michigan) was the smallest site, with a population of 500,631 in 1990, and was characterized by moderate population growth in the 1986-1990 period (4.8 percent). Located in the western section of lower Michigan, Grand Rapids is the second largest city in the state after Detroit. Traditionally a manufacturing center (especially automobiles, auto parts and related industry, and furniture), Grand Rapids is gradually replacing jobs that do not require higher education and technical skills with jobs in white-collar and high-tech occupations. The county's monthly average AFDC caseload was 7,508 in 1993.

Local labor market conditions can affect welfare-to-work program participation and impacts in complicated ways. In a labor market downturn, people who apply for welfare may have better job skills and employment histories than those who apply during periods of growth because individuals who would ordinarily be employed find themselves out of work and turn to welfare programs as a safety net. Thus, when jobs are scarce, welfare-to-work programs may have more participants, and they may be more job-ready as a group, than during periods of low unemployment, but program impacts may be depressed because there are fewer job opportunities. Conversely, when jobs are plentiful, the welfare caseload and the welfare-to-work program participant group may shrink and be composed of a higher proportion of individuals who have major barriers to employment. In either environment, measured welfare-to-work program impacts depend on how successful the program is in giving eligible individuals an added benefit in the job market compared with other welfare recipients like themselves who are seeking employment but not receiving program services.

As noted above, the three sites included in this report had considerably different labor market conditions in the early 1990s. Atlanta and Grand Rapids both had growing labor markets and strong economies, while Riverside's economy was sluggish. As shown in Table 1.1, in Atlanta and Grand Rapids, employment grew 11 percent from 1991 through 1994, while it grew only 7 percent over the same period in Riverside. Unemployment rates followed the same trend; Atlanta and Grand Rapids had unemployment rates of about 6 percent in 1993, while Riverside had nearly 12 percent.

State welfare grant levels also affect welfare-to-work program impacts-directly in terms of welfare savings that can be achieved and indirectly because grant levels, in turn, affect the characteristics of the welfare caseload and welfare-to-work participant populations. In a high-grant state, individuals who are working part time or at a minimum wage job may remain eligible for some welfare benefits and Medicaid, while those earning the same amount in a low-grant state may not be eligible. On the other hand, even a low-paying job may be more attractive than welfare in a low-grant state, whereas higher grants tend to lessen the financial incentive for welfare recipients to work.[17] This means that, under approximately the same conditions, welfare

[17]The relationships between AFDC grant levels and work incentives for welfare recipients are further complicated by differences in the cost of living from one locality to another, the nonwelfare subsidies available for housing and other necessities, the rules that determine what share of their earnings working recipients could keep without financial penalties, and recipients' understanding of how these rules affected their net income. Research has measured the work incentive effects of specific combinations of welfare-like income, but there is no formula to

(continued)

recipients and welfare-to-work program participants in low-grant states are less likely to be job-ready than those in high-grant states.

In 1993, the AFDC grant level for a family of three was $280 in Atlanta, the lowest of the three sites, and considerably lower than the median national payment level of $367. Grand Rapids' grant level was considerably higher than the national median for the same period, at $474 for a family of three. Riverside's grant level was, by far, the highest, at $624 (this was reduced to $607 in September 1993). Food stamp benefit levels vary with income, and thus compensate for some of the difference in AFDC grant levels. Food stamp grant levels for a family of three receiving the maximum AFDC grant in 1993 ranged from $202 in Riverside to $292 in Atlanta, which was a higher amount than the AFDC grant in Atlanta. (See Table 1.1.)

AFDC rules affecting earnings and other income varied across the three study sites during the evaluation period as well. These differences are important to keep in mind when examining cross-site earnings and AFDC impacts'because they affected the likelihood that an individual could work while remaining on welfare.

All states are required to disregard some income when calculating the AFDC grant: $30 and an additional one-third of earnings in the first three months of employment and $30 for the next eight months of employment, with no earned-income disregard thereafter. In September 1993, under a federal waiver, California (Riverside) extended the period for which $30 and an additional one-third of earnings are disregarded so that working families on AFDC never lose this disregard.

In Atlanta, "fill-the-gap" budgeting was employed throughout the period of the evaluation, under which AFDC recipients could earn up to the difference between a financial "standard of need" and their AFDC grant without experiencing an AFDC grant reduction. In 1993, Atlanta's standard of need for a family of three was $424. Under these rules, a parent with two children could earn up to $756 in the first four months of employment and still remain on AFDC; she could earn $544 in months five through twelve and remain on AFDC, and $514 per month thereafter.'* These practices were in place in Atlanta before the National Evaluation of Welfare-to-Work Strategies began.

In Riverside, fill-the-gap budgeting was implemented in September 1992 in conjunction with a decrease in the AFDC grant level. The standard of need for a family of three in Riverside was $703 in the first half of 1993, and was increased to $715 in July 1993, $723 in July 1994, and $730 in July 1995. At the beginning of 1993, for example, a parent with two children could earn $1,175 for the first four months of employment, $823 in months five through twelve, and $793 thereafter and remain eligible for AFDC.[19] Fill-the-gap budgeting is not employed in Grand Rapids; in 1993, a Grand Rapids parent with two children could earn $831 in the first four

(...continued)
determine precisely how any particular AFDC grant amount affected the probability that a recipient would work (Federal Reserve Bank of Boston, 1987).

'*These calculations and the following calculations for Grand Rapids and Riverside do not take into account the effects of the disregard for child care expenses allowed under AFDC rules, if taken.

[19]In September 1993, the time limit on the $30 and one-third disregard was eliminated, enabling people to earn more while still remaining eligible for AFDC.

months of employment, $594 in months five through twelve, and $564 thereafter while remaining eligible for AFDC.

V. Contents of the Report

Chapter 2 describes the research design for the study of the three side-by-side tests of Labor Force Attachment and Human Capital Development welfare-to-work programs. It describes how AFDC recipients in each site became eligible for the research sample for the study and were randomly assigned, underscoring an important difference between the array of research groups in Riverside and the other two sites. Chapter 2 also presents characteristics of the research sample as of JOBS orientation (the point at which random assignment occurred), including attitudes and opinions of enrollees about education, training, work, and the JOBS program, and discusses the data sources and sample sizes for the study.

In Chapter 3, the LFA and HCD program approaches are defined and described for each site in order to answer the question: How did welfare administrators in the three sites operationalize these two types of program approaches and maintain their distinctiveness? This examination includes both the service sequence intended by program designers and the actual sequence and emphasis as the programs were implemented. The structure and content of LFA and HCD services are key topics for this chapter, as well as the "program messages" to clients. The LFA models in the three sites are compared with each other as are the HCD models.

Chapter 4 examines program practices and program characteristics in the three sites beyond the features of the LFA and HCD approaches that affected the experiences of clients. These include case management practices, program participation monitoring, program rules enforcement, sanctioning methods, relations between JOBS staff and income maintenance workers in the welfare offices, and the child care and support services that were available to JOBS program participants. The chapter also discusses the perceptions of JOBS staff, income maintenance staff, and clients about the effectiveness of the JOBS program.

Chapter 5 provides a perspective on the LFA approach by presenting data on the proportion of eligible individuals who were assigned to and participated in program components and activities, their lengths of stay in the program, and the "paths" they took through LFA programs. This chapter also examines the proportion of the three sites' mandatory welfare-to-work program caseloads "covered" by the LFA program requirement, as well as participation of LFA-eligible clients in employment-related activities outside the JOBS program, and the extent to which the LFA program approaches resulted in more employment-related activity among AFDC recipients than they would have initiated on their own (by comparing **LFA** activity with the experiences of the control group). Chapter 6 follows the structure of the previous chapter and provides a similar perspective on the experiences of individuals eligible for the HCD services in the three sites.

Chapter 7 provides two-year cost estimates for the LFA approach, answering the questions: Which program activities were the most and the least expensive? How did child care and other support service costs contribute to the overall program cost? How were costs shared by the welfare department and other agencies? How did costs vary by site based on differences in program practices? How did LFA costs compare with those incurred by the control group?

Chapter 8 provides two-year estimates and answers similar questions for the HCD approach. This cost information will be used later in this evaluation's benefit-cost analysis to develop five-year net cost and net benefit estimates.

Impact findings for the LFA and HCD approaches as of two years are presented in Chapters 9 and 10, respectively. These chapters provide the data and discuss the key questions about how the two welfare-to-work program approaches affected GED receipt, employment, earnings, AFDC receipt, and AFDC payments for the Atlanta, Grand Rapids, and Riverside sites, relative to what would have happened in the absence of the programs. Impact estimates are provided for the full sample of eligible individuals in each site and for two sets of subgroups—one defined by educational attainment and one by the age of the sample member's youngest child at the time of her entry into JOBS.

Finally, Chapter 11 directly compares the impacts of the LFA and HCD approaches, answering the following questions: Did the HCD approach, as expected, initially result in smaller impacts than the LFA approach? Did HCD impacts begin to overtake LFA impacts by the end of two years? What factors contributed to AFDC savings impacts in the three sites for both approaches?

CHAPTER 2

RESEARCH DESIGN. SAMPLES. AND DATA SOURCES

Utilizing an unusually strong research design and multiple data sources, this report examines and compares the experiences of single-parent AFDC recipients enrolled in welfare-to-work programs with two different approaches. In addition, the report compares these two different experiences with those of a control group who received no program services. Recipients in each of the three evaluation sites analyzed in this report were placed in one of three treatment, or research, groups through random assignment. The use of a random assignment research design had the advantage of creating, within each evaluation site, a situation in which individuals in each research group had similar background characteristics and faced identical labor market conditions, financial incentives to leave welfare for work, and community services. It assured that any measured differences between the research groups during a follow-up period-for example, in terms of participation patterns in job search, education, or training activities and the concomitant costs of providing these employment-related services, and in terms of individuals' levels of GED attainment and employment, earnings, and AFDC receipt-were due solely to the program approach to which individuals were randomly assigned.

This chapter describes the methodological underpinnings of the analyses presented in the rest of the report. It begins with a discussion of how AFDC recipients became enrolled in JOBS in the three evaluation sites, since it was at this point that individuals were randomly assigned to the research groups analyzed here. Included is an explanation of why differing proportions of the entire AFDC caseloads in the three sites eventually enrolled in JOBS. The second section discusses how random assignment was conducted in each site and the implications of Riverside's pre-existing program regulations on the definition of the research groups in that site. The third section presents the baseline characteristics of JOBS enrollees in the sites: individuals' ages, welfare histories, reading and math achievement levels, number and ages of children, and other descriptive characteristics. The fourth section discusses program enrollees' perceived barriers to employment or program participation, expectations of the JOBS program, and views on employment as of random assignment. The chapter concludes with a discussion of the report's data sources and attendant sample sizes.

I. The JOBS Enrollment Process and Its Effect on Elieibility for Random Assignment and Sample Composition

As noted in Chapter 1, until August 1996 the JOBS program was the government's vehicle for moving families from welfare to work. However, individuals had to first enroll in JOBS in order to avail themselves of the program's services. In the three sites analyzed in this report, JOBS program enrollment occurred at JOBS orientations; this was also the point at which enrollees were randomly assigned to one of three research groups As a result, the research samples analyzed in this report consist of those who attended a JOBS orientation, and the impacts presented in the report represent the effects of the "treatment" provided after

orientation.' If a random sample of the entire AFDC caseload in each of the three evaluation sites were enrolled in JOBS, then research findings would be generalizable to the entire AFDC caseload. In actuality, some programmatic practices, such as federally and state-defined exemption criteria, referral practices to JOBS, and waiting lists for JOBS orientations resulted in certain AFDC recipients never attending a JOBS orientation. Thus, it is important to understand the process by which AFDC recipients were identified as JOBS-mandatory, referred to JOBS, and scheduled for orientations, since it will shed light on the types of AFDC recipients who were likely to have attended a JOBS orientation. With this knowledge, it is possible to examine the extent to which the research sample analyzed in this report is representative of the entire AFDC caseload.

A number of steps were taken before an AFDC recipient attended a JOBS orientation and was randomly assigned to a research group. Figure 2.1 depicts the process in Atlanta and Grand Rapids; Figure 2.2 depicts the process in Riverside. The first step toward JOBS enrollment was a routine meeting between the AFDC recipient and her income maintenance (IM) worker, who was responsible for the financial aspects of each case, including AFDC, food stamps, and Medicaid (box 1 in Figures 2.1 and 2.2). At this meeting, which occurred either when the individual first applied for welfare or when continuing eligibility for AFDC was being determined, the IM worker was responsible for assessing whether the individual was required to enroll in JOBS (box 2 in Figures 2.1 and 2.2).

The Family Support Act established the criteria by which to determine if an individual was JOBS-mandatory.[2] According to the FSA, any single-parent AFDC recipient whose youngest child was age 3 (or 1, at state option) or over and who did not meet certain exemption criteria was mandated to participate in the state's JOBS program. Exemption reasons included having a disabling illness, being employed full time (30 hours or more per week), living in a remote area that made program activities inaccessible, or being in at least the second trimester of pregnancy. While JOBS-exempt individuals could volunteer for the JOBS program, they were not randomly assigned, and were not included in the samples evaluated in this report. Michigan (Grand Rapids) added a number of state-specific exemption reasons: if a recipient had three children or more under age 10,[3] had been within the past five years a resident of a mental institution, had been using prescribed medication for mental illness, or had been enrolled in a rehabilitation program for at least 15 hours per week. There were no such state exemptions in California (Riverside) or Georgia (Atlanta).

'In two of the three sites-Grand Rapids and Riverside-random assignment for research purposes also occurred at a point earlier than JOBS enrollment: when individuals were identified as JOBS-mandatory by income maintenance staff. In these two sites, the research groups analyzed in this report, that is, the ones generated at JOBS enrollment-orientation, are "nested" within one of the previously created research groups. Analyses using the samples randomly created at an earlier point in the path toward JOBS will measure JOBS's deterrence effects prior to orientation (impacts in addition to the ones discussed in this report) and will examine such issues as clients' reasons for not attending JOBS orientations. Those results will be reported in a separate, forthcoming publication.

'Family Support Act of 1988.

'This exemption reason was eliminated in December 1992.

Figure 2.1

Steps Leading from Income Maintenance to Attendance at JOBS Orientation and Random Assignment in Atlanta and Grand Rapids

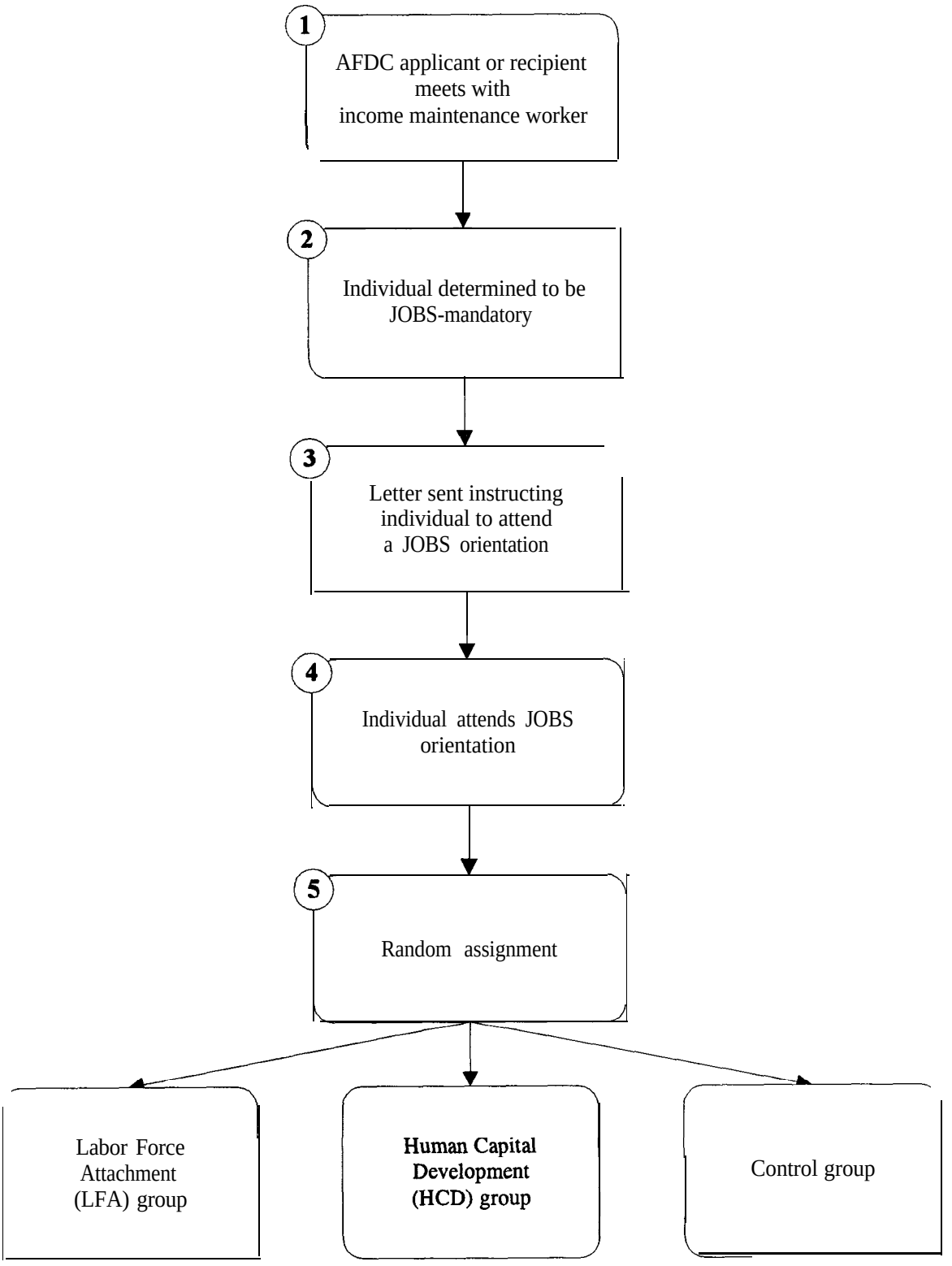
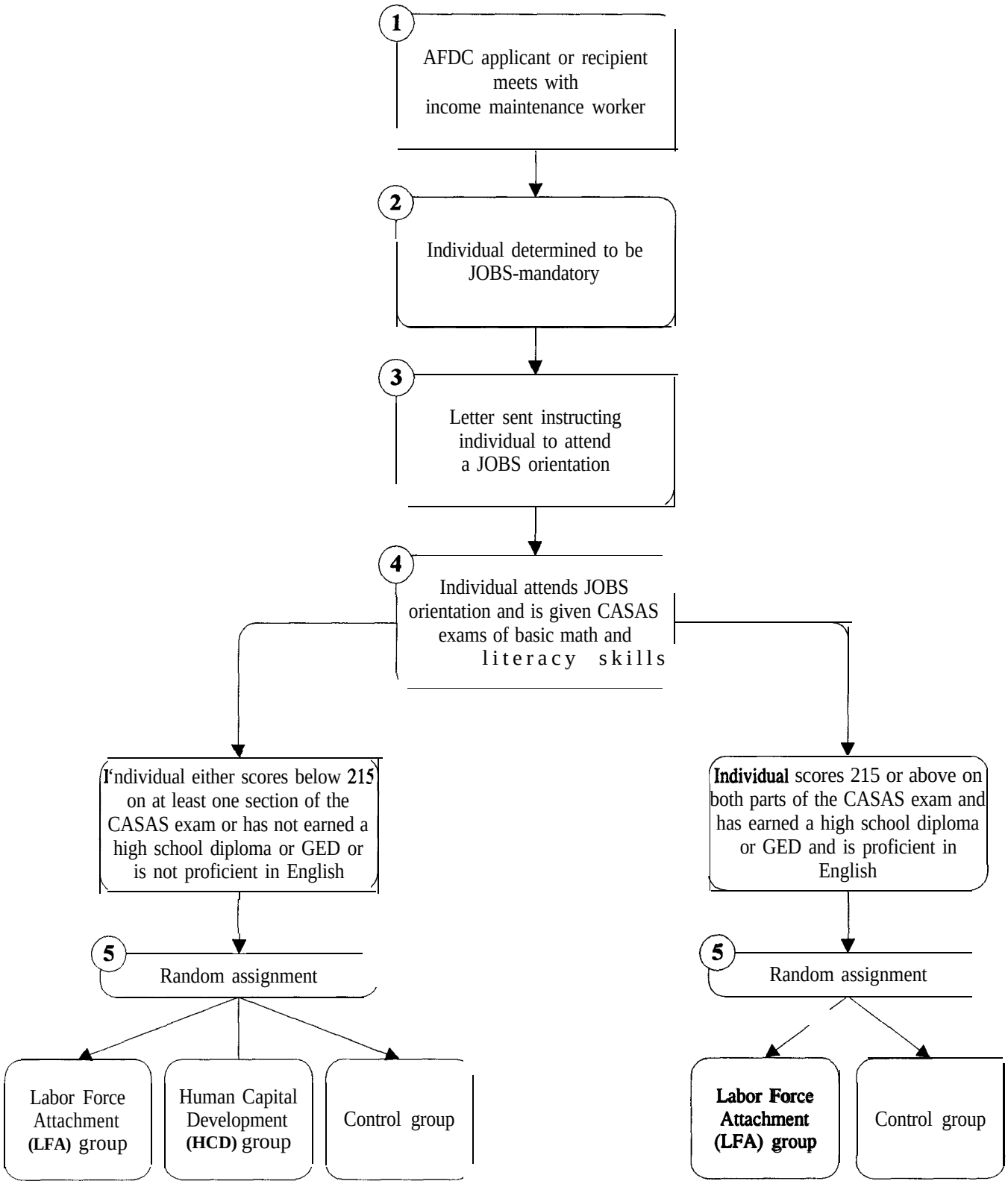


figure 2.2

Steps Leading from Income Maintenance to Attendance at JOBS Orientation and Random Assignment in Riverside



After determining whether an individual was, indeed, mandated to participate in the JOBS program in that site, it was the IM worker's responsibility to refer her to the JOBS program. Typically, this was done by sending a form, either on paper or via computer, from the IM office to the JOBS office. At this point, JOBS staff took over. (In contrast to IM workers, JOBS workers were responsible for recipients' participation in JOBS training, education, and employment-related activities.)[4] Once received, JOBS referrals were placed on a list, to be called in for a JOBS orientation on a first-in, first-out basis. In Grand Rapids, there was effectively no wait for this call-in. In Riverside, there was a short waiting list in the early months of random assignment, but for most of the random assignment period, there were no waiting lists. In Atlanta, however, it was not unusual for an individual to remain on a waiting list for as long as six months before being called in to attend a JOBS orientation. These waiting lists were the result of the Atlanta program adopting a more stringent participation mandate, in combination with resource issues. At the start of the evaluation, Atlanta staff began to refer many individuals to JOBS who previously were not served in their program. However, the county had a limited budget for hiring additional case managers and desired to keep caseloads at what they considered a manageable and effective level. Thus, only a certain number of individuals could be scheduled for program orientations each week, and it took some time to enroll all mandatory individuals in the site's JOBS program.

Orientation waiting lists have important ramifications for the characteristics of individuals enrolling in welfare-to-work programs. When a waiting list is in place, some welfare recipients find jobs and leave welfare before they are scheduled for an orientation. In this case, those who end up attending orientations may be more disadvantaged (for example, they are less likely to have prior work experience or more likely to have lower education levels) than is the case when all individuals are immediately scheduled for a program orientation. In the National Evaluation of Welfare-to-Work Strategies, waiting lists are not of concern when making within-site comparisons between research groups, as the random assignment process (which occurred at orientation) draws upon the same pool of AFDC recipients for all research groups. However, the possible effect of waiting lists on sample characteristics is an important consideration when making comparisons between sites.

A related consideration is the length of time during which a site had been working with the entire JOBS-mandatory population. The sample for this report represents an early cohort of the entire sample of individuals randomly assigned at JOBS orientation in these three sites. In the first 6 to 12 months of random assignment in each site, welfare recipients who may have been JOBS-mandatory for some time were scheduled for JOBS orientations and, once they attended them, were randomly assigned to a research group. Those randomly assigned in the later months of the evaluation in each site tended to be more recent AFDC applicants or individuals who were newly JOBS-mandatory, most commonly because their youngest child had just turned age 3 or,

[4] In two of the National Evaluation of Welfare-to-Work Strategies sites not included in this report, Oklahoma City and Columbus, some sample members did not have IM workers. Instead, an integrated case manager handled all case management functions, including financial and JOBS monitoring functions. The effectiveness of this approach compared with the traditional approach of separate case workers for different functions will be examined in a forthcoming document.

in Grand Rapids, age 1. As a result, individuals included in this report who were randomly assigned during roughly the first two-thirds of the random assignment period are somewhat more disadvantaged (for example, in terms of length of adult lifetime AFDC receipt) than those randomly assigned toward the end of the random assignment period.

In the JOBS enrollment process, once an AFDC recipient's name appeared at the top of a JOBS-referral list, a letter was sent directing the individual to attend a specific JOBS orientation and stating that a sanction could be imposed for nonattendance (Box 3 in Figures 2.1 and 2.2). Welfare recipients who did not show up after as many as four call-in letters may have had their AFDC grants reduced. After a sanction or threat of a sanction, some individuals may have tried to comply; others may have accepted the reduced grant level as the cost for nonparticipation in JOBS; still others may have found employment or left welfare.

There are likely to have been some considerable differences between the characteristics of AFDC recipients who attended welfare-to-work program orientations and the characteristics of those who never attended them. As mentioned above, some recipients left welfare before being scheduled for an orientation, and a portion of this group may even have left because they did not want to participate in a welfare-to-work program. Still others may have been willing to take a sanction so as to avoid participation. Others may have "fallen through the cracks," that is, may have become lost in the bureaucratic maze as caseworkers tried to keep track of hundreds of schedulings and re-schedulings, and may never have been sanctioned for their nonparticipation. Given these different situations, which imply that the characteristics of orientation attenders may have been different from those of nonattenders, this report's findings are generalizable to those who attended JOBS orientations but may not be generalizable to the entire JOBS-mandatory AFDC caseloads in the three sites.'

Recipients who attended JOBS orientations (box 4 in Figures 2.1 and 2.2.) heard a presentation about the evaluation (including its random assignment design), were tested to determine their basic reading and math skills levels, provided information on many of the basic demographic characteristics presented in this chapter, and were randomly assigned (box 5 in Figures 2.1 and 2.2). Riverside was the first JOBS site to begin random assignment, in June 1991, and random assignment concluded there in June 1993. In Grand Rapids, random assignment began in September 1991 and ended in January 1994. In Atlanta, random assignment began in January 1992 and ended two years later.

II. The Random Assignment Process and Resulting Research Groups

As noted in Chapter 1, a fundamental question of the National Evaluation of Welfare-to-Work Strategies is to determine the relative effectiveness of two different program approaches

'A future National Evaluation of Welfare-to-Work Strategies publication will more closely examine the process by which AFDC recipients came to attend JOBS orientations and, as noted earlier, will estimate the impacts of being referred to JOBS and obligated to enroll in the program by attending a JOBS orientation.

for promoting self-sufficiency. Many evaluations utilize cross-site comparisons of alternative program designs, but must overcome the difficulty of isolating the effects of these approaches from other factors, such as local economic conditions and welfare grant levels. To avoid these difficulties, this evaluation took an innovative approach to comparing program strategies. In the three sites examined in this report (Atlanta, Grand Rapids; and Riverside), a three-way random assignment design was used and two different types of welfare-to-work JOBS programs were operated side by side in each site.[6]

In each of the three sites, JOBS orientation attenders were randomly assigned to one of three groups: a Labor Force Attachment (LFA) group, a Human Capital Development (HCD) group, or a control group. Control group members were free to seek out, on their own initiative, training and education programs available in their communities. In addition, since the Family Support Act created a guarantee that child care would be available to welfare recipients participating in JOBS-approved activities, a decision was made by HHS early in the evaluation that control group members, as long as they were participating in an approved activity, should be eligible for this assistance. Finally, in Grand Rapids, control group members in approved activities were eligible for transportation assistance as well.

Using the three-way random assignment design, three sets of comparisons can be made in each site. First, comparisons can be made between outcomes for individuals assigned to each of the program groups and outcomes for those assigned to the control group (LFA versus control; HCD versus control), enabling one to estimate the added benefit of either of these approaches above what the individuals would achieve in the absence of a welfare-to-work program. Additionally, a direct comparison can be made between outcomes for participants in the two program groups (LFA versus HCD), to assess the relative effectiveness of each of these approaches. Thus, impacts (for example, on participation in employment-related activities or on employment, earnings, or welfare receipt) and net costs presented for each of the two program groups represent the ***difference*** between outcomes for control group members, that is, what people would do without a welfare-to-work program, and the outcomes for those assigned to each of the two program approaches. Similarly, impacts and net costs presented in the last chapter of the report-on a direct comparison of the LFA and HCD approaches-represent the ***added benefit*** of one approach vis-a-vis the other.

In Atlanta and Grand Rapids, JOBS orientation attenders were equally likely to have been assigned to one of the two program groups or to the control group, as shown on the left side of

[6]While a number of earlier studies, such the San Diego Job Search and Work Experience Demonstration and the Virginia Employment Services Program Demonstration, utilized side-by-side tests of two different program strategies (see, for example, Goldman, Friedlander, and Long, 1986; and Riccio et al., 1986), no prior evaluation has conducted a side-by-side test of *comprehensive* program models. These earlier studies restricted access to some program services, such as work experience or basic education activities, to one program group, while permitting the other program group to access these services. Thus, these earlier evaluations were tests of individual service components. In contrast, the National Evaluation of Welfare-to-Work Strategies is a study of two pervasive program philosophies in three sites. In these three sites, sample members in the two program groups received very different messages about the goals of the program and were offered a range of services compatible with that message. Chapter 3 discusses the implementation differences between these two program models.

Figure 2.3. Riverside, however, had pre-existing program regulations governing participation in adult basic education, following regulations in California's Greater Avenues for Independence (GAIN) program, the state's JOBS program. As a result, there were, in effect, two different random assignment evaluations in Riverside. Prior to the National Evaluation of Welfare-to-Work Strategies, GAIN program regulations dictated that only individuals determined to be in need of basic education would be assigned to educational activities as a first step toward self-sufficiency. Thus, all JOBS enrollees were evaluated at orientation to determine whether, according to program regulations, they required basic education: Those who had a high school diploma or GED, or scored 215 or above on both the math and the literacy sections of the GAIN Appraisal test,[7] and were proficient in English were determined not to need basic education. As seen on the right side of the Riverside part of Figure 2.3, this group could be randomly assigned only to the LFA or control group. Those without a high school diploma or GED, who scored below 215 on either section of the GAIN Appraisal test, *or* who required English remediation were determined by the program to be in need of basic education and, according to program regulations, were eligible for assignment to an education activity. As a result, individuals with these characteristics were eligible to be randomly assigned to any of the three evaluation research groups, including the HCD group.

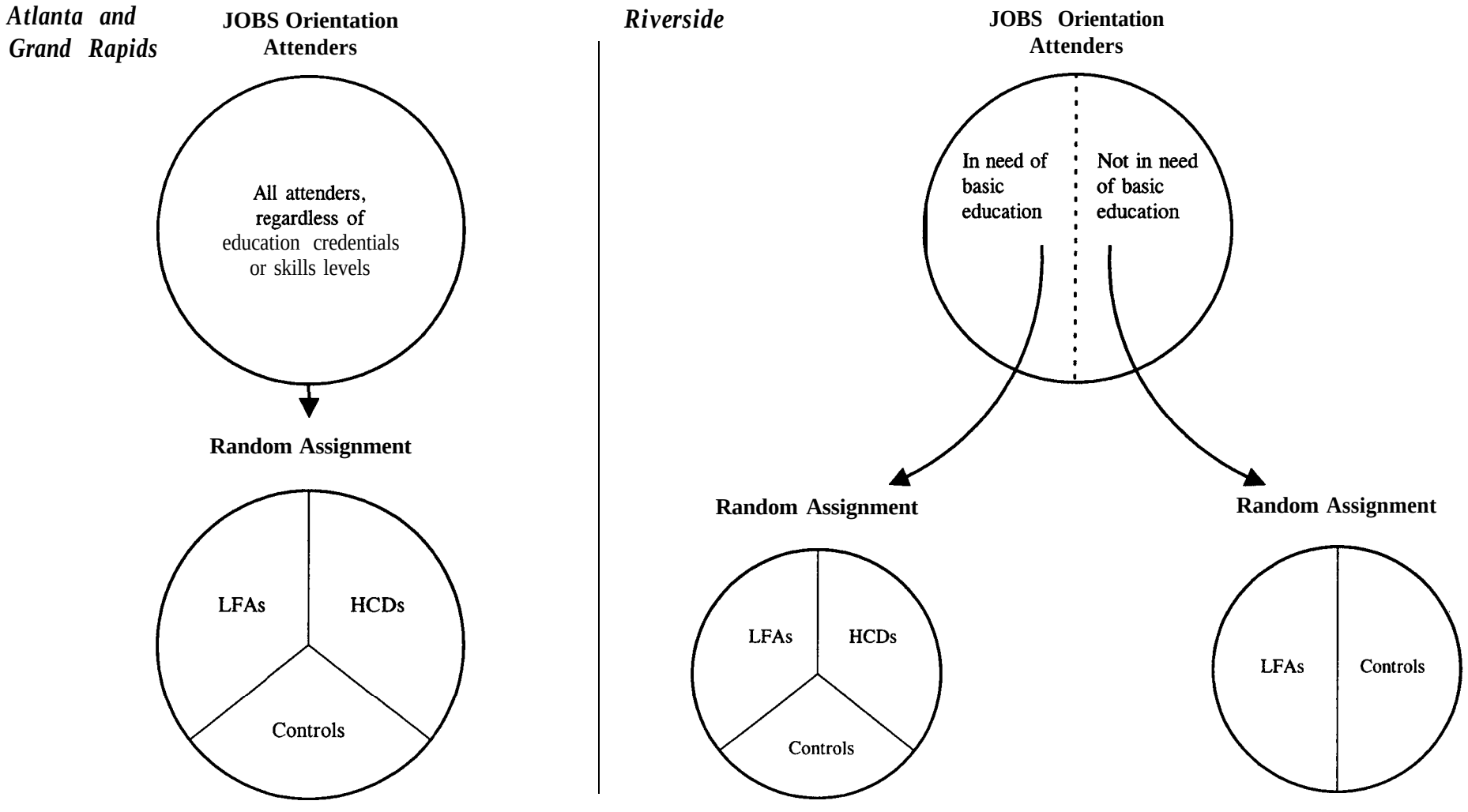
The situation in Riverside has several implications for the research group comparisons made in this report. First, since only those without a high school diploma or with low reading and math skills were eligible for random assignment to the HCD group in Riverside, any comparisons between the LFA and the HCD groups in Riverside must include only those individuals determined to be in need of basic education as of random assignment. In other words, when the effects, in Riverside, of the LFA approach vis-a-vis the HCD approach are examined, individuals in the LFA group who are not in need of basic education must be dropped from the analysis. Second, Riverside's design also affects the comparability of the HCD research groups across the three evaluation sites. Compared with the HCDs in Atlanta and Grand Rapids, HCDs in Riverside have lower education levels than those in other sites.

In order to present information that can be accurately and easily used to make within-site LFA-HCD comparisons in Riverside and to make cross-site HCD comparisons, subgroup (as well as full-sample) participation, cost, and impact estimates are presented throughout the report. The subgroup estimates always divide the full LFA and HCD samples in each site into those determined to be not in need and in need of basic education in Riverside and into those with and without a high school diploma or GED in Atlanta and Grand Rapids. Those determined to be not in need of basic education in Riverside and those with high school diplomas or GEDs in the other two sites appear under the high school diploma/GED subgroup heading throughout the report; those determined to be in need of basic education in Riverside and those without high school diplomas or GEDs in the other two sites appear under the no high school diploma/GED subgroup heading.

[7]The GAIN Appraisal test, an instrument developed by the Comprehensive Adult Student Assessment System (CASAS) specifically for use by the California GAIN program, was given to sample members at orientation. According to the designers of the test, individuals who score below 215 have difficulty completing tasks that require more than minimal literacy or computation skills.

Figure 2.3

Schematic Depiction of Random Assignment Model in Three Sites



NOTE: The figures above do not accurately portray the actual ratios of individuals in need of basic education and not in need of basic education in Riverside.

While those determined to be in need of basic education in Riverside appear under the no high school diploma/GED heading, scores on the GAIN Appraisal test are also taken into account in determining if an AFDC recipient in California is in need of basic education, in line with GAIN regulations. As a result, 23 percent of the HCDs in Riverside who appear under the no high school diploma/GED heading actually did have such a credential but scored low on either the reading or math portion of the CASAS test. [8]

III. Baseline Characteristics of the Research Sample

At JOBS orientation, immediately prior to random assignment, case managers recorded standard characteristics about attendees, such as educational levels, AFDC history, and information about their family settings. (This data source and the data source used in the next section are described more fully in Section V of this chapter.) Table 2.1 presents selected baseline characteristics of sample members included in this report, by site. Following are some highlights.

All sample members included in this report were single-parent heads of AFDC cases when they were randomly assigned.' The vast majority of individuals were female, ranging from 90 percent in Riverside to 98 percent in Atlanta. Sample members were, on average, about 31 years old as of JOBS orientation. The sites vary widely in the ethnic composition of their JOBS enrollees. In Atlanta, virtually all sample members, 95 percent, were African-American. In Grand Rapids, 50 percent were white and 40 percent were African-American. In Riverside, 50 percent were white, 29 percent were Hispanic, and 17 percent were African-American.

The proportion of sample members with a preschool-age child varied widely by site, based upon whether the site was in a state that mandated JOBS participation by single parents with children as young as age 3 or in a state that had exercised the FSA option to mandate JOBS participation of single parents with children as young as age 1. The State of Michigan exercised this option and, consequently, in Grand Rapids, 44 percent of JOBS enrollees had a youngest child aged 2 or under; 22 percent had one aged 3 to 5. In Atlanta and Riverside, which are in states that did not exercise this option, these proportions were smaller. In Riverside, 6 percent of

*Restricting the Riverside HCD sample to those who did not have a high school diploma or GED, regardless of how they performed on the GAIN Appraisal test, would have further complicated Riverside within-site comparisons as well as full-sample cross-site comparisons. In addition, this would have created a group with no operational policy relevance to California or Riverside welfare administrators.

'Case heads receiving AFDC for unemployed parents (AFDC-UP) were also randomly assigned in Riverside as part of this evaluation. These individuals, who were primary wage earners (typically male) in two-parent households, were also required to participated in JOBS. AFDC-UP sample members are not included in this report; the effects of the LFA and HCD approaches on Riverside AFDC-UPS will be analyzed in a future publication.

Table 2.1

Selected Characteristics of AFDC Recipients, by Site

Characteristic	Atlanta	Grand Rapids	Riverside
Demographic characteristics			
Gender (%)			
Male	2.4	3.9	10.4
Female	97.6	96.1	89.6
Age (%)			
18-19	0.0	9.3	1.3
20-24	7.6	28.4	14.8
25-34	55.5	42.2	50.6
35-44	30.8	16.9	27.0
45 and over	6.1	3.3	6.0
Ethnicity (%)			
White	3.6	49.8	49.9
Black	95.3	39.7	17.1
Hispanic	0.9	7.7	28.9
Native American	0.0	1.7	1.3
Other	0.3	1.1	2.8
Age of youngest child (%)			
2 and under	0.5	44.1	6.4
3 to 5	35.1	22.1	49.4
6 and over	64.5	33.8	44.2
Housing status			
Living in public housing (%)	40.5	2.6	2.5
Living in subsidized housing (%)	26.1	13.9	7.3
Education and basic skills levels			
No high school diploma or GED (%)	44.3	41.9	43.4
Enrolled in education or training in past 12 months (%)	13.2	38.7	19.4
Scored at level 1 or 2 on the TALS document literacy test[a] (%)	60.6	39.4	36.9
Scored below 215 on the GAIN Appraisal math test (%)	67.4	37.2	34.6
Labor force status			
Never worked full time for six months or more for one employer (%)	31.4	36.4	29.0
Any earnings in past 12 months (%)	18.2	43.9	41.8
Currently employed less than 30 hours per week (%)	5.2	12.0	10.8

(continued)

Table 2.1 (continued)

Characteristic	Atlanta	Grand Rapids	Riverside
Public assistance status			
On welfare two years or more (cumulatively) prior to random assignment (%)	78.4	63.5	54.1
Raised as a child in a household receiving AFDC (%)	27.6	32.9	19.8
First spell of AFDC receipt (%)	4.6	28.0	22.0
Sample size	2,899	2,907	6,171

SOURCE: MDRC calculations from information routinely collected by welfare staff and from test data.

NOTE: [a]TALS (Test of Applied Literacy Skills) scores for Riverside are based on scores earned on the GAIN Appraisal literacy test and are converted to their TALS equivalent.

JOBS enrollees had a youngest child aged 2 or under;" 49 percent had one aged 3 to 5. In Atlanta, these same figures were 0.5 percent and 35 percent, respectively. The proportion of JOBS enrollees residing in public or subsidized housing as of random assignment, for whom increases in income could affect housing status as well as rent, was large only in Atlanta. In this site, two-thirds of the sample members were living in such housing; this was the case for less than one-sixth of the sample members in the other two sites.

Between 56 and 58 percent of enrollees in the three sites had earned a high school diploma or GED. Few enrollees had earned a college degree (either an A.A. or a B.A.): 2 percent or less in any site. A substantial proportion of enrollees in the Grand Rapids sample-39 percent-reported having been enrolled in an education or training program in the 12 months prior to random assignment.

Achievement tests were administered to determine the basic skills levels of JOBS enrollees in each site. In all three sites, the GAIN Appraisal math test, developed by the Comprehensive Adult Student Assessment System (CASAS), was used to determine basic math skills. In Atlanta and Grand Rapids, the Test of Applied Literacy Skills (TALS) document literacy test was administered. In Riverside, however, the state-mandated GAIN Appraisal literacy test was used to gauge reading skills. These GAIN Appraisal scores have been converted to the corresponding TALS score to facilitate comparisons between test scores across the three sites."

Sixty-one percent of JOBS enrollees in Atlanta, 39 percent in Grand Rapids, and 37 percent in Riverside had TALS document literacy scores (or a TALS equivalent score) placing them in the lowest two levels (of five levels). According to the test developers, these individuals are likely to experience considerable difficulty integrating or synthesizing information in complex or lengthy text. (They would have difficulty, for example, using a hospital campus map and its legend to identify a building that houses a specified medical department.) Similarly, 67 percent of JOBS enrollees in Atlanta, 37 percent in Grand Rapids, and 35 percent in Riverside scored in the lowest levels on the GAIN Appraisal math test, that is, below a score of 215. According to the test developers, these individuals are likely to have extremely limited employment choices and would have difficulty calculating gas mileage or writing a letter or

"'The Riverside GAIN program generally did not mandate participation for women with children aged 2 or under, but it did require participation of two groups of single parents regardless of the age of their'youngest child: teen parents, on their own or their parents' AFDC case, who did not have a high school diploma or GED; and individuals who worked more than 15 hours per week while receiving AFDC. The first group, teens, was randomly assigned but is not included in the sample for this report. The second group was included in the random assignment process and in the sample for this report.

"In order to facilitate comparisons between the reading achievement test scores of research sample members in Riverside and the other sites, the National Evaluation of Welfare-to-Work Strategies commissioned a team led by Walter Haney, Senior Research Associate at the Center for the Study of Testing, Evaluation, and Education Policy at Boston College, to conduct a calibration study of research sample members' scores on the GAIN Appraisal reading test Form 2 and the TALS document literacy tests. The findings of this study, which are discussed in detail in Haney et al., 1996, were used to estimate the TALS document literacy test score that best corresponds to the GAIN Appraisal score received by each research sample member in Riverside.

service order. While the lower reading and math achievement levels of Atlanta's JOBS sample may have been due, in part, to the effect of the waiting list on the characteristics of those who eventually attended JOBS orientation (discussed earlier), the AFDC caseload in Atlanta was generally more disadvantaged than the caseloads in the other two sites, and the orientation waiting list did not account for all of these differences.

JOBS enrollees in the three sites had varying levels of prior work experience, a valuable asset when attempting to secure future employment. Across the three sites, about one-third of enrollees had never worked for six months or longer for the same employer, ranging from 29 percent in Riverside to 36 percent in Grand Rapids.

About one JOBS enrollee in ten was employed less than 30 hours per week as of orientation, and there was not much variation between sites on this measure. Atlanta, the site with the lowest AFDC grant level and the most disadvantaged sample, was on the low end of this rate, with 5 percent of enrollees employed. In Riverside, the site with the highest grant level, 11 percent of enrollees were employed. It should be kept in mind, however, that California's AFDC grant level allowed some individuals to work at least 30 hours per week and remain eligible for AFDC. Once an individual was employed for more than 30 hours per week, however, federal regulations specified that they were no longer JOBS-mandatory and, as a result, they would not be included in the National Evaluation of Welfare-to-Work Strategies research sample. Thus, many more AFDC recipients in Riverside were working while receiving AFDC than are shown in Table 2.1, but they were not JOBS-mandatory and, consequently, were not eligible for random assignment.

At least half of the JOBS enrollees in each site had received AFDC, on their own or spouse's case, for at least two years (cumulatively) during their adult life, though not necessarily for two years continuously prior to random assignment. This figure was highest in Atlanta, where 78 percent of the enrollees had received welfare for at least two years; 64 percent of enrollees in Grand Rapids and 54 percent in Riverside met this criterion. Atlanta also had the greatest proportion of welfare recipients for whom this was not a first spell of welfare receipt; only 5 percent of JOBS enrollees in this site were in the midst of their first spell on AFDC compared with about 25 percent in the other two sites. These figures indicate that the vast majority of sample members were AFDC recidivists: that is, individuals who, at least once, had previously received AFDC, left AFDC (because of employment or another reason), and then had returned to AFDC at some point.

Less than one-third of JOBS enrollees recalled living as a child in a household receiving AFDC. Enrollees in Riverside were the least likely to be "second-generation" welfare recipients; only 20 percent reported receiving AFDC as a child.

IV. Clients' Expectations for and Perceptions of JOBS

At orientation, prior to hearing about the services offered by the JOBS program and the results of the random assignment process, sample members were asked to complete a survey on

barriers to and expectations for employment and participation in the JOBS program. Selected measures from this survey appear in Table 2.2.

Approximately 77 percent of JOBS enrollees anticipated at least one obstacle to welfare-to-work participation, with between 58 and 70 percent reporting that the cost of child care would prevent them from attending program activities. Lack of transportation was another commonly perceived barrier to participation, with 37 to 41 percent of enrollees reporting that this was a barrier. Health and emotional problems were also perceived as barriers to participation; between 19 and 21 percent reported that they could not participate in a welfare-to-work program because they themselves suffered from a health or emotional problem. Furthermore, 18 to 20 percent reported that they could not participate because a family member was suffering from a health or emotional problem.

Over 80 percent of JOBS enrollees in each site reported a barrier to employment. The two most commonly reported reasons why individuals felt that they could not get a job at the time were that they preferred to take care of their family full time (reported by 20 to 3 1 percent of the sample members) and that they had no available trusted person to take care of their children (reported by 20 to 28 percent of the sample members).

Respondents were also asked in which of three types of welfare-to-work activities they would prefer to participate. Of the three choices provided, job training was the preference of the largest number of individuals, ranging from 42 percent in Atlanta to 61 percent in Riverside. Respondents' second choice was a program to get help looking for a job, with 23 to 41 percent of respondents preferring such a program. Least favored was basic education, with 6 to 10 percent of respondents choosing school (to learn basic reading and math) as the preferred activity.

Many sample members, however, felt that these types of program activities would help them get a good job, even if some of the activities were not their first preference. Across the three sites, 79 to 88 percent of respondents reported that a job training program would help them find a good job; between 57 and 73 percent of respondents thought that a program to help them look for a job would be helpful; and, while lowest in popularity, over half of the respondents thought a basic education program would help them secure a good job, ranging from 55 percent in Grand Rapids to 68 percent in Atlanta.

About half of the respondents believed that it would probably take them over a year to find full-time employment and leave welfare, ranging from 47 percent of enrollees in Atlanta to 56 percent in Grand Rapids. Half agreed that they would take a full-time job if the job paid the same as (or, in some cases, less than) welfare. When asked the minimum wage at which the respondent would take a full-time job, with medical benefits, the median response was $6 per hour in Atlanta and Grand Rapids and $7 per hour in Riverside. When asked the minimum acceptable wage for a full-time job which did *not* offer medical benefits, the median response was $7 per hour in Atlanta, $8 per hour in Grand Rapids, and $10 per hour in Riverside. In the three sites, the provision of full medical benefits represented approximately $2.25, on average, of JOBS enrollees' hourly reservation wages.

Table 2.2

Attitudes aud Opinions of JOBS Enrollees, by Site

Attitude or Opinion	Atlanta	Grand Rapids	Riverside
Client-reported barriers to welfare-to-work program participation			
Percent who agreed or agreed a lot that they could not go to a school or job training program right now for the following reasons:			
No way to get there every day	40.6	36.8	39.5
Cannot afford child care	57.8	69.5	67.3
Health or emotional problem	21.1	19.8	18.7
Child or family member with a health or emotional problem	18.5	19.5	17.8
Too many family problems	28.4	30.4	28.6
Fear of leaving children in day care or with a babysitter	17.7	29.9	29.5
Already has too much to do during the day	15.8	24.2	18.7
At least one of the above	73.9	81.2	76.7
Client-reported barriers to employment			
Percent who agreed or agreed a lot that they could not get a job right now for the following reasons:			
Too many family problems for full- or part-time work	16.0	18.7	22.0
Prefers to take care of family full time	20.3	30.8	30.6
No available trusted person to take care of children	20.2	26.5	27.8
Would miss children too much	8.2	14.0	13.6
At least one of the above	80.0	83.8	81.3
Client-reported preferred welfare-to-work program components and expectations regarding the effectiveness of the components			
Given the choices of going to school to study basic reading and math, going to a program to get help looking for a job, or going to school to learn a job skill, percent who would prefer to:			
Go to school to learn a job skill	42.3	56.4	60.8
Go to a program to get help looking for a job	40.5	25.0	23.0
Go to school to study basic reading and math	6.3	9.8	7.5
Percent who agreed or agreed a lot that the following would help them get a good job:			
Going to a job training program	86.3	79.4	88.3
Going to a program to get help looking for a job	72.9	57.2	67.3
Going to a school that teaches basic reading and math	67.9	55.3	57.8
None of these strategies	5.4	9.6	5.7

(continued)

Table 2.2 (continued)

Attitude or Opinion	Atlanta	Grand Rapids	Riverside
Client-reported expectations regarding employment			
Percent who agreed or agreed a lot that it will probably take more than a year to get a full-time job and get off welfare	47.3	56.3	47.9
Percent who would probably take a full-time job today if the job paid less than or the same as welfare	51.2	53.3	52.9
If someone offered client a full-time job with full medical benefits, minimum amount per hour at which the client would take the job			
Mean $	7.12	7.00	7.71
Median $	6.00	6.00	7.00
If someone offered client a full-time job with no medical benefits, minimum amount per hour at which the client would take the job			
Mean $	9.29	9.48	10.74
Median $	7.00	8.00	10.00
Sample size	2,218	1,454	3,281

SOURCE: MDRC calculations from Private Opinion Survey data.

V. Sample Sizes and Data Sources

The findings in this report on participation in employment-related activities, program costs, and employment, earnings, and welfare impacts for single-parent AFDC recipients cover a two-year follow-up period. At this writing, two years of follow-up data are available only for those individuals randomly assigned to a research group through December 1992, while random assignment continued for an additional 6 to 13 months in the three sites examined in the report. The site samples thus represent 50 to 63 percent (depending on the site) of the eventual single-parent AFDC recipient samples that will be analyzed as part of the evaluation.[12]

The following paragraphs describe the data sources and the sizes of the samples examined for each type of analysis in the report. Appendix Table A. 1 presents a complete breakdown of the sample sizes, by data source, site, and research group.

- **AFDC and Unemployment Insurance Administrative Records Data**

Employment, earnings, and welfare impacts were computed using automated county and state AFDC administrative records and state unemployment insurance (UI) records data. AFDC and UI records were available for all 11,977 sample members for whom two years of follow-up were available.[13] The administrative records sample is depicted on Figure 2.4 by the largest circle and includes all sample members in this report.

- **Two-Year Client Surveys**

Some client opinions and participation rates examined throughout the report are based on results compiled from a survey administered to a sample of individuals in all three research groups approximately two years after random assignment.[14] In Figure 2.4, the client survey sample is represented by the circle with horizontal lines. The survey sample was randomly selected from the larger report sample, but it intentionally oversampled certain subgroups to

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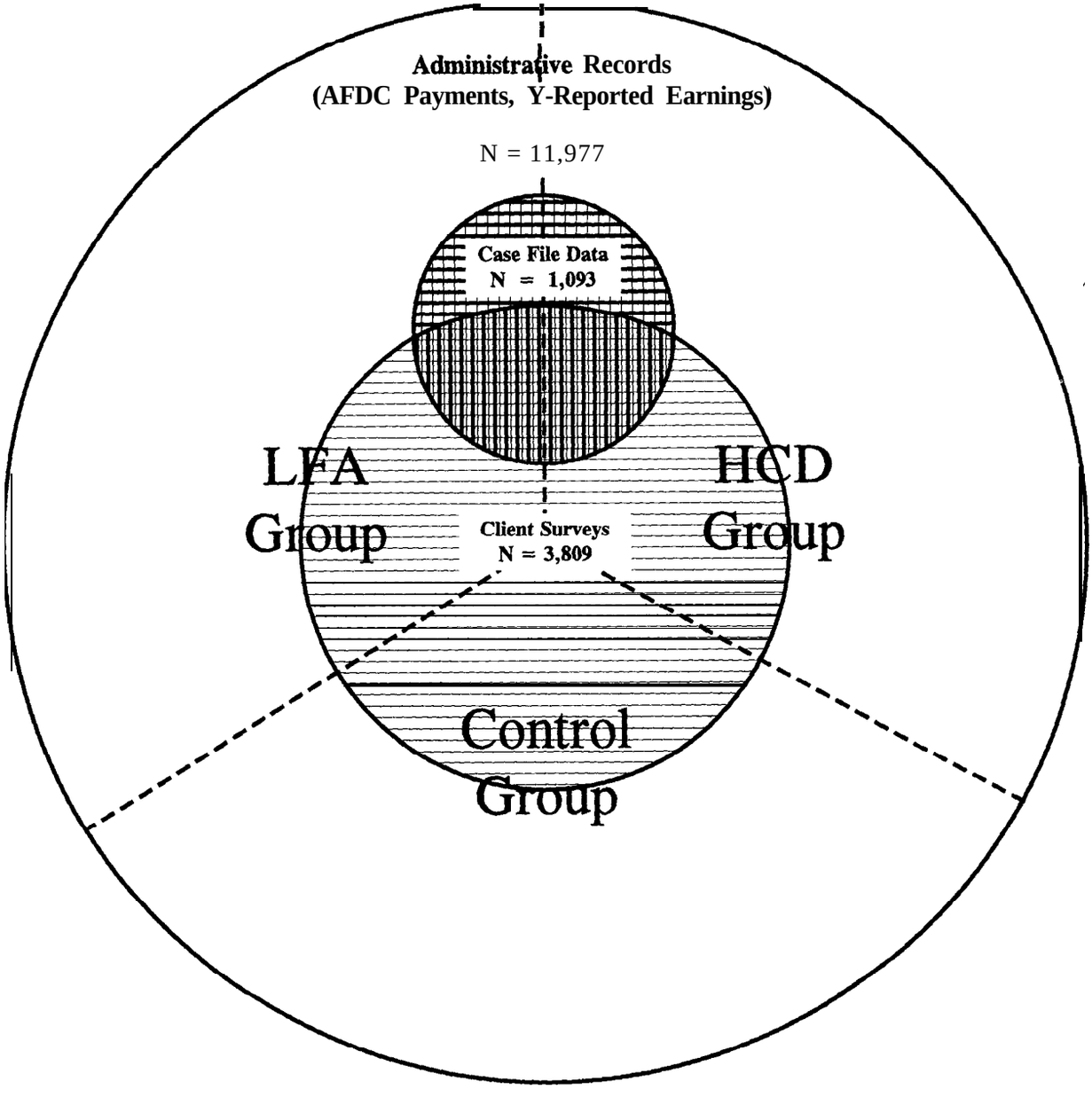
[12] Note that some individuals were randomly assigned to a research group as part of the evaluation during this time period, but are not analyzed in this report: JOBS-mandatory individuals randomly assigned prior to JOBS enrollment-orientation in Grand Rapids and Riverside as part of a special study of possible deterrence effects of JOBS; AFDC-UPs and teens randomly assigned at JOBS orientation in Riverside; and individuals in Riverside who were randomly assigned at JOBS orientation and were also part of a six-county random assignment evaluation of GAIN services in California, conducted in the late 1980s. (Individuals who were randomly assigned to the GAIN study program group less than three years prior to attending a JOBS orientation were randomly assigned to an evaluation program group, either the HCD or LFA group, but were not eligible to be assigned to the control group.)

[13] In Atlanta and Grand Rapids, AFDC records were not available for sample members who moved out of state during the follow-up period; in Riverside, AFDC records were not available for sample members who moved out of Riverside County during the follow-up period. UI records were not available for sample members who moved out of state during the follow-up period. In addition, UI records often underrepresented certain types of employment, such as domestic service, which may have been "off the books." Finally, while Georgia and California employers were required to provide wage information, employers in Michigan were *requested* to provide this information.

[14] There were no large differences in response rates across research groups. The presence of large differences would have been a potential source of bias in research group comparisons.

Figure 2.4

Three-Site Schematic Depiction of Quantitative Data Sources in the Evaluation



SOURCE: See Appendix Table A. 1.

produce a large enough sample for special analyses to appear in later reports. The survey sample was thus a stratified, random sample. For this report, the survey sample was weighted to replicate the demographic characteristics of the entire report sample.

Survey respondents were asked about issues such as their participation in training and education activities, if they had received a GED or high school diploma in the past two years, their perceptions of the JOBS program, and their expectations for the future. Interviews included in this report were conducted with individuals randomly assigned between March 1992 and December 1992 in Atlanta and Grand Rapids and between September 1991 and December 1992 in Riverside. The responses of 1,389 sample members in Atlanta, 832 sample members in Grand Rapids, and 1,586 sample members in Riverside are included in this report.[15] Ninety-one percent of fielded surveys in Atlanta, 90 percent in Grand Rapids, and 75 percent in Riverside were completed.

- **JOBS and Income Maintenance Case File Data**

Findings on the LFA and HCD patterns of participation in program activities presented in Chapters 5 and 6 are based on material collected from the review of the JOBS and income maintenance case files of 1,093 single-parent AFDC recipients randomly assigned to the two program groups in the three sites. Case tile data were collected for a stratified, random subsample that was demographically representative of the entire report sample. As displayed in Figure 2.4, the case file sample (the circle with vertical lines) is, by and large, a subsample of the above Two-Year Client Survey sample. This overlapping group is represented in Figure 2.4 by the area with both vertical and horizontal lines.

In reviews of case tiles, MDRC staff recorded sample members' enrollment in activities, length of stay in JOBS, changes in JOBS-mandatory status, sanctions, and deferrals over a 24-month period[16] using standard coding procedures, so that welfare recipients' actions and statuses could be compared across the sites and research groups. Case file documents consulted included standard program forms, case notes, and correspondence between the individuals, their caseworkers, and JOBS activity providers. Note that because individuals in the control group were not eligible for services through JOBS, no case file reviews were conducted for control group members.[17]

"These survey sample sizes reflect regression-adjusted measures, including all impact measuring and some participation and cost measures. For a few surveyed individuals, missing data prevented their inclusion in the regression model. The responses of these individuals were included in measures that were not regression-adjusted, that is, some participation and cost measures. For measures that were not regression-adjusted, sample sizes are 1,391 sample members in Atlanta, 836 sample members in Grand Rapids, and 1,588 sample members in Riverside.

[16]The length of follow-up in the case file reviews varied by individual, ranging from a 24-month period to a 37-month period. For this analysis, activities that occurred more than 24 months after random assignment have been disregarded.

"Periodically, MDRC staff reviewed the case file records of control group members to confii that these individuals were not receiving JOBS services. These reviews found that no members of the control groups included in this report received JOBS services while residing in their county of random assignment.

- **Cost Data Sources**

The cost analysis used data drawn from state, county, and local fiscal records, program participation records, supportive service payment records, administrative records, Two-Year Client Survey responses, and case file participation records. Sample sizes varied by data source and included individuals assigned to the LFA, HCD, and control groups.

- **Field Research**

MDRC staff observed the JOBS programs and interviewed enrollees, case managers, service providers, and program administrators in each of the three sites. Information was collected about a range of issues, such as management philosophies and structure, the degree to which a participation mandate was enforced, the nature of interactions between caseworkers and program participants, the extent to which the program was able to work with all JOBS-mandatory individuals in the site, the availability of services, and the relationships JOBS staff had established with outside service providers and the sites' IM staff. Materials gathered in these visits are used throughout the report, but particularly in Chapters 3 and 4.

- **JOBS and Income Maintenance Staff Surveys**

JOBS case managers and income maintenance (IM) workers and their immediate supervisors were surveyed about their opinions of JOBS, experiences administering the program, and attitudes toward their clients. These surveys were administered in November 1993 in Atlanta and covered all of the 27 JOBS workers employed at the time and 113 IM workers and supervisors selected at random. In Riverside, surveys were administered in October 1993 and covered all of the 71 JOBS workers and 105 IM workers and supervisors selected at random. Survey administration in Grand Rapids occurred in September 1993 and covered all of the 23 JOBS and 120 IM staff members and supervisors. Completion rates ranged from 90 to 100 percent for JOBS staff and from 94 to 100 percent for IM staff.

- **Adult Basic Education Teacher Surveys and Administrator Interviews**

Basic education teachers were surveyed in the three JOBS sites discussed in this report during the fall-winter of 1993. MDRC targeted programs that offered basic education instruction and had enrolled a large number of JOBS participants in the site. All of the full-time teachers in those programs were asked for a description of their program and about issues such as linkages with JOBS, instructional styles, measures of student progress, and class size. The responses of 24 teachers in Atlanta, 79 teachers in Grand Rapids, and 45 teachers in Riverside are included in this report. In addition, while visiting each of the adult basic education institutions included in the teacher survey, an in-person interview was conducted with the program's administrator.

- **JOBS Enrollees' Characteristics, Attitudes, and Opinions as of Random Assignment**

Standard client characteristic data, such as educational background and AFDC histories, were collected by welfare staff during routine interviews with individuals at JOBS orientation, and are available for all individuals in the report sample. Reading and math achievement test scores are also available for 9,060 individuals, representing about 76 percent of the report sample randomly assigned during the time period when the tests were administered." Data on attitudes and opinions about welfare-to-work programs and employment prospects were collected through a brief, client-completed Private Opinion Survey (POS) administered at JOBS orientation, and are available for 6,953 individuals in the three sites, representing a response rate of 91 percent during the period when this instrument was used.

[18] Among those who did not take the tests, about one-third did not speak English, others were unable to remain for the testing, spoke English but were unable to read or write it, or had other reasons for not taking the tests.

CHAPTER 3

IMPLEMENTATION OF THE LABOR FORCE ATTACHMENT AND HUMAN CAPITAL DEVELOPMENT APPROACHES

As the first chapter of this report made clear, the overriding objective of the National Evaluation of Welfare-to-Work Strategies in Atlanta, Grand Rapids, and Riverside is to test two alternative approaches to operating a JOBS program: a Labor Force Attachment (LFA) approach and a Human Capital Development (HCD) approach. The purpose of this chapter is to describe how the two program approaches were implemented in the three sites. The two approaches were designed to be clearly distinct from one another in philosophy and mix of services. (In fact, most JOBS programs that operated across the United States combined elements of *both* approaches, but the two treatments were differentiated as much as possible for this evaluation to ensure a clear test of alternative service delivery strategies.) This chapter will document the ways that the LFA and HCD treatments differed in the three sites and the nature of services that participants actually experienced.

Two dimensions, or axes, provide the framework for characterizing a program approach as LFA or HCD. On the first axis are different ways of sequencing and emphasizing JOBS services. The LFA program begins with job search activities, followed by short-term education and training only for those unable to find employment during job search. The HCD program begins with longer-term education and training, generally lasting up to two years. Job search activities may be assigned if clients do not find employment through their education and training program or on their own initiative. On the second axis are alternative "messages" given by program staff to clients about how clients should obtain employment. Briefly stated, the LFA message is to look for work right away; to take the first job that comes along; and, if necessary, to use the first job as a steppingstone to a better work opportunity. In contrast, the HCD message is to invest some time in education or training prior to seeking work and to be more selective in accepting a job. The HCD objective is to help clients find good jobs that will get them off-and keep them off-welfare.

This chapter is organized according to these two dimensions, or axes. Part I begins with an overview of the sequence and emphasis of LFA and HCD services that evaluation planners *intended* to test.' This overview is followed by a description of the *actual* service sequence and emphasis-and the structure and content of the major services-implemented in Atlanta, Grand Rapids, and Riverside. Part II describes the nature as well as the forcefulness of the messages imparted to LFA and HCD clients from welfare agency staff and other personnel responsible for delivering JOBS services, such as job club coaches and basic education teachers. Other important features of program implementation that were not expected to vary by LFA or HCD stream-for instance, client monitoring and sanctioning procedures, child care and other support services-are discussed in the following chapter on general program characteristics and practices.

'National Evaluation of Welfare-to-Work Strategies planners included representatives from the U.S. Department of Health and Human Services, the U.S. Department of Education, and MDRC.

I. Service Sequence and Emphasis in the LFA and HCD Streams

Figures 3.1 and 3.2 depict the intended service sequence for the LFA and HCD programs in Atlanta, Grand Rapids, and Riverside. The diagrams show the types of services that were supposed to be available and the order in which services were expected to be delivered to the majority of clients randomly assigned to the two streams. Not all LFA and HCD clients followed these sequences exactly. For instance, every site allowed clients who had already enrolled on their own initiative in an approvable activity at the time of random assignment to complete that activity, even if it was different from the first service shown on the flow diagram. Clients might also leave welfare or become exempt from JOBS before participating in the intended service sequence, or simply refuse to participate. What the figures represent is an ***ideal*** LFA or HCD sequence for clients who were assigned to employment or educational activities by program staff, remained on welfare and were JOBS-mandatory, and complied with program rules.

The starting point for each of the treatment streams was an orientation that occurred immediately following random assignment. Orientation was a critical juncture for two reasons: it was where clients were informed about their program group, and it was where clients began to receive guidance from staff about what they would do next in JOBS. Hence, it was during orientation that the distinctive LFA and HCD approaches began to emerge.

A. The Intended LFA Sequence

In the LFA stream, the JOBS orientation was supposed to be followed immediately by a brief appraisal of a client's ability to participate in JOBS. Since the LFA approach was based on the premise that all clients should find employment as quickly as possible, it was expected that minimal effort would be expended to understand all the factors that led to someone being on welfare or to tailor a program intervention to a client's particular background or interests. Rather, a case manager would make a quick determination of whether a client was enrolled in a self-initiated activity that could be approved or should be exempted or deferred from JOBS for any reason. The case manager would also inquire if the client needed assistance with child care or transportation. The burden largely fell on clients to indicate reasons why they could not participate. Otherwise, the case manager would assign them to the first LFA activity-job club-starting within several days of the appraisal.[2]

Job clubs were designed to encompass instructional as well as experiential activities on job seeking. First, clients would be taught how to look for and obtain employment by a JOBS staff member. Second, clients would enter what was called a "phone room" to begin calling employers and lining up interviews in a setting that was supervised by JOBS staff. The classroom instruction and phone room activities were normally conducted in the same location and flowed seamlessly. Depending on the site, the entire job club-encompassing both classroom instruction and the phone room-was designed to last between three and five weeks.

[2]If a client had completed a job club within the past year and did not want to repeat, the case manager could assign her to individual job search instead.

Figure 3.1

Intended Sequence of Activities in a Labor Force Attachment JOBS Program

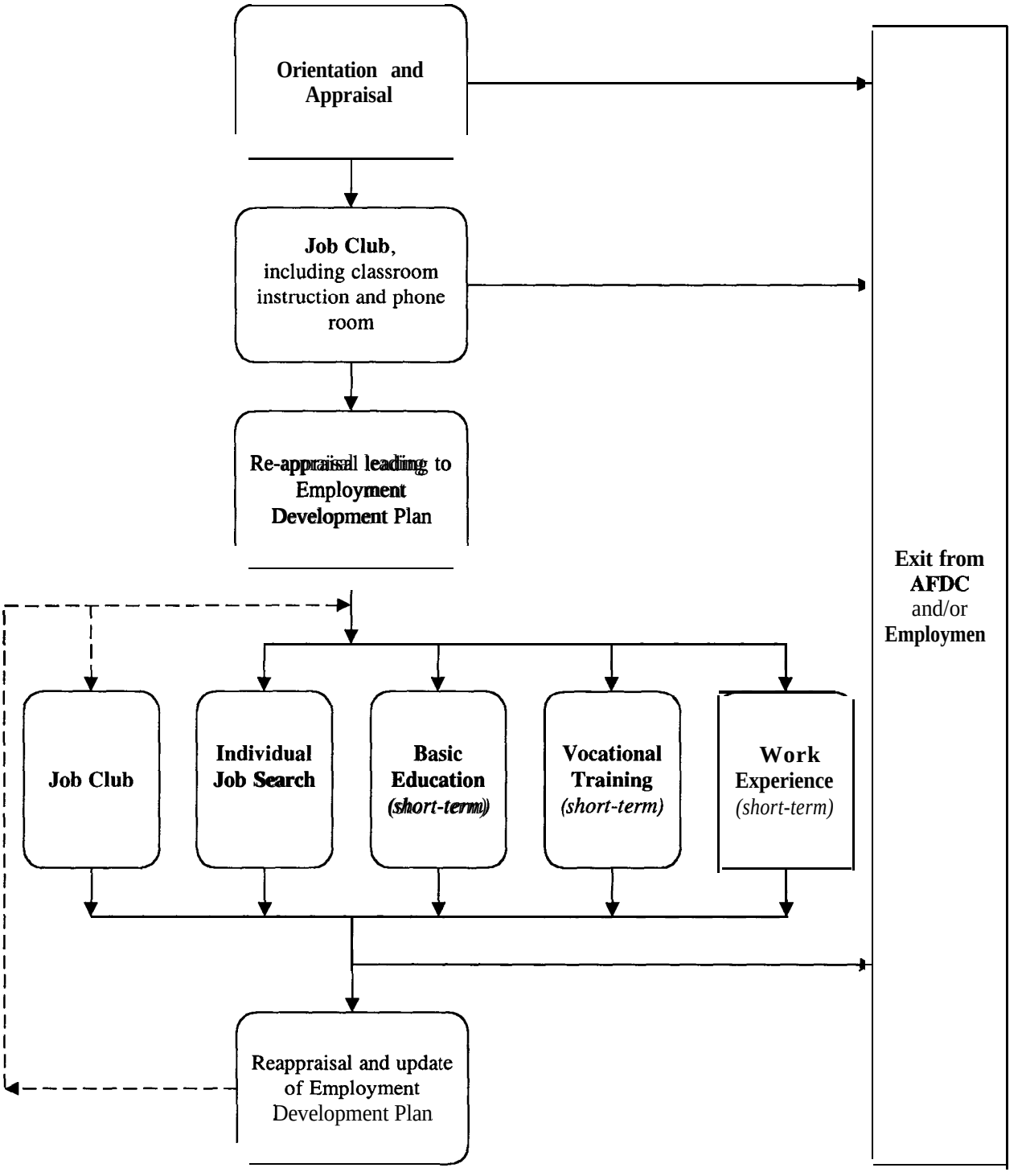
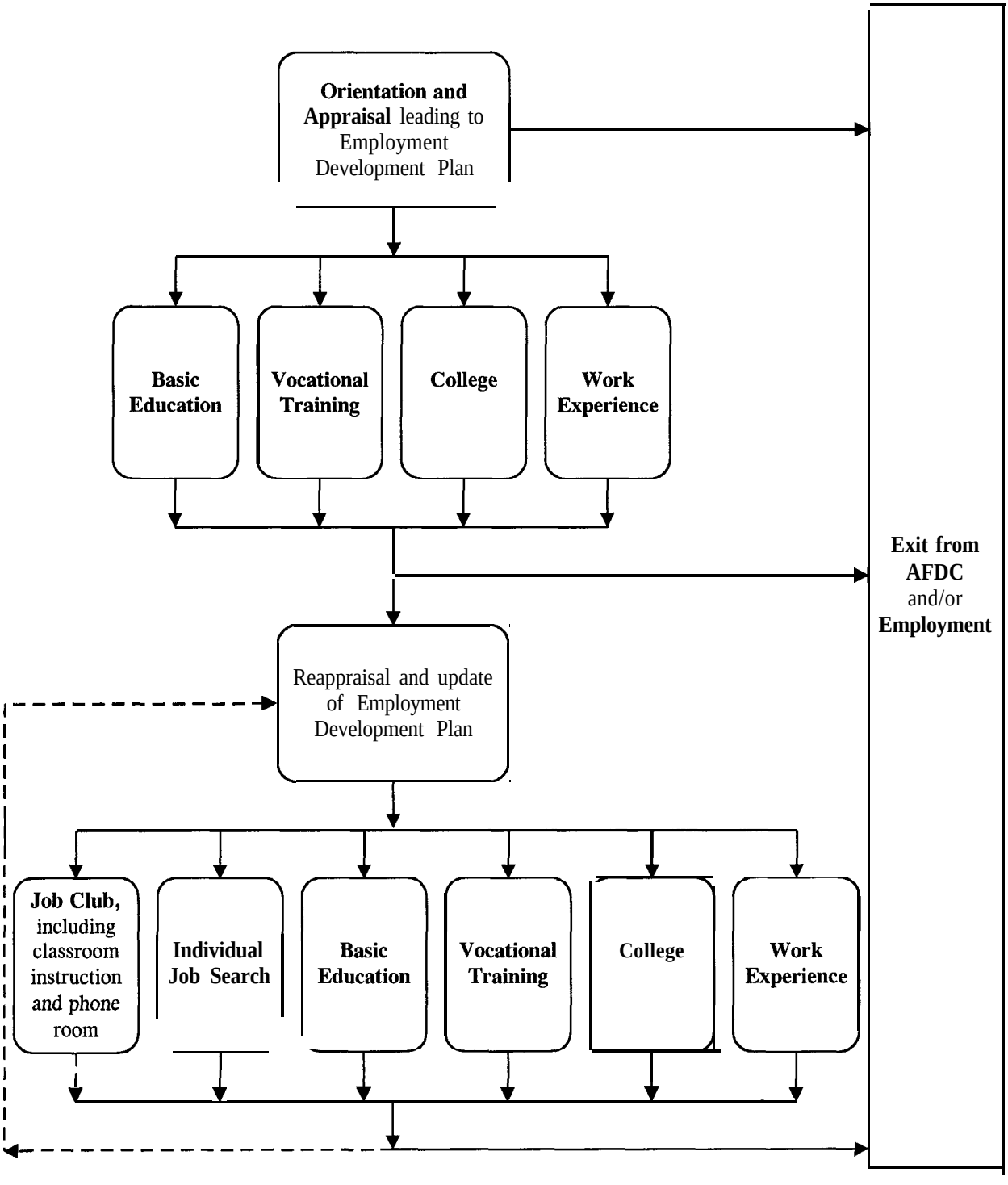


Figure 3.2

Intended Sequence of Activities in a Human Capital Development JOBS Program



LFA clients who completed job club without finding employment were expected to have a second, more thorough appraisal by a case manager to determine what kinds of obstacles to employment clients faced and what types of program services would help to remove these obstacles quickly. The decisions made during this appraisal would be documented in an employment development plan. In some instances, case managers could decide that clients simply needed to continue their job search a while longer; these clients could be assigned to individual job search. As the name implies, individual job search would require clients to look for work on their own and report back to program staff periodically on their progress. In other instances, case managers could determine that clients needed to increase their basic literacy or mathematics skills or become more skilled in a vocation in order to obtain work. Such clients could be assigned to short-term education or vocational training programs lasting up to nine months. Finally, case managers could decide that clients needed more work experience. These clients could be assigned to on-the-job training in the private sector (with the welfare grant used to subsidize the wage) or to an unpaid work experience job in the public or private not-for-profit sector.

A central tenet of the LFA program was that clients should continually test their employability by contacting employers and submitting job applications. Thus, job search activities-either in a job club-phone room setting or individual job search-were expected to follow any assignments made to education, vocational training, or work experience. If clients still did not find employment, their case managers could amend their employment development plans and assign them to another round of short-term education, vocational training, or work experience, followed once again by a round of job search.

B. The Intended HCD Sequence

In the HCD stream, the preliminary appraisal was expected to be more in depth than in the LFA stream. Case managers would cover the same issues that they covered with LFA clients—namely, whether clients were enrolled in self-initiated activities, were eligible for an exemption or deferral from JOBS, and needed child care or transportation assistance-but would also engage HCD clients in a deeper discussion of their educational and work history and career interests. Educational or vocational testing might be used to help case managers identify skills levels and aptitudes. The product of this appraisal would be an employment development plan written to each client's individual needs and circumstances. The employment development plan could include education, vocational training, and other activities designed to prepare the client for better employment opportunities than she could obtain immediately. Normally, the expected time frame for completion of HCD activities was within two years, though longer time frames could be permitted for more disadvantaged clients.

Because many welfare recipients lack a high school diploma and have low educational achievement levels, basic education was expected to be a major component of the HCD program. Basic education encompasses General Educational Development (GED) and high school completion programs for adults without a high school diploma, adult basic education (ABE) courses for adults with low literacy or mathematics skills (usually 8th grade level or below), and English as a Second Language (ESL) programs for non-English speakers. In addition, instruction in reading or math could be provided to clients who possessed a high school diploma or GED

certificate, but who scored low on educational achievement tests administered during JOBS orientation and appraisal.

If clients were judged to have adequate literacy and math skills and possessed a high school diploma or GED certificate, they could enter vocational training or college to prepare for employment. Some of these clients might be assigned to a work experience activity if they did not want to pursue post-secondary education or if classroom training did not seem the best way to address their employment goals. In general, however, the emphasis in the HCD stream was on certificate or degree programs that might enable clients to become more attractive job candidates to employers and to qualify for better work opportunities. Unlike the LFA program-which limited the length of skills-building activities to nine months-the HCD program would approve vocational training or college courses lasting up to two years or, if a need was established, even longer.

Some HCD clients were expected to obtain employment after completing their initial JOBS assignment. If they did not, clients could be assigned to a second activity, including job club, individual job search, or more education, vocational training, or work experience. Indeed, as long as clients participated satisfactorily in their first activity and were making progress toward a realistic employment goal, their "investment" in education, training, or work experience activities could continue for several rounds. For instance, a client might begin by completing a GED class, proceed to a secretarial skills training program, and then gain experience for a few months in an unpaid work experience position before commencing job club or individual job search. Thus, compared with the LFA approach, the HCD approach was expected to involve longer participation in the JOBS program overall and to offer more flexibility regarding the number and types of JOBS activities that would be approved.

C. The Actual Service Sequence and Emphasis in the LFA and HCD Streams

Interviews with program staff and clients, observations of program activities (including orientations and appraisals), and reviews of client case files in Atlanta, Grand Rapids, and Riverside provided convincing evidence that distinct LFA and HCD streams corresponding to the flow diagrams in Figures 3.1 and 3.2 were implemented. In all three sites, the pattern for clients in the LFA program was job club first, sometimes followed by short-term education, vocational training, or work experience. The typical pattern for clients in the HCD program was to enter basic education or, less frequently, vocational training first. (In Riverside, basic education was almost exclusively the first activity.) Participation rates in program activities and explanations of typical pathways through the LFA and HCD programs are presented in Chapters 5 and 6.

It is clear from the design of the LFA program why job club would be used heavily in this stream. It is less apparent from the design of the HCD program why basic education would be emphasized to a much greater degree than other skills-building activities, especially vocational training and college. In Atlanta and Grand Rapids, HCD staff encouraged clients who qualified for these programs to enroll in them, but the majority of clients in both sites lacked the high school diploma or GED certificate that was often required for entry. Sometimes even a high school diploma or GED certificate was insufficient to enter a college or training program. For example, in Atlanta, one of the largest vocational training providers, Atlanta Area Technical School, required

that most applicants also pass a basic skills test in reading, mathematics, and language arts.[3] Sixty percent of the school's applicants (including people not on welfare) failed the test and were directed instead to educational remediation. Atlanta HCD clients could, of course, apply to vocational training or college after completing a basic education program, but such a track required time and perseverance.

In Riverside, the limited use of vocational training and college was largely due to policies adopted by the welfare agency. As described in Chapter 2, welfare recipients were randomly assigned to the HCD stream only if they lacked a high school diploma or GED certificate or had low scores on a basic skills test administered prior to random assignment. The result of this policy was that the most likely candidates for vocational training or college-high school graduates and GED certificate holders with adequate test scores-were screened out of the HCD stream at baseline. Although Riverside HCD clients could conceivably enter vocational training or college *after* completing a basic education program, the Riverside model (consistent with state policy) was to require job club as the next step. Riverside clients who desired post-secondary education or training were encouraged to pursue it on their own-preferably while they were working-rather than through the JOBS program. With rare exceptions, vocational training or college were used only by clients who had enrolled on their own initiative in such programs prior to the JOBS orientation.

Two activities shown on the flow diagrams-individual job search and work experience—were available in all three sites, but were not used extensively, for a few reasons. Case managers in the three sites indicated that they preferred sending clients to a structured job club activity (particularly the phone room) to conduct a job search, rather than have clients conduct an independent job search without close supervision. Work experience positions often required more effort by program staff to develop slots than other assignments demanded, and-in the HCD streams especially-were not generally viewed as preferable to classroom instruction for building clients' skills. Clients likewise tended not to prefer work experience assignments, at least not so long as the positions were unpaid (which was usually the case).

Formal assessment was one program activity not shown on the flow diagrams that was used substantially in the HCD stream in Grand Rapids. This week-long activity, the first step for every HCD client in this site, consisted of extensive testing of educational achievement and vocational aptitudes, plus an in-depth exploration of clients' goals and career interests. The information gathered from the assessment was sent back to the staff member handling intake, who would then work with the client to complete an employment development plan. Atlanta and Riverside staff would occasionally send clients to a formal assessment as well, but usually only in situations where the standard sequence of JOBS services did not seem to be helping clients move toward employment and case managers needed guidance on what to do next,

[3]The examination, called Assessment Skills for Successful Entry and Transfer (ASSETS), was required by the Georgia Department of Technical and Adult Education. Some applicants were excused from the test requirement if they had a cumulative score of at least 750 on the Scholastic Aptitude Test (SAT) or had completed at least one college credit course in mathematics and in language arts.

D. The Structure and Content of LFA and HCD Services

The preceding discussion has shown that the order in which services were delivered in the LFA and HCD streams largely determined the length and nature of a welfare recipient's route to employment: a short route via job club or a longer route via education or training. A client's experience in the JOBS program, however, was defined as much by the structure and content of services she received as by the order in which she received them. How a client interacted with a case manager, for example, or what a client learned in a job club or GED class presumably would affect her behavior as a JOBS participant and her chances of leaving welfare for work. This section provides details on how Atlanta, Grand Rapids, and Riverside implemented the major services and activities experienced by most clients-case management, job club, and basic education-followed by briefer descriptions of less utilized activities: vocational training, college, individual job search, and work experience programs. Unless otherwise noted, the services offered to clients in the LFA and HCD streams were the same; only the sequence and emphasis differed.

Case Management: In all three sites, clients were assigned to a case manager during the JOBS orientation, shortly after they were randomly assigned to the LFA or HCD program. Case managers were responsible for translating the abstract concepts of "LFA" and "HCD" into a concrete service plan for clients. More specifically, case managers conducted the appraisals and assigned clients to stream-appropriate activities. They helped clients with child care arrangements and removed other barriers to participation. Once clients were assigned to activities, case managers monitored clients' attendance and progress. If clients failed to comply with participation requirements, case managers determined the reason and, if they found no good cause, reported the failure to income maintenance so that financial sanctions could be imposed.

These basic case management functions did not vary by treatment stream or site. There were, however, some notable differences in how sites *structured* the case management role. In Atlanta and Riverside, each case manager was assigned to only one kind of client: that is, some case managers worked only with LFA clients, and some case managers worked only with HCD clients. Administrators in Atlanta and Riverside believed that this arrangement was the best way to keep the alternative program approaches "pure," in terms of both the activities that clients would be assigned to and the messages that clients would receive about how to prepare themselves for work.

Grand Rapids adopted a different case management structure. Rather than divide case managers by treatment stream, staff were separated into intake and ongoing case management roles. Intake workers were responsible for communicating the appropriate LFA or HCD messages to clients and assigning them to the first activities appropriate for their program group. Once clients started attending these activities, ongoing workers assumed responsibility for monitoring clients' attendance and progress, making appropriate subsequent assignments as needed, and reinforcing the messages appropriate to the client's program group. Staff used color-coded files to remind them of clients' LFA or HCD statuses. Although this case management model required vigilance on the part of Grand Rapids staff to keep the two program groups separate, interviews with staff and observations of case manager-client meetings indicated that staff handled the LFA and HCD groups properly. Moreover, reviews of client case files showed that the two program groups consistently received stream-appropriate assignments.

There were some differences in the caseloads and background characteristics of case managers in the three sites. In Atlanta and Riverside, there were also occasional differences between LFA and HCD case managers *within* the site, owing to the fact that staff were permitted to choose the stream they preferred. (JOBS administrators in the two sites also occasionally assigned staff to work in one or the other stream if needed to balance caseloads.) Staff caseloads and characteristics in the three sites are briefly summarized below and in Table 3.1.

- **Caseload size.** Atlanta case managers in both the LFA and HCD streams had somewhat smaller caseloads than case managers in Grand Rapids or Riverside. Caseload sizes ranged from a low of 88 for HCD case managers in Atlanta to a high of 120 in Grand Rapids.

- **Experience in the welfare agency and current position.** Atlanta LFA case managers had the lowest average number of years of work in their agency (approximately 6 years) and in their position (roughly 2 years)-noticeably less than their HCD counterparts (who had approximately 9 years experience in the agency and 5 years experience in their position). Grand Rapids case managers had the highest average number of years of employment with the welfare agency (about 10 years) and in their current position (approximately 6 years).

- **Experience in employment-related fields.** Across the three sites, a sizable percentage of case managers had prior work experience in an employment-related field, such as job development or counseling. The highest and lowest percentages were both found in Atlanta, where 36 percent of LFA case managers have had prior employment-related experience compared with 75 percent of HCD case managers. The percentage of staff with employment-related experience in the other sites fell within the range found in Atlanta.

- **Experience as an income maintenance worker.** LFA case managers in Atlanta stood out in that relatively few-only 9 percent-were ever employed as IM workers; 50 percent of Atlanta's HCD case managers had worked in IM. In the other sites, the proportion of staff who had been employed as IM workers in the past ranged fi-om 44 to 57 percent.

- **Education.** A large majority of case managers in Atlanta and all case managers in Grand Rapids held bachelor's degrees. Fewer staff in Riverside had attended or graduated from college. In particular, HCD case managers in Riverside were much less likely to have a college degree than their LFA counterparts.

- **Age and gender.** The average age of case managers across the sites ranged from 37 to 43. At least two-thirds of case managers were female in each site and stream. Thus, case managers tended to be somewhat older than but usually the same gender as the clients they served (see Table 2.2).

Table 3.1

Caseloads and Characteristics of JOBS Case Managers

Characteristic	Atlanta: Labor Force Attachment Approach	Atlanta: Human Capital Development Approach	Grand Rapids: All JOBS Staff	Riverside: Labor Force Attachment Approach	Riverside: Human Capital Development Approach
Average caseload size[a]	95	88	120	110	118
Average number of years employed with agency	6.4	9.2	10.1	8.3	8.5
Average number of years in current position	2.4	4.7	5.6	3.8	3.9
Percent with prior experience in an employment-related field	36.4	75.0	52.2	43.8	37.5
Percent with prior experience as a(n):					
Caseworker in a WIN or other employment and training program[b]	9.1	50.0	34.8	4.2	0.0
JTPA caseworker[b]	0.0	12.5	8.7	14.6	12.5
Employment counselor, trainer, or job developer[b]	27.3	43.8	26.1	41.7	37.5
Percent with prior experience as an income maintenance worker[b]	9.1	50.0	56.5	43.8	56.3
Highest degree/diploma earned (%)					
High school graduate[c]	0.0	0.0	0.0	8.9	31.3
Some college	22.2	6.7	0.0	31.1	18.8
Associate's degree	0.0	0.0	0.0	4.4	18.8
Bachelor's degree or higher	77.8	93.3	100.0	55.6	31.3
Average age (years)	37.1	37.7	41.9	43.0	42.9
Gender (%)					
Male	0.0	20.0	27.3	22.2	31.3
Female	100.0	80.0	72.7	77.8	68.8
Race/ethnicity (%)					
White	27.3	13.3	95.5	72.7	50.0
Hispanic	0.0	0.0	0.0	11.4	31.3
Black	72.7	86.7	4.6	15.9	12.5
Native American/ Alaskan Native	0.0	0.0	0.0	0.0	6.3
Sample size	11	16	23	48	16

SOURCE: JOBS Staff Activities and Attitudes Survey.

NOTES: In Atlanta and Riverside, only individuals who reported working with clients in one research group appear in this table. As a result, the responses of seven JOBS workers in Riverside were excluded from this table.

Sample sizes for individual measures may vary because of missing values.

[a]Includes only workers who reported that they had a regular caseload with at least one client.

[b]Missing responses to these questions were recoded as negative responses (i.e., no experience).

'Includes some individuals who have earned a General Educational Development (GED) certificate.

- **Race and ethnicity.** In Atlanta, a large majority of case managers in both streams were black. Conversely, in Grand Rapids, nearly all the case managers were white. In Riverside, 50 to 73 percent of the case managers were white, depending on the stream; the remainder were mostly black and Hispanic. The race and ethnicity of staff in Atlanta and Riverside come closest to reflecting the characteristics of the clients they served (see Table 2.2).

The variations documented above do not seem to have affected the ways case managers in the different sites performed their duties. Field research conducted by MDRC did not suggest that case managers in one site (or in one stream within a site) were noticeably more or less effective that workers in other sites (or streams). Nonetheless, it is possible that some differences in case manager roles or characteristics influenced staff practices, attitudes, and relations with clients. Case managers' attitudes and behaviors on a number of program dimensions will be explored later in this chapter and in Chapter 4.

Job Club: As indicated in Table 3.2, clients who were assigned to job club in Atlanta, Grand Rapids, and Riverside generally shared a similar experience. Atlanta and Riverside ran their job clubs in the JOBS office (though Atlanta's job club was led by staff contracted through a community action agency). Grand Rapids referred its clients to a job club operated by a community education center.

The classroom instruction segment of job club was as long as three weeks in Atlanta or as short as one week in Riverside. Clients attended these classes from 15 to 30 hours per week. In all three sites, instructors tried to use the classroom as a means to instill positive work behaviors. Clients were told to come dressed as they would for a job and to show up on time. They were taught how to find job leads and complete job applications, how to conduct a successful interview (including how to account for time spent out of the labor force), how to prepare a resume and cover letter, and how to identify and value their strengths and talents. The expectation was that clients who completed job club would be equipped with job-seeking skills and be psychologically prepared to go out and obtain work.

A major reason why the classroom portion of Atlanta's and Grand Rapids' job clubs lasted longer than Riverside's was that these sites also devoted time to exploring clients' career interests and aptitudes for different fields. Riverside did not promote career exploration at all. However, one exercise that ***only*** Riverside incorporated into its job club was an in-depth comparison of welfare and earned income. Each job club participant received a worksheet on which she and a staff member calculated the wage level needed to do better than welfare. Included in this calculation were the income disregards allowed under AFDC eligibility rules which, in a relatively high grant state like California, make it possible for many clients to combine work and welfare. Also included on the worksheet was the financial assistance that clients could receive from the welfare department for child care and one-time work expenses such as uniforms or tools.

Normally between 20 and 30 clients at a time attended the classroom segment of job club in all three sites. Classes of this size helped create a social environment that reinforced the objectives of the job club. Instructors had clients practice job interviewing with one another and encouraged

Table 3.2

Characteristics of Job Club Programs

Measure	Atlanta	Grand Rapids	Riverside
Classroom instruction			
Number of weeks	2 - 3	2	1
Number of hours per week	15 - 30	30	16 - 30
Topics covered			
Finding job leads	✓	✓	✓
Completing job applications	✓	✓	✓
Wearing appropriate attire and impressing employers	✓	✓	✓
Practicing interviewing skills	✓	✓	✓
Writing resumes and cover letters	✓	✓	✓
Building motivation and self-esteem	✓	✓	✓
Identifying interest and aptitude for various fields	✓	✓	
Comparing financial benefits of work over welfare			✓
Average class enrollment	50	35 - 40	40 - 60
Average class attendance	25	20	20 - 30
Phone room			
Number of weeks scheduled	1 - 2	3	2
Number of hours scheduled per week	15	30	16 - 30
Number of weekly employer contacts expected of participants[a]	6	15	25 - 35
Job development and placement practices			
Practices used			
Job fairs and employer visits	✓	✓	✓
Posted job leads	✓	✓	✓
Financial incentives for hiring JOBS participants	✓	✓	✓
Full-time job developer on staff[b]			✓
Ongoing individualized job development			✓
Ongoing individualized job placement			✓

SOURCE: MDRC field research.

NOTES: [a] Atlanta, Grand Rapids, and Riverside counted letters to employers and in-person contacts; Riverside also counted phone contacts.

[b] In 1995, Atlanta did have a full-time job developer on staff. However, throughout most of the evaluation, there was no job developer.

clients to give each other positive feedback and constructive criticism. Once in the phone room, instructors also encouraged clients to share job leads with one another. Observation of job clubs by MDRC staff in all three sites indicated that instructors often succeeded in creating a "pro-employment" atmosphere. For example, in an Atlanta job club, an MDRC researcher made the following notes about a group discussion on the acceptability of missing work because of baby sitter problems or transportation difficulties:

> This discussion led the participants to the conclusion, "you don't depend on people, you must depend on yourself." Some of the women were tough on each other. When one woman said that the bus stops running before she got out of work and stranded her, another participant stated, "you can get there, you can get home."

The job clubs did not always lead to such productive exchanges. Some clients resisted participating actively in job club because of previous bad experiences or because they resented the JOBS participation requirement. MDRC researchers noted that some job club participants found the classroom exercises stressful or embarrassing, particularly if they were uncomfortable speaking in groups of if they lacked job-appropriate attire. Experiences such as these could have an effect on clients' behavior-for instance, clients with an intense dislike of job club might go off welfare to avoid it-but not because the intervention gave them new job-seeking skills or a positive incentive to work.

The phone room segment of job club immediately followed the classroom portion. Sometimes, if clients had attended the classroom segment recently in the past, they could bypass the classroom and go directly to the phone room. Clients were scheduled to attend the phone room for between one and three weeks in all the sites, usually for between 15 and 30 hours per week.

The purpose of the phone room was to have clients apply their job-seeking skills by calling employers, arranging interviews, and submitting job applications. The sites provided telephones so that clients could make calls and receive messages from employers. The sites also provided resources to help clients identify potential employers: classified advertisement sections from local newspapers, telephone directories, and job announcements obtained by the JOBS office. Clients kept log books listing the employers they called and the status of their job inquiries. Riverside required clients to make 25 to 35 employer contacts each week, including telephone contacts. In Atlanta and Grand Rapids, clients were supposed to make in-person contacts or send letters of inquiry to at least 6 or at least 15 employers each week, respectively.

All the sites provided at least some job placement assistance to clients, which included distributing information to clients and employers on the Targeted Jobs Tax Credit, which enables employers to claim tax breaks for hiring AFDC recipients; posting job announcements in the phone room; and inviting employers to the JOBS office to make presentations and conduct on-the-spot interviews with clients. Participants in the job club generally had the greatest exposure and received the most encouragement to avail themselves of this employment information, although other JOBS clients could also gain access if they desired (or if they were pushed by a staff member to do so).

Job club staff in Atlanta, Grand Rapids, and Riverside sometimes invited several employers to visit the job club or the JOBS office to participate in job fairs. The employers who responded to

these invitations typically were large service industries, such as hotel and restaurant chains, that had frequent job openings at the entry level. Occasionally representatives from stores, banks, or manufacturing firms would make presentations as well. Atlanta job club instructors indicated that these job fairs were among their most effective strategies for helping clients obtain work.

Riverside was unique among the three sites in that it had full-time job developers working in each of its JOBS offices throughout the evaluation period. (Atlanta hired a job developer after random assignment was completed.) Riverside job developers contacted employers, learned about job openings and qualifications, and notified JOBS staff and clients about the employment opportunities they uncovered. Job developers would set up interviews for clients and, either after the interview or once a client was hired, would follow up with employers to make certain they were satisfied with the referral. Job development in Riverside was closely linked with the job club, but clients in basic education sometimes found out about job openings through their case managers or by visiting the JOBS office.

Riverside administrators made it clear that they took job development seriously. Job developers had to meet specific performance criteria, which in 1994 included obtaining between 25 and 40 new job orders and filling between 16 and 25 of these positions with JOBS clients each month. LFA and HCD case managers in Riverside were also actively encouraged to bring in job leads, and often did so. The results were evident to MDRC field researchers, who observed entire walls covered with current job announcements in Riverside's job club rooms. Far fewer job postings were on display in Atlanta and Grand Rapids.

Basic Education: In all three sites basic education was provided to clients who lacked a high school diploma or GED certificate (or, in Riverside, possessed these credentials but had low scores on educational achievement tests). Four major types of classes were offered:

- **High school completion.** This category includes regular high school classes, but usually refers to programs that replicate a high school curriculum in an adult school setting. Students take the same types of courses, earn the same number of course credits, and meet the same requirements as other high school students in the state. Upon completion of the program, students receive a regular high school diploma. Students normally must have language and mathematics skills at a 9th grade level or higher to enter a high school completion program.

- **General Educational Development (GED).** These classes prepare students who do not have a high school diploma to take the GED test in social studies, literature, science, mathematics, and writing. Individuals who pass the test receive a state high school equivalency certificate. Students entering GED programs usually must have language and mathematics skills at a 9th grade level or higher in order to use the GED instructional materials.

- **Adult Basic Education (ABE).** These classes provide reading and mathematics instruction to individuals whose achievement levels are lower

than is required for high school completion or GED classes, typically at the 8th grade level or lower.

- **English as a Second Language (ESL).** These classes provide individuals who are not fluent English speakers with instruction in how to speak, read, and write English.

All three sites assigned some clients to the basic education activities listed above, though the frequency with which each type of class was used varied by site. Since the sites relied heavily on existing educational resources within their communities, state and local educational policies largely determined what kinds of basic education classes were available. A notable example is the State of Michigan, which funded high school completion but not GED classes. Hence, most Grand Rapids HCD clients were enrolled in high school completion rather than GED programs, though opportunities were available for Grand Rapids clients to study independently for the GED and to take the examination if they chose. Client characteristics also played an important role in determining which kinds of education programs were emphasized. In Riverside, for instance, many clients were raised speaking Spanish or languages other than English; ESL classes therefore were a bigger component of this site's basic education programs than of Atlanta's or Grand Rapids' programs.

Table 3.3 summarizes the characteristics of the major institutions providing basic education to JOBS clients in Atlanta, Grand Rapids, and Riverside. As shown in the table, all the sites relied principally on adult education programs operated through local public school systems, though Atlanta also made use of community-based nonprofit organizations (many of which were operating under contract with Atlanta Public Schools). The size of these institutions varied considerably. Every site used some schools that were quite small-with annual student enrollments of 120 or fewer-as well as some very large institutions with annual student enrollments of several thousand. The biggest educational providers were Government Walk in Atlanta (annual student enrollment of 4,125; JOBS enrollment of 1,000), Wyoming Community Education in Grand Rapids (annual student enrollment of 5,900; JOBS enrollment of 1,500), and Riverside Adult School (annual student enrollment of 15,000; JOBS enrollment of 700). No educational institution in any site served JOBS clients exclusively. In fact, JOBS clients generally constituted no more than 40 percent of the total students enrolled.

The Riverside JOBS program was unique among the three sites in that it negotiated contracts with and used its JOBS dollars to help pay for basic education classes in *all* of the schools serving JOBS clients. Atlanta and Grand Rapids, by contrast, relied primarily on their ability to refer clients to education providers funded by sources outside of the JOBS program (usually state and local education departments). There were a few exceptions; Grand Rapids purchased GED slots from one for-profit learning center, and Atlanta paid two or three educational institutions to augment their programs with employability classes, counseling, and monitoring. But for the most part, Atlanta and Grand Rapids were able to make do with referrals to existing education programs. The adult education programs in these two sites relied on revenue from state educational agencies (sometimes augmented by fimds from the state welfare departments) to fund basic education instruction to JOBS clients.

Table 3.3

Characteristics of Major Educational Institutions Providing Adult Education to JOBS Clients

	Atlanta	Grand Rapids	Riverside
Major institutional provider(s)			
Public schools	✓	✓	✓
Private nonprofit organizations	✓		
Annual student enrollment (range)			
JOBS	10 - 1,000	5 - 1,500	50 - 700
Total	25 - 4,125	50 - 5,900	120 - 15,000
Major adult education programs offered to JOBS clients			
High school completion		✓	
GED	✓	✓	✓
ABE	✓	✓	✓
ESL		✓	✓
Predominant institutional relationship with JOBS sites			
Contracts (services purchased by JOBS)			✓
Referrals (JOBS relies on existing programs paid for by non-JOBS sources)	✓	✓	
Educational placement and exit criteria set by			
Education staff	✓	✓	
JOBS staff			✓
Estimated time to completion of adult educationprograms (range)	3 mos. - 3yrs.	6 mos. - 3 yrs.	6 mos. - 1 yr.
Institutional adaptations to JOBS[a]			
Hours/days expanded (%)			
Not at all	42.7	45.0	36.4
Some	42.7	33.3	54.6
A lot	14.3	21.7	9.1
Services added (%)			
Not at all	42.9	66.7	70.5
Some	57.1	26.7	27.3
A lot	0.0	6.7	2.3
Number of educational institutions	8	14	13

SOURCE: Unless otherwise noted, data were obtained through interviews with educational administrators conducted in 1993 and 1994. Educational institutions were identified after reviewing client case files and interviewing JOBS staff to find out which institutions serve the vast majority of JOBS clients in a site.

NOTES: Distributions may not add to 100 percent because of rounding

[a] Data obtained through a survey of adult education teachers in institutions serving substantial numbers of JOBS clients, conducted during the fall of 1993.

Riverside took advantage of its resources and its contracting authority to establish precise criteria for determining how clients would be placed in different education programs (ESL, ABE, or GED) and the duration of these assignments. The contracts included incentive payments for schools that succeeded in getting clients to make progress in and complete their educational assignments. Underlying these standards was a concern that JOBS clients should learn quickly and acquire just enough skills to move up to the next class level-and not make a career out of going to school. It was very unlikely, for example, that Riverside staff would allow clients starting out in an ESL or ABE class to remain in basic education until they earned a GED certificate. Rather, clients in ESL or ABE would be permitted to stay in school only until they achieved a target score on educational achievement tests specified by the state welfare agency.[4] Riverside clients in ESL, ABE, and GED were generally expected to complete their educational assignment within 6 to 12 months.

Compared with Riverside, the Atlanta and Grand Rapids JOBS programs placed much more discretion in the hands of basic education providers. Once the JOBS staff determined that clients needed basic education and referred them to a school, the education providers' staff were responsible for placing clients in an appropriate ESL, ABE, GED, or high school completion class and determining when clients should exit. Clients beginning in ESL or ABE were usually encouraged by school staff to stay in basic education until earning their high school diploma or GED certificate-a recommendation generally supported by JOBS staff in these sites (at least for HCD clients). Education providers in Atlanta and Grand Rapids might even recommend that clients who had completed the high school diploma or GED certificate remain in a basic education classroom for a short while longer if they believed clients were weak in an academic subject area or needed to build more confidence before moving into college or vocational training. Exit criteria, therefore, were based much more on teacher assessments than on predetermined standards or test scores. As a result, students could remain in basic education much longer in Atlanta and Grand Rapids than in Riverside. Adult education administrators estimated that it could take as long as three years for students to complete a basic education program in their schools, although JOBS case managers in the two sites were asked to limit education classes to two years (for HCD clients) or nine months (for LFA clients who had already attended a job club).'

A majority of adult education staff serving JOBS clients in Atlanta, Grand Rapids, and Riverside indicated that they increased the number of days or hours that they offered basic education classes in order to accommodate JOBS clients. These increases were often driven by the JOBS program's need to assign clients to an average of 20 hours of instruction and study time per week, as required by federal JOBS regulations. A few programs have also enhanced the kinds of services they offered: for instance, additional counseling for JOBS clients, more vocational or job readiness instruction, extra tutoring, or modifications in educational materials or curricula. Atlanta adult education program administrators reported that they did more to expand services than their

[4]The exit criterion for ESL classes was achieving a score of 215 or above on the Comprehensive Adult Student Assessment System (CASAS) test for ESL students; for ABE classes, testing at the 9th grade level on the Tests of Adult Basic Education (TABE); and for GED classes, passing the GED tests.

[5]Studies of adult education for people on AFDC suggest that relatively few participants completed an adult education program within a follow up period (see Pauly, 1995). The actual duration of adult education programs and the completion rates for LFA and HCD clients in Atlanta, Grand Rapids, and Riverside are discussed in Chapter 6.

counterparts in Grand Rapids or Riverside, but Atlanta teachers indicated that the changes made were modest.

Table 3.4 summarizes the characteristics of the basic education classes in which JOBS clients are enrolled. The data are from a survey of teachers in the adult education programs described in Table 3.3. Teachers reported on the four types of basic education programs: high school completion, GED, ABE, and ESL. Grand Rapids had the highest percentage of high school completion students and Riverside had the highest percentage of ESL students in the classes surveyed. Note that most classrooms in all of the sites contained more than one type of student: for instance, high school completion and GED students might attend the same class in Grand Rapids, and ABE and GED students might be in a single class in Riverside. Note as well that JOBS clients made up only about half of the students attending classes in Atlanta, and a little more than a fourth of the students attending classes in Grand Rapids and Riverside. Rarely did a class consist exclusively of JOBS clients.

Classes in Atlanta and Grand Rapids tended to be much smaller than those in Riverside, whether measured in terms of number of students enrolled (an average of 23 to 24 in Atlanta and Grand Rapids, versus 41 in Riverside) or attendance (an average of 13 to 14 versus 28). However, Riverside did have a slightly higher number of paid staff in the classroom than the other two sites. At least two-thirds of the teachers in Atlanta and Grand Rapids worked full time; in Riverside, most of the teachers worked part time. Atlanta and Grand Rapids teachers also tended to have more years of experience teaching in their current programs than Riverside teachers.

The differences in class size may partly be due to differences in how classes were organized in the three sites. Although a large majority of classes in all the sites operated on a fixed class schedule, Riverside had more classes that operated on a "drop-in" basis than Atlanta or Grand Rapids. These drop-in centers provided individual work stations with computers and other learning materials and could accommodate a larger number of students than a more formal classroom setting that operated on a fixed schedule. On average, classes met four days per week in Atlanta and Riverside and three days per week in Grand Rapids. The average number of class hours per week was also higher in Atlanta and Riverside than in Grand Rapids: 16 or 17 versus 10. The differences do not reflect less time spent ***overall*** in classroom activities in Grand Rapids, but rather the fact that Grand Rapids students often were assigned to more than one class-a product, possibly, of the curriculum that contained numerous high school courses. Basic education classroom time was often supplemented by several hours of independent study in all three sites. Very few classes operated on a strict calendar; instead, students could enter and exit as their needs dictated or as requested by the JOBS program.

Across the three sites, basic education classes placed a greater emphasis on language skills (reading and writing, English speaking and listening) than on mathematics. Atlanta classrooms put the most emphasis on reading and writing, whereas Riverside classrooms placed the most emphasis on English speaking and listening. This reflects the different client characteristics in these two sites: more low-skilled but native English-speaking students were enrolled in Atlanta, and more ESL students were enrolled in Riverside. Grand Rapids classes emphasized reading and writing and English speaking and listening about equally.

Table 3.4

Characteristics of Adult Education Classes Serving JOBS Clients

	Atlanta	Grand Rapids	Riverside
Teachers who report having the following types of students in their classroom (%)[a]			
High school completion	41.7	59.5	n/a
GED or ABE	79.2	63.3	55.6
ESL	8.3	30.4	60.0
Average percent of students who are JOBS clients	52.4	26.1	29.5
Average class enrollment	23.1	23.5	41.4
Average class attendance	13.0	13.5	28.4
Average number of paid staff per class	1.2	1.3	1.5
Classes with teachers working (%)			
Full time	66.7	79.5	35.6
Part time	33.3	20.5	64.4
Average years of experience for teachers in current program	8.1	12.3	6.9
Average number of days class meets per week	4.1	3.1	4.1
Average number of hours class meets per week	15.6	9.5	16.5
Classes that function mainly as (%)			
Formally structured scheduled classes	81.8	70.1	66.7
Drop-in centers	4.6	3.9	15.6
Combination	13.6	26.0	17.8
Classes in which students spend most of their time (%)[b]			
Reading and writing	31.8	21.5	22.7
Mathematics	17.4	14.9	7.0
English speaking and listening	18.2	24.7	29.3
Classes in which students spend much of their time (%)[c]			
Working one-on-one with a teacher or tutor	50.0	38.5	22.7
Working in small groups with a teacher	37.5	29.5	9.1
Participating in whole-class instruction	29.1	**32.1**	**40.0**
Using computer-assisted instruction	17.3	7.7	25.0
Working on individual assignments or workbooks	54.2	35.9	45.5
Classes that place a strong emphasis on preparing for work (%)	30.4	24.1	22.2

(continued)

Table 3.4 (continued)

	Atlanta	Grand Rapids	Riverside
Classes in which teachers and staff rate teaching materials and equipment as high quality (%)	73.9	50.6	63.6
Classes in which teachers and staff rate morale as high (%)	73.9	79.8	84.4
Number of teachers responding to the survey	24	79	45

SOURCE: Data obtained through a survey of adult education teachers in each major educational institution serving JOBS clients during the fall of 1993. If teachers taught more than one class, they were asked to answer classroom questions about the first class they taught during the week.

NOTES: [a]Distributions exceed 100 percent because classes could enroll more that one type of student.

[b]Distributions do not add to 100 percent because classes could spend some or a little amount of time on these activities, or on activities not included in this list.

'Distributions exceed 100 percent because classes could use more than one instructional method.

N/a = not applicable.

There was some variation in the instructional methods reported in the three sites. Although it was the norm for classes in all the sites to use a combination of teaching methods, Atlanta classes emphasized individual instruction to students-either one-on-one with a teacher or in workbooks—more often than Grand Rapids or Riverside classes. By comparison, Riverside classes were more likely to engage in whole-class teaching and to rely on computer-assisted instruction than were Atlanta or Grand Rapids classes. The Riverside JOBS program purchased computers and software for use in its basic education classes; field observations confirmed that computers were used often in this site. Riverside classes also assigned students to work individually or complete workbooks frequently. Of the three sites, Grand Rapids was most likely to adopt a mixture of instructional methods in the classroom, with no single method predominating: specifically, one-on-one or small group instruction with a teacher or tutor; whole class teaching; and individual assignments and workbooks. The only teaching method *not* used extensively in Grand Rapids classrooms was computer-assisted instruction.

In 20 to 30 percent of the classes in all three sites, teachers said they incorporated into the program substantial amounts of instruction or exercises designed to help prepare students for work. For instance, the classes composed letters to hypothetical employers, practiced writing résumés; used reading materials about career choices and work situations, and were taught appropriate dress and grooming for work. Interviews with educational administrators in the three sites suggested that Grand Rapids schools may have done the most to incorporate vocational and life skills instruction into the basic education curriculum. For example, reading and mathematics assignments included interpreting the warning labels on bottles of hazardous materials and adding up the cost and figuring out the sales tax on store merchandise. A few Grand Rapids schools developed particularly innovative ways of teaching students work-related skills. One school, for instance, set up a campus store that students managed and operated themselves; another school arranged off-campus internships in restaurants and shoe stores to help students acquire employment skills.

A majority of teachers in all three sites said that the teaching materials and equipment available to them-the books, computers, software, and physical plan-were of high quality and created a good learning environment. This impression was generally shared by MDRC field researchers. A high percentage of teachers also expressed positive views about their work and the institutions they worked for. Specifically, between 74 and 84 percent of the teachers in Atlanta, Grand Rapids, and Riverside said that they were very satisfied with their current teaching job; that morale of staff in their schools was very high; and that their programs were good places for teachers to work.

Vocational Training: As noted earlier, vocational training as a program option could sometimes be obtained by JOBS clients in Atlanta and Grand Rapids, but not by clients in Riverside unless they had enrolled on their own initiative in a program before random assignment. The principal providers of vocational training in all three sites were Job Training Partnership Act (JTPA) agencies, public schools, and community colleges. The most common training programs in Atlanta and Grand Rapids included automotive maintenance and repair, business and clerical occupations, cabinet and furniture making, computer programming, cosmetology, electronics, nursing, refrigerator repair, and truck driving. Most of these programs required one to two years to complete, and therefore were limited to clients in the HCD groups. Two-year programs frequently led to an associate's degree; shorter programs generally led to a certificate of credit.

Of the three sites, Grand Rapids made the most use of vocational training, perhaps partly because there were unusually large numbers of providers in Grand Rapids (for a community of its size) and because the providers there recruited students aggressively. In addition, the formal assessment that the Grand Rapids program conducted of all HCD clients involved JTPA staff, which may have facilitated access to vocational training programs run by JTPA contractors. In Atlanta, JOBS clients generally had lower levels of educational attainment than those in Grand Rapids, and therefore had a harder time meeting the entrance requirements for many vocational training programs. Interviews with JOBS staff and vocational training providers in Atlanta indicated that training programs did, in fact, screen out many applicants, usually because of low educational test scores.

The course schedules for some vocational training programs may have been another factor limiting enrollment in vocational training in all the sites. Unlike basic education, vocational training programs rarely operated on an open-entry-open-exit basis; hence, clients ready to begin a training course in the middle of a semester had to wait until the next term (an option not normally acceptable to JOBS case managers) or be placed in another JOBS activity. Finally, for a few clients, course fees for vocational training created an obstacle. Although JOBS clients could qualify for federal and state grants and loans to finance college and vocational training programs, clients who had defaulted on previous loans generally were ineligible for this assistance.

College: The colleges attended by JOBS clients were mainly public institutions—community colleges and state colleges and universities-although a few clients attended private institutions. College was usually limited to clients in the HCD stream who could complete an associate's or bachelor's degree within two years. Graduate degree programs were rarely allowed in Atlanta and Grand Rapids, and never in Riverside.

None of the sites assigned clients to two- or four-year colleges very often. When they did, it was usually to programs that clients had found on their own. In Riverside especially, clients would be approved to attend college only if they had enrolled on their own prior to the JOBS orientation and could demonstrate that the degree program would lead to a job. In Atlanta and Grand Rapids, the barriers to college were basically the same as those described for vocational training: few clients had the educational backgrounds to meet college entrance requirements; clients who previously had defaulted on student loans could not qualify for college grants or loans; and the class hours and semester schedules of many colleges did not always mesh well with JOBS program participation requirements.

Individual Job Search: Individual job search required clients to look for employment on their own, document the names of the employers they contacted, and report to a JOBS staff member each week on their progress. JOBS staff had the authority to verify that the information clients submitted was true, though interviews with staff indicated that they did so only occasionally or if the contact information seemed suspicious. Atlanta case managers required that clients contact up to 15 employers per week. The number of employer contacts required of Grand Rapids and Riverside clients was determined on an individual basis by program staff.

Individual job search was not assigned frequently to clients in any of the sites. It was used primarily for clients who had completed job club without finding work but who could, in the

opinion of a case manager, obtain employment with some additional effort. Federal JOBS regulations restricted the length of job club and job search assignments-including individual job search-to a maximum of eight weeks per year.

Work Experience: Work experience encompassed three types of positions: unpaid work in the public or private nonprofit sectors; on-the-job training in the private sector, usually offering a wage subsidized by the client's welfare grant; and paid work, usually in the form of college work-study positions. Unpaid work experience was more common than on-the-job training or paid work, though none of the work experience options were used substantially by any of the sites.

JOBS staff in Atlanta, Grand Rapids, and Riverside were responsible for developing unpaid work experience positions. Clients' assignments usually lasted either three or six months, and could be repeated. Atlanta and Grand Rapids staff sometimes relied on unpaid work experience for LFA clients who completed job club without finding work or for HCD clients who adamantly opposed going to school or vocational training. Riverside staff were much less likely than their Atlanta or Grand Rapids counterparts to assign unpaid work experience to a client, owing to state rules making unpaid work a "last resort" for clients who had exhausted all other program options.

II. Program Messages in the LFA and HCD Streams

The second axis on which a JOBS program may be identified as Labor Force Attachment or Human Capital Development relates to the messages that staff communicate to clients about preparing for and obtaining work. In an LFA program, the predominant message is to get a job quickly. Clients are encouraged to build their work habits and skills in an actual job setting rather than in a classroom. Hence, if the first job that comes along does not offer the best pay, benefits, or stability, clients may be advised to take the job anyway and consider it a steppingstone to something better in the future. In contrast, in an HCD program, the overriding message is to invest some time in education or training *before* seeking work. The idea is to acquire the skills that will lead to good jobs that can get a person off of welfare permanently. HCD clients are advised to be more selective in the jobs they accept: for instance, to pass up a minimum wage or a temporary job if there is a reasonable chance that they will find a job offering better pay or stability in the future.

In the Atlanta, Grand Rapids, and Riverside JOBS programs, these messages were communicated through three separate venues. The first was the orientation session, when clients were randomly assigned to an LFA or HCD group and first informed of their program group status. The second was meetings or other communications between clients and case managers. Unlike orientation, interactions between clients and case managers occurred frequently over a period of months or even years (at least so long as clients remained on welfare and were JOBS-mandatory). The service providers themselves constituted the third venue. Job club coaches, for example, tended to reinforce the LFA philosophy, while basic education and vocational training instructors typically supported the HCD view.

A. Orientation Messages

Of the three venues, the orientation session was most easily controlled by JOBS

administrators, and they could most consistently convey the distinct LFA and HCD messages during these sessions. MDRC worked with JOBS staff in Atlanta, Grand Rapids, and Riverside to devise orientation scripts that clearly laid out the program philosophies and service sequences. In addition, MDRC observed dozens of orientation sessions to make sure that the scripts were being followed as planned. Clients in the LFA group were told the following:

- One of the best ways to get a good job or start a career is to start at the beginning level and work your way up.

- The JOBS program can help you move into the work world by assisting you in finding job openings and teaching you how to find jobs yourself.

- We expect you to get a job right away, but if you don't, the JOBS program will help you get short-term education or training to help you get a job as quickly as possible.

Conversely, clients in the HCD group heard these messages:

- Employers are looking for people who can read and write, solve basic math problems, and bring specialized job skills to the workplace.

- The JOBS program can help you build these skills by sending you to a school or training program that is right for you.

- Once you finish school or training, the JOBS program will help you look for a job that will support you and your family and get you off welfare for good.

These orientation messages were communicated uniformly to LFA and HCD clients in all three sites. The only difference of note was in Riverside, where staff stressed the availability of basic education to build clients' skills, but *not* vocational training or college.

The messages communicated during orientation were important because they provided the first clear signal to clients about how they should prepare for and obtain work. Indeed, for a small proportion of clients assigned to an LFA or HCD group, orientation was the *only* exposure to the LFA or HCD message, either because they left welfare before starting a JOBS activity (perhaps they found employment on their own or experienced another change in their life that made them ineligible for AFDC) or because they refused to meet with a case manager or participate in a JOBS activity.

B. Messages from Case Managers

For the majority of clients, appraisal meetings and other periodic contacts with case managers after orientation provided further opportunities for communicating messages about employment. In an attempt to measure the nature and strength of these messages, MDRC surveyed all JOBS staff in the three sites about the employment preparation strategy they preferred and the

recommendations they gave to clients about JOBS activities and job opportunities.[6] Their responses are summarized in the upper portion of Figure 3.3. Note that the responses of LFA and HCD case managers in Atlanta and Riverside are shown separately; the responses of case managers in Grand Rapids-who were not separated by stream-are presented as a single group.

The first set of bar graphs in Figure 3.3 show the percentage of staff who leaned toward the LFA or HCD approach as the best way to move clients off welfare and into employment. The responses are based on a multiple-item scale that asked case managers to rate their general opinions and goals regarding employment preparation strategies-whether it was better, for example, for clients to work their way up from a low-paying job or to go to a school or a training program to prepare for a better-paying job-as well as their specific advice to clients with different types of backgrounds.' For instance, would case managers give different advice to clients who had graduated from high school than to clients who had dropped out? To clients with some work history than to clients with little or no work history? Case managers who said they usually recommended short-term JOBS activities and quick entry into the labor market were categorized as leaning toward LFA, whereas case managers who indicated that they normally recommended raising education and skills levels were grouped as leaning toward HCD.

In the two sites that divided LFA and HCD case managers into separate groups-Atlanta and Riverside-clear and statistically significant differences were detected between the two groups that were consistent with the stream philosophies: that is, LFA case managers leaned toward short-term programs and quick entry into the labor market, and HCD case managers favored longer-term programs and skills-building. However, Figure 3.3 also reveals differences between the two sites. *Regardless of stream,* Atlanta case managers leaned more toward the HCD end of the scale, and Riverside case managers leaned more toward the LFA end of the scale, probably reflecting organizational practices that predated the implementation of two separate streams for the National Evaluation of Welfare-to-Work Strategies. In Riverside especially, the welfare agency had a history of running an LFA-oriented program under the Greater Avenues for Independence (GAIN) legislation, a California welfare-to-work initiative that preceded the federal JOBS legislation. An evaluation of GAIN revealed that the Riverside program produced the largest employment and welfare impacts of the six California counties studied.' Riverside received considerable state and national attention as a result, and many staff probably internalized an LFA philosophy as the most effective way to work with clients.

Field research in Atlanta and Riverside underscored the interpretation that the two agencies had different practices and beliefs—or distinct organizational cultures-regarding the preparation of welfare recipients for work, even though both sites implemented separate LFA and HCD programs successfully. For example, many LFA staff in Atlanta indicated that they agonized over sending clients to job club and short-term activities when they thought clients would benefit more from education. These LFA staff members would assign clients to job club first, but would tell

[6]The staff survey was administered in the summer and fall of 1993, about midway through the random assignment period in Atlanta and Grand Rapids and four months after the end of random assignment in Riverside.

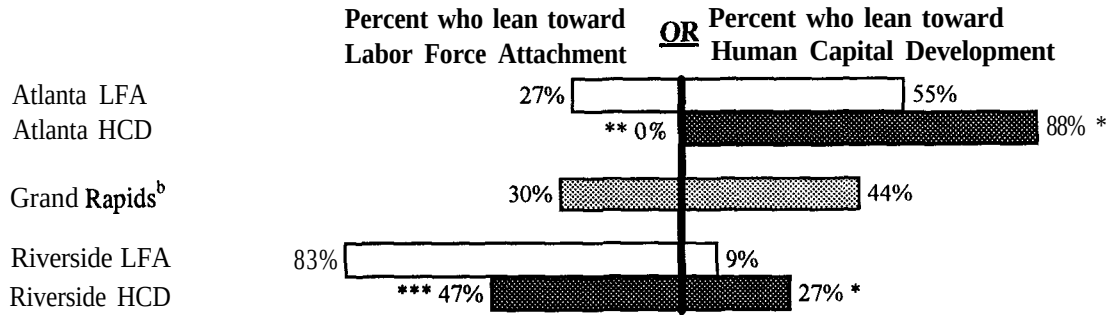
[7]For details on how the staff survey scales were constructed, see Appendix B.

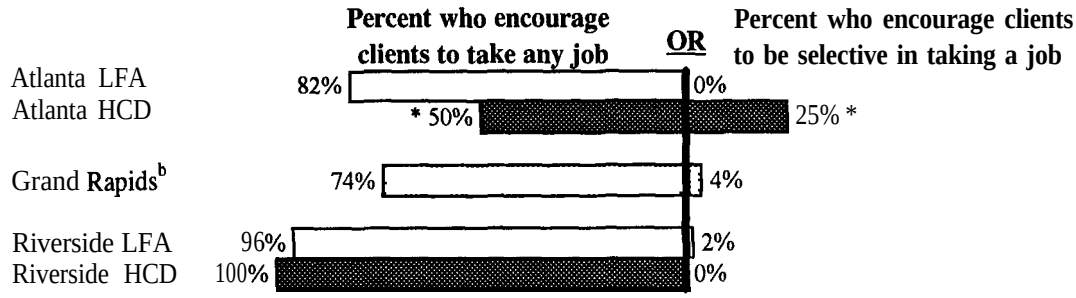
'See, for example, Riccio, Friedlander, and Freedman, 1994.

Figure 3.3

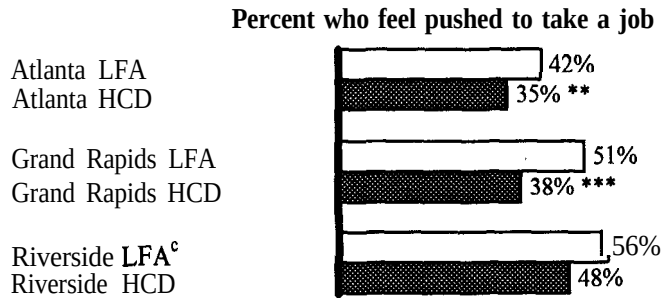
Employment Preparation Strategy: Practices and Perceptions

JOBS Staff [a]





JOBS Clients



SOURCES: JOBS Staff Activities and Attitudes Survey; Two-Year Client Survey.

NOTES: Statistical significance tests were run between the two groups within each site. A two-tailed t-test was applied to the differences between the proportion of LFA and HCD staff (in Atlanta and Riverside) and LFA and HCD clients (in all three sites) whose views leaned toward one end of the scale. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

[a] JOBS staff responses total less than 100 percent because "neutral" responses are not shown.

[b] The same Grand Rapids staff worked with both LFA and HCD sample members.

[c] JOBS client responses in Riverside are shown for the entire HCD sample (which includes only sample members in need of basic education) and the LFA subgroup in need of basic education.

them that education was available as a second step. Some LFA case managers in Atlanta also indicated that they worked around the short-term restrictions on education or training by pulling a client out of a classroom temporarily to attend job club or work experience, followed by reassignment to education or training. "Some customers need more time than others, especially the ones with real literacy problems," one case manager explained. LFA staff in Riverside, in contrast, expressed none of the reservations or conflicts heard in Atlanta. Indeed, a belief in "the curative properties of employment" (in one case manager's words) seemed pervasive in Riverside. Even HCD staff pushed the idea that clients should get into the labor market quickly, as one Riverside case manager's comments about clients in basic education makes clear:

> 1'11 talk to them while in school about going to work and that when they finish they'll go to job club. I talk about how they need jobs to build up their work history and other schools they could go to on their own [while they are working]. They know that this is their next activity.

Compared with Atlanta and Riverside, case managers in Grand Rapids were more evenly divided in their leanings toward either an LFA or a HCD approach to working with clients, which makes sense, given that Grand Rapids case managers worked with both LFA and HCD clients. During field interviews with MDRC researchers, some Grand Rapids staff suggested a preference for either the LFA or the HCD philosophy, but most indicated that they put their own views aside if necessary so that they could deliver the LFA message to LFA clients and the HCD message to HCD clients. One case manager described the balancing act this way:

> Some [LFAs] already have plans to go on for a degree. I will encourage [them] to look for work...but I'm not as focused on doing this for [HCDs]... If school doesn't work out for [HCDs], I look for another training program; for [LFAs], I try to move them into the workforce.

The general impression from the staff survey and field research in Grand Rapids was that case management was more routinized and less ideological about how to prepare clients for employment than staff in Atlanta or Riverside. In practical terms, the split nature of the Grand Rapids case management role-handling both LFA and HCD clients-may have forced Grand Rapids staff to assume a more moderate position.

The middle set of bar graphs in Figure 3.3 shows the extent to which JOBS staff in the three sites encouraged clients to take any job (an LFA perspective) or to be selective about the jobs they take (more typical of an HCD approach). Several questions were combined to create the scale, all of them posing the following kinds of choices: if a client had a job offer that paid slightly less than, the same as, or slightly better than welfare, would case managers advise the client to take the job or to stay on welfare and wait for a better opportunity? Regardless of stream, case managers in all three sites reported that they leaned toward encouraging clients to take any job, although statistically significant differences were detected in Atlanta between the views of LFA and HCD staff. The findings were consistent with the philosophy of the two streams: that is, Atlanta HCD staff encouraged more job selectiveness than their LFA counterparts. In Riverside, there were no statistically significant differences between the views of LFA and HCD staff; nearly all case managers said that they would unequivocally recommend that a client take any job. Riverside HCD

clients who were attending school might not be subject to this pressure, but if they completed or dropped out of school, they were certain to be encouraged to find work quickly at any pay level. This finding again underscores the strongly held view in Riverside that rapid entry into the labor market is the best route out of welfare. In the words of one LFA staff member:

> We believe in what we are doing. Visitors are shocked that we all have the same core belief that employment is number one. We believe it in our hearts.

Grand Rapids case managers strongly encouraged clients to take any job as well, though a common view expressed in this site was that it might be justifiable to turn down a temporary or part-time job. As one Grand Rapids case manager explained:

> I would encourage a client to take a job that offered 20 hours or more per week, and paid at least $4.25 an hour. I would ask them if they thought it would last. If not, I would encourage a combination of work and school.

Riverside staff, by contrast, said they would encourage clients to take jobs offering as little as 15 hours per week, since this was sufficient to qualify clients for a deferment from JOBS participation requirements. Riverside staff also did not generally discourage clients from taking temporary jobs, believing that these jobs could lead to a better job in the future.

MDRC conducted a survey of JOBS clients in the three sites at two years after random assignment. One of the questions asked was to what extent they felt pushed to take a job quickly. The percentage of clients that said they felt such a "push" is shown in the bottom portion of Figure 3.3. In all three sites, a higher percentage of LFA clients than HCD clients reported that they felt pushed to take a job quickly. In Atlanta and Grand Rapids, the difference between the LFA and HCD groups was statistically significant, though this was not true in Riverside. Consistent with other findings, more clients in Riverside said they felt "pushed" to take a job quickly than did their LFA or HCD counterparts in Atlanta and Grand Rapids. This once again supports the interpretation that among the three sites, Riverside staff communicated the strongest messages that clients should pursue work quickly.

C. Messages from Job Club Staff and Basic Education Teachers

A third venue for communicating employment messages to clients was the JOBS service providers. Two types of providers were particularly important: job club coaches, who were usually the first service providers encountered by LFA clients, and basic education instructors, who were often the first service providers encountered by HCD clients. These staff members potentially had a strong influence on clients who attended their assigned JOBS activities. Unlike an orientation session or a meeting with a case manager, clients' contact with a job club coach or a basic education or vocational training instructor could be a daily occurrence over a period of weeks or months. The message received in one of these activities, therefore, had the potential to be quite strong-but only for active participants.

Interviews with service provider staff and observations of job club and basic education activities provide evidence that job club coaches strongly reinforced the messages associated with

the LFA approach and that adult education teachers did the same for the HCD approach. This reinforcement seemed to occur naturally, without any special action or directive from JOBS program staff. The reason was simple: in these three sites, the people who ran job clubs and taught basic education were generally predisposed to one philosophy or another. Indeed, a belief in the value and importance of helping welfare recipients move into the work world (for job club coaches) or learn basic education skills (for teachers) was often a motivator in choosing their profession.

There was some evidence from field research that job club coaches and basic education instructors in Atlanta and Riverside imparted a stronger LFA or HCD message, respectively, than the corresponding case managers. For example, though some LFA case managers in Atlanta indicated that they would encourage clients to be selective in accepting a job, the Atlanta job club coach told participants in one session observed by MDRC that even a low-paying job could be a steppingstone to greater things:

> You recall Ms. Smith [a pseudonym], who spoke to us. Remember, she started out as a chambermaid, making $3 per hour. She stuck it out, learned the organization and now she's making $35,000—more than me-as the supervisor.

On the other end of the spectrum, field research in Riverside suggested that adult education teachers may have placed a greater emphasis on education as a route to self-sufficiency than some of the HCD case managers. Although Riverside's JOBS rules limited how much basic education instruction clients could receive, Riverside instructors indicated that they sometimes encouraged clients to set their educational sights higher than the JOBS program would support. Teachers talked to clients about night school or other part-time programs that could help clients earn a high school diploma, GED, or college degree once they started working.

While the adult education teachers in Riverside probably leaned more toward the HCD end of the employment preparation strategy scale than the case managers (LFA *or* HCD), they also did not appear to see education as being as much of a priority in the JOBS program as teachers in the other sites. Specifically, when asked whether the higher priority of the JOBS program was to help clients get jobs as quickly as possible or to raise the educational and skills levels of clients so they could get jobs in the future, 44 percent of the Riverside teachers answered "quick jobs" and 40 percent responded "raise skills." (The remainder indicated that the goals were equal.) By comparison, less than 25 percent of the teachers in Grand Rapids and Atlanta replied "quick jobs." Rather, nearly 50 percent of the instructors in Grand Rapids and more than 70 percent of the instructors in Atlanta believed that the higher priority of JOBS was to raise skills levels.

A follow-up question asked whether or not teachers felt that the JOBS program placed enough emphasis on education. Presumably, if Riverside teachers felt strongly that more education ***should*** be provided to JOBS clients, many of them would have answered "not enough"-but only about a quarter of them did so. Indeed, the Riverside responses fell in between those of Atlanta (where an eighth of the teachers said that not enough attention was given to education in the JOBS program) and Grand Rapids (where about a third felt that not enough attention was paid). These findings lend further support to the view of Riverside as a generally LFA-oriented site, even among education providers who arguably had reason to dislike the strict exit criteria and time limits on education classes that the JOBS program imposed on them.

III. Conclusion

The extensive data collected from field research and staff and client surveys indicate that the LFA and HCD streams in Atlanta, Grand Rapids, and Riverside provided two qualitatively different program experiences for JOBS clients. At the same time, the data suggest that the three sites implemented the LFA and HCD models somewhat differently, which was to be expected. The LFA and HCD models described in the beginning of this chapter represent ideal types; when transformed into real programs, they were inevitably shaped by and adapted to the organizations and communities in which they were located.

The principal features of the LFA and HCD programs in the three sites are summarized below:

- **LFA Implementation:** The three sites were most alike in their implementation of the LFA model. Atlanta, Grand Rapids, and Riverside all pushed their LFA clients to get into the labor market quickly and encouraged clients to be not too selective in deciding whether or not to take a job. The first activity to which clients were assigned in the three sites was usually job club, and the instruction and resources clients found there were uniformly designed to help them obtain rapid employment. Clients who did not obtain work after job club were usually assigned to short-term education, training, or unpaid work activities so that they could boost their skills somewhat and resume their job search as soon as possible.

  The Riverside LFA program stands out from the other sites in two respects. First, Riverside was the only program that actively developed jobs and referred clients to employers. Second, the LFA philosophy in Riverside was pervasive; staff at every level believed strongly in the importance of getting clients to work. Staff in Atlanta and Grand Rapids may not have been "believers" in the LFA philosophy to the same degree, but they nonetheless succeeded in getting an LFA message through: LFA clients in both sites said they felt pushed to take jobs quickly to a significantly greater extent than did HCD clients.

- **HCD Implementation:** There were common elements to the HCD programs in Atlanta, Grand Rapids, and Riverside, but also more variation than was observed in the LFA stream. In all three sites, clients were encouraged to invest time in education or training in order to prepare themselves for good jobs. In Atlanta and Grand Rapids, HCD clients were encouraged to build up their reading, math, and vocational skills through basic education, vocational training, or college; in Riverside, HCD clients were limited mainly to basic education. In practice, many clients' low levels of educational achievement upon entering JOBS meant that basic education was the predominant HCD activity in all the sites. Staff in Atlanta may have encouraged clients to be somewhat more selective in accepting jobs than

staff in Grand Rapids or Riverside, but staff in all three sites tended to encourage clients to accept job offers when they came along.

Atlanta's HCD program was notable for its high level of commitment to the HCD philosophy. Indeed, on every measure, Atlanta came across as the most "HCD-oriented" of the sites. Atlanta's basic education programs were distinguished by the extensive involvement of nonprofit community organizations as well as public schools, the small class sizes, and the emphasis on the use of one-on-one instruction and individual workbooks to teach clients basic skills.

Grand Rapids' HCD program was distinctive in that basic education often meant high school completion classes rather than GED classes. Grand Rapids also appeared to go further than the other sites in incorporating problem-solving skills applicable to the workplace into its basic education curriculum. Like Atlanta, Grand Rapids had small classes, but emphasized a wider range of instructional methods that included small group instruction and whole-class instruction as well as individualized methods. Finally, its HCD program made greater use of vocational training than Atlanta's or Riverside's program.

Riverside's HCD program was unusual in that it was restricted to clients who lacked a high school diploma or GED certificate, or who had low scores on reading and math tests at baseline. Thus, the Riverside HCD program consisted of basic education almost exclusively. Another distinguishing feature of Riverside's program was the strict exit criteria that the site established for clients in ESL, ABE, and GED classes. As a result, basic education assignments tended to be shorter in Riverside than in the other sites and could lead to students "graduating" from ESL or ABE with increased test scores but no diploma or GED certificate. Riverside's classes tended to be larger than those in the other sites and were more likely to use computer-assisted instruction, although whole-class teaching and individual assignments were the predominant instructional methods. Lastly, Riverside's HCD program operated within an organizational context that was extremely employment-focused. While Riverside HCD staff leaned more toward an HCD philosophy than their LFA counterparts, they still preferred and recommended that clients pursue employment rather than long-term education and training activities.

A consistent theme of this chapter has been the importance of site context in understanding how the LFA and HCD streams operated. A number of site practices and philosophies not yet discussed potentially influenced the program experiences of LFA and HCD clients: for instance, the level of effort staff made to learn about clients' needs and circumstances; the closeness with which

staff monitored clients' attendance in JOBS activities; the proclivity of staff to impose financial sanctions when clients were noncompliant with participation requirements; and the availability of child care and other support services. These and other general site characteristics are the subject of the following chapter.

CHAPTER 4

GENERAL PROGRAM PRACTICES AND CHARACTERISTICS OF THE THREE SITES

The previous chapter described how Atlanta, Grand Rapids, and Riverside implemented the Labor Force Attachment and Human Capital Development approaches to running a JOBS program. These alternative approaches-the crux of the evaluation design in the three sites--created distinct program experiences for clients randomly assigned to either of the approaches. Subsequent chapters of this report will reveal the different participation patterns, costs, and impacts associated with the LFA and HCD models.

The present chapter places the LFA and HCD approaches within the context of *general* program practices and characteristics of the three sites: for example, staff management practices, the level of personalized attention provided to clients, procedures for monitoring client participation and sanctioning clients for noncompliance, and methods of handling child care. Such practices and characteristics were not identified exclusively with either the LFA or the HCD approach, but affected how each of the models functioned and the way clients experienced JOBS. This chapter examines general program practices and characteristics in order to present a fuller picture of the organizational environment and operations of the Atlanta, Grand Rapids, and Riverside JOBS programs and to lay the groundwork for future analysis linking implementation practices to program participation patterns and impacts.'

The chapter is divided into eight sections, which cover the following topics: the management and job satisfaction of JOBS staff; the extent to which staff provided personalized attention and encouragement to JOBS clients; the level of participation monitoring; the rule enforcement and sanctioning practices of JOBS case managers; the role of income maintenance workers in the JOBS program and the relations between income maintenance and JOBS staff; the child care and support services that were available to clients; and staff and client perceptions of the helpfulness of the JOBS program. Where applicable, the chapter points out differences between the LFA and HCD streams, although most of the practices and characteristics did not vary significantly by program approach.[2]

'A future document will compare general program practices and characteristics across the seven National Evaluation of Welfare-to-Work Strategies sites (Atlanta, Grand Rapids, Riverside, Columbus, Detroit, Oklahoma City, and Portland) and examine whether differences in program implementation help explain variations in program participation and impacts.

[2]Throughout the chapter, responses from the JOBS staff, income maintenance staff, and JOBS client surveys are used to describe program practices and characteristics within each site and within the LFA and HCD streams. Statistical tests were performed to determine whether or not the responses of JOBS staff or clients were significantly different in the LFA and HCD streams. The results of the significance testing appear next to the bar graphs in Figures 4.1-4.6. Only statistically significant differences between the responses of LFA and HCD groups are indicatedby asterisks next to the bar graphs for each site.

I. Staff Management and Job Satisfaction

The day-to-day operations of a JOBS program may be heavily influenced by the way staff are managed and the attitudes of staff toward their work. A productive work environment might be characterized as follows: staff are sufficiently supervised to ensure that program procedures are followed properly and that staff receive the support they need to do their jobs well; evaluation criteria are established to recognize and reward good staff performance; adequate training is provided to equip case managers with the skills they need to help clients from a variety of backgrounds become independent of welfare; and staff feel satisfied by and committed to their work.[3] As evidenced in Figure 4.1, most case managers in Atlanta, Grand Rapids, and Riverside felt that such a description applied only in part to their agencies. On the one hand, a large majority of case managers in all three sites said they received close supervisory attention to their performance, On the other hand, most staff indicated that the bulk of this attention was devoted to keeping their paperwork in order; only in Riverside did staff report a high level of supervisory attention to clients' educational and employment outcomes. Moreover, staff in all three sites complained of poor communication with high-level administrators. Case managers in some sites and program streams said they received helpful training, but other groups of staff said they did not. Finally, relatively few workers in any of the three sites reported high satisfaction with their job.

A. Supervision and Administration

As evidenced in the first set of bar graphs in Figure 4.1, a large majority of case managers in all three sites felt that their immediate supervisors paid close attention to their performance, including making sure that case managers counseled clients effectively, kept in close contact with their clients, were firm with clients who did not comply with JOBS rules, and enrolled clients in JOBS activities or placed them in an appropriate status. In interviews with MDRC staff, case managers in all three sites said that documentation in clients' case files provided the basis for many of the judgments that supervisors made about their work. In Riverside, for example, supervisors reviewed 10 percent of each staff member's cases every month, looking at forms to determine timeliness of actions taken with clients; proper authorization of support services; and completion of steps to sanction noncompliant clients. The need for case managers to document client statuses in order to pass supervisory inspection meant that a large proportion of case managers' time was devoted to completing forms and maintaining case files-activities that few case managers said they found satisfying.

The second set of bar graphs in Figure 4.1 shows the percentage of case managers who reported having good communication with their program administrators. The scale comprises several items that reflect the extent to which administrators listened to and understood what line staff had to say about the program; were clear and consistent about program objectives, and explained the reasoning behind decisions that affected case managers' jobs. Fewer than half of the case managers in any of the three sites indicated that communication was good. They complained about frequent changes in program rules (often the result of state or federal rules changes) and program directives that were difficult to understand.

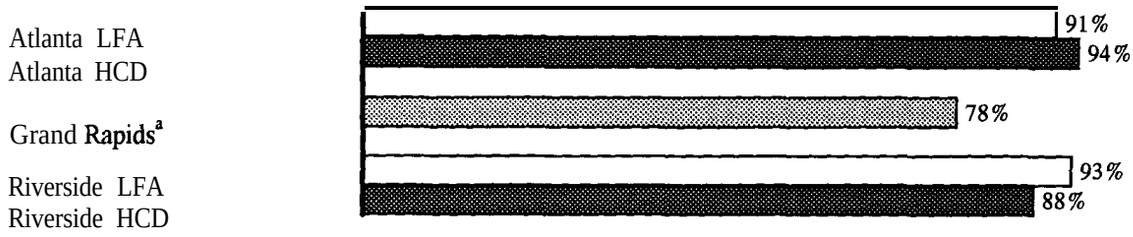
[3]See, for example, Bardach, 1993.

Figure 4.1

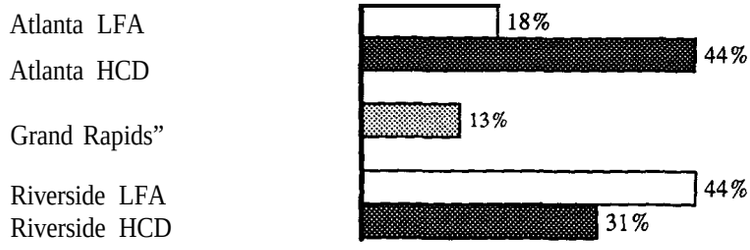
JOBS Staff Supervision, Evaluation, and Training

JOBS Staff

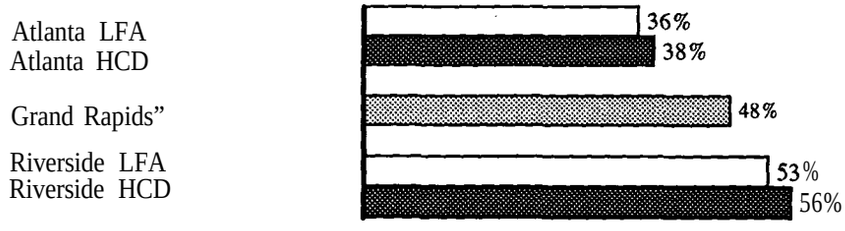
Percent who say that supervisors pay close attention to case manager performance



Percent who report good communication with program administrators



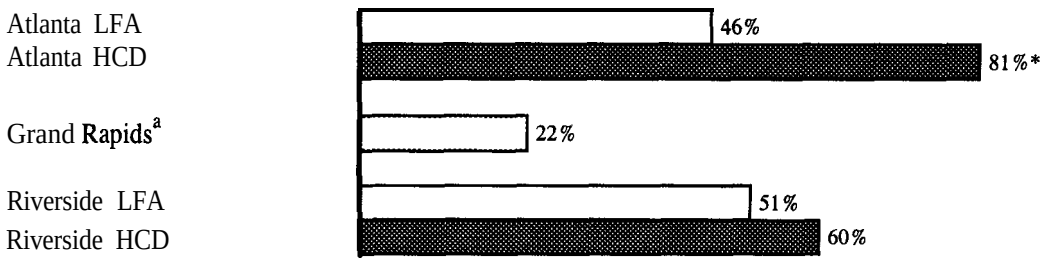
Percent who say that good performance is recognized



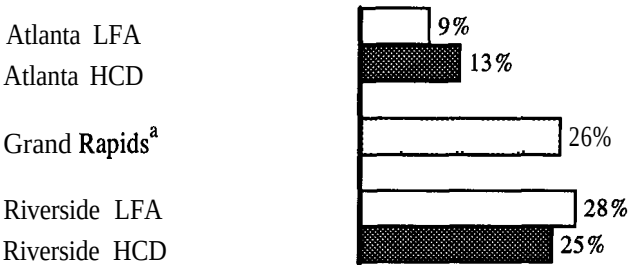
(continued)

Figure 4.1 (continued)

Percent who say they received helpful training on how to be an effective JOBS case manager



Percent who report high job satisfaction



SOURCE: JOBS Staff Activities and Attitudes Survey.

NOTES: [a]The same Grand Rapids staff worked with both LFA and HCD sample members.

Statistical significance tests were run between the two groups within each site. A two-tailed t-test was applied to the differences between the proportion of LFA and HCD staff (in Atlanta and Riverside) whose views leaned toward one end of the scale. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Poor communication between administrators and case managers may have been due partly to the large size and hierarchical structure of the welfare agencies in Atlanta, Grand Rapids, and Riverside. According to case managers, top management and line staff seldom interacted. Case managers in the three sites complained that they were rarely given opportunities to state their opinions or help formulate new policies; rather, decisions or rules changes were handed down, with little discussion, from the top levels of the organization. An Atlanta case manager described communications between administrators and case managers as follows:

> Information is passed on by way of memo. The importance of the memo is not relayed until we mess up; *then we* learn that it is important.

It is worth noting that a larger percentage of Atlanta HCD case managers reported good communication with program administrators than their LFA counterparts. Likewise, a larger percentage of Riverside LFA case managers said they had good communication with administrators than Riverside HCD staff. Although these differences were not statistically significant, they may reflect the tendency of administrators and staff in these sites to embrace either the LFA or HCD philosophy more fully. As discussed in Chapter 3, while there were clear distinctions between the attitudes and practices of case managers in the LFA and HCD streams in Atlanta and Riverside (consistent with the two-treatment research design), Atlanta staff in both streams were more likely to favor an HCD approach than Riverside staff. Conversely, Riverside case managers in both streams were more likely to lean toward an LFA approach. It may be that Atlanta HCD case managers and Riverside LFA case managers reported better communication with their administrators because they were more in agreement with the employment preparation strategy that was most favored in their respective welfare agencies.

B. Performance Standards and Staff Recognition

Positive client outcomes-especially employment-were important to JOBS administrators and supervisors in all three sites. Only in Riverside, however, did administrators and supervisors hold individual case managers accountable for the outcomes their clients achieved. Different performance standards were established for LFA and HCD case managers, owing to the distinctive programmatic objectives of the two approaches.[4] LFA case managers were expected to average 12 to 15 job placements per month. HCD case managers, by comparison, were supposed to achieve at least two completions of an educational assignment each month and two job placements following completion of education each month.

In addition to these performance standards, Riverside administrators awarded the staff member in the LFA group who achieved the most job placements each month with a "Golden

[4] The different educational skills levels of clients randomly assigned to the LFA or HCD groups in Riverside was also taken into account when program administrators established LFA and HCD performance standards. As discussed in Chapters 2 and 3, Riverside clients could be randomly assigned to the HCD stream *only* if they lacked a high school diploma or GED or had low scores on educational achievement tests. Clients could be randomly assigned to the LFA group regardless of their high school/GED status or their educational test scores. This meant that as a group, HCD clients had lower levels of educational attainment at baseline than LFA clients and presumably were more difficult to employ.

Eagle" pin. (The staff member with the most job placements *in a year* received an engraved plaque.) Staff members who earned the monthly award usually had more than 30 job placements. Although some case managers described the award as silly, many others indicated that they thought it was an honor and actively tried to win it. The combination of the performance standards and the Golden Eagle award probably explains why over half of the Riverside staff indicated that good performance was recognized in their agency (see the third set of bar graphs in Figure 4.1). This figure was noticeably higher than the percentages reported in Atlanta (36 to 38 percent, depending on the stream), and slightly higher than the figure in Grand Rapids (48 percent). During interviews with MDRC researchers, Atlanta and Grand Rapids staff said that their recognition came mainly in the form of respect from their peers and positive comments from their immediate supervisors.

C. Staff Training

The fourth set of bar graphs in Figure 4.1 shows the percentage of case managers who said they received helpful training on how to be an effective case manager: specifically, in learning the rules and regulations of JOBS; knowing how to match client needs to JOBS services; understanding how to work with JOBS service providers; and learning how to motivate clients. The responses varied widely among the three sites and, in Atlanta, between the staff in the LFA and HCD streams: 46 percent of LFA staff said they received helpful training compared with 8 1 percent of HCD staff. At the beginning of the National Evaluation of Welfare-to-Work Strategies, Atlanta sent its newly hired case managers to a JOBS training session run by the state, which may account for the discrepancy in survey responses between LFA and HCD case managers. The training was not tailored to the two-treatment research design operating in Atlanta and focused more heavily on skills and procedures relevant to the HCD staff, such as conducting an assessment and assigning clients to appropriate education and training activities. LFA case managers in Atlanta said that the most valuable training for them came from a manual and "on-the-job" mentoring from their immediate supervisors and fellow case managers.

Grand Rapids did not conduct formal training for the JOBS staff, which may explain why only 22 percent indicated that they received help in learning how to be an effective case manager. As noted in Chapter 3, Grand Rapids case managers had also been employed in their positions and worked for the welfare agency much longer than staff in the other sites, and thus may have required less training. Newly hired staff in Grand Rapids received explanations of policies and procedures chiefly from their supervisors.

Of the three sites, Riverside had the most extensive and formalized training: six weeks of classroom instruction, covering topics such as how to conduct orientation and appraisals, make referrals to service providers, complete program forms, authorize support services, and counsel difficult clients or diffuse volatile situations. The class included time for new trainees to observe and be observed by veteran case managers. Fifty-one percent of Riverside's LFA case managers and 60 percent of the HCD case managers reported that they found this training to be helpful to their work.

D. Job Satisfaction

The final set of bar graphs in Figure 4.1 provides a measure of staff job satisfaction in the

three sites. (The scale includes items on job satisfaction, staff morale, and desire to stay in this line of work.) The percentage who said they were satisfied was strikingly low, ranging fi-om approximately one-tenth of the Atlanta case managers in either program group to only a little more than one-quarter of the staff in Grand Rapids and Riverside. The reasons for the lack of job satisfaction corresponded to many of the issues mentioned above concerning staff supervision, program administration, and performance standards. In Atlanta, for example, staff identified poor communication between administrators and line staff, excessive bureaucratic procedures, and workload as reasons for low morale. As one case manager said:

> I was written up for not taking lunch. You can get written up for not signing out. There are a great deal of pressures here... I often feel I put too much time into it. They are always giving me the extra work. I've become selective. I ask them for balance., .and [they] never balance out the work.

In Grand Rapids, case managers complained about a bureaucratic organization or a top-down management style that gave them little opportunity for flexibility or input into how clients were served. An administrator of the Grand Rapids program acknowledged this issue in an interview with MDRC researchers:

> We have a pretty machine-like operation and that puts people into limited roles. This can be frustrating for innovative people.

In Riverside, some case managers indicated that they either felt stressed by their agency's performance standards or were bothered by management's preoccupation with quantitative performance measures. As one LFA case manager stated:

> [The administrators] only care about statistics. [They] expect workers to jump through hoops on limited resources.

On a related note, some Riverside staff members expressed annoyance that the credit for the program's success went only to top administrators or the Golden Eagle award winners rather than being shared by all staff. Finally, some Riverside staff members mentioned that staff had not received a cost-of-living adjustment for three years, which they felt may have contributed to low staff morale and job dissatisfaction.

II. Personalized Attention and Encouragement

The degree to which case managers provide personalized attention and encouragement to clients depends largely on the philosophy and priorities of program administrators and staff For instance, some administrators and staff adopt the view that clients will participate at higher rates and achieve better outcomes if staff make a concerted effort to get to know clients in depth, work with them to remove any personal barriers to participation, and encourage them to succeed. Other administrators and staff may consider such efforts to be costly, unproductive, or a distraction fi-om the more central functions of enrolling clients in activities and monitoring participation. The level of personalized attention and encouragement is also determined in part by the way the case

management position is structured. All else being equal, for example, staff who are assigned large caseloads will have less time to spend with clients than staff who are assigned smaller caseloads. Similarly, staff who have a wide range of job responsibilities will have less time to devote to individual clients than staff who have a more limited range of roles.

Figure 4.2 depicts the responses of JOBS staff in Atlanta, Grand Rapids, and Riverside to several sets of questions relating to personalized attention and encouragement: specifically, their attempts to learn about clients' needs, interests, and backgrounds; identify and remove barriers to client participation; and encourage and provide positive reinforcement to clients. The figure also shows the responses of JOBS clients in each of the sites to questions about how much their case manager knew about them and their family and whether or not they believed their case manager would help them resolve problems that affected their participation in JOBS. The staff responses suggest that-on some measures-the Atlanta and Riverside programs placed a greater emphasis on personalized attention and encouragement than the Grand Rapids program, and that HCD staff in Atlanta and Riverside did more than their LFA counterparts. The responses from LFA and HCD clients support the conclusion that Atlanta and Riverside staff provided more personalized attention than Grand Rapids staff, although many clients in each site did not perceive JOBS staff as being very informed of their personal situations or helpful if they encountered problems.

A. Philosophical Differences Between Streams and Among Sites

It is consistent with the design of the LFA and HCD programs that HCD case managers in Atlanta and Riverside would place a significantly greater emphasis on learning in depth about clients' needs, interests, and backgrounds than their LFA counterparts. As described in Chapter 3, the initial step of the HCD program was an appraisal that examined clients' skills levels and their education and employment history. This appraisal was necessary in order to place clients in an appropriate adult basic education, college, or vocational training activity (or, in the case of Riverside, an appropriate adult basic education program). Such an appraisal was not warranted in the LFA stream, where clients of all backgrounds and skills levels were directed into job club and job search activities. Although Figure 4.2 indicates that Grand Rapids case managers were the least likely to try to learn in depth about clients' needs, interests, and background, it is important to note that a formal assessment of clients in the HCD stream was handled *outside* the JOBS agency by staff in a community education center. Indeed, the Grand Rapids assessment-which lasted a full week and included a battery of tests to determine clients' educational skills levels, vocational aptitudes, and career interests-was arguably the most comprehensive of the three sites; it simply was not conducted by JOBS case managers.

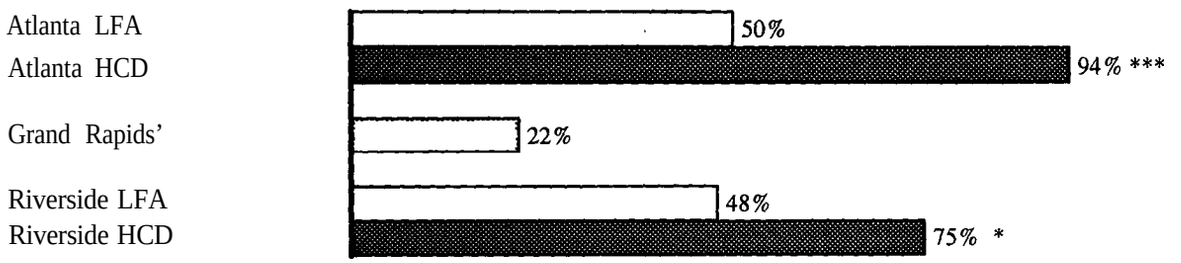
After the initial appraisal, the case manager's job in each of the sites was largely devoted to monitoring clients' attendance and progress in JOBS activities and assisting them to move from, welfare into employment. Helping clients identify and remove barriers to participation in JOBS activities was viewed as an integral part of this function by most or all the case managers in every site. There was much more variation, however, in the degree to which case managers in the three sites encouraged clients to do well in their activities and provided positive reinforcement to clients who had shown progress. Specifically, only 27 percent of Grand Rapids case managers said they perform this function compared with 31 to 36 percent of Atlanta staff and 50 to 63 percent of Riverside staff (depending on the stream).

Figure 4.2

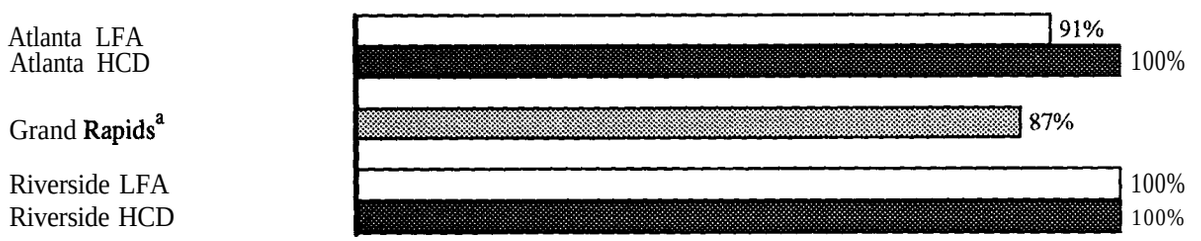
Personalized Attention and Encouragement

JOBS Staff

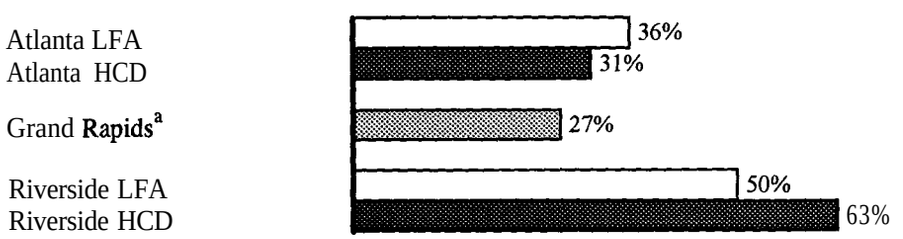
Percent who try to learn in depth about clients' needs, interests, and backgrounds



Percent who try to identify and remove barriers to client participation



Percent who encourage and provide positive reinforcement to clients

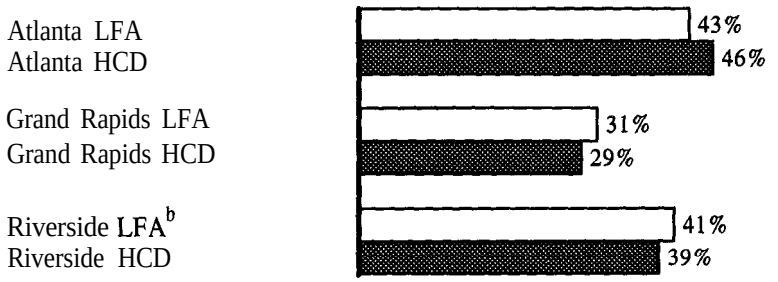


(continued)

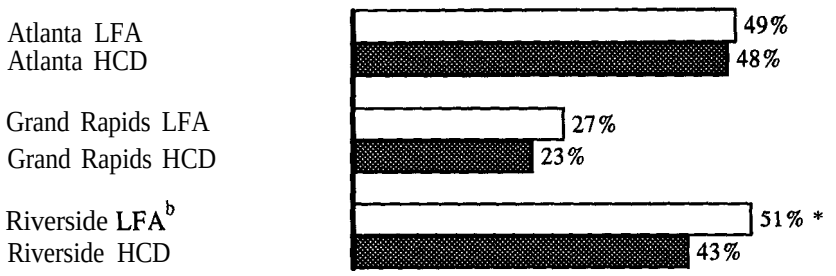
Figure 4.2 (continued)

JOBS Clients

Percent who feel their JOBS case manager knows a lot about them and their family



Percent who believe JOBS staff would help them resolve problems that affected their participation in JOBS



SOURCES: JOBS Staff Activities and Attitudes Survey; Two-Year Client Survey.

NOTES: Statistical significance tests were run between the two groups within each site. A two-tailed t-test was applied to the differences between the proportion of LFA and HCD staff (in Atlanta and Riverside) and LFA and HCD clients (in all three sites) whose views leaned toward one end of the scale. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

[a] The same Grand Rapids staff worked with both LFA and HCD sample members.

[b] JOBS client responses in Riverside are shown for the entire HCD sample (which includes only sample members in need of basic education) and the LFA subgroup in need of basic education.

The variation among the sites on encouragement and positive reinforcement reflected fundamentally different program philosophies of how case management should be performed. In Grand Rapids, management and staff shared a view that case management consisted of assigning clients to activities, monitoring attendance, and penalizing noncompliance; anything beyond this was considered superfluous. An administrator of the Grand Rapids program captured this sentiment when he said that the priority of the JOBS program was to

> . ..serve large numbers, even if individual attention suffers... We're not looking for problems, not doing social work. We just want to make sure they're doing their programs.

Interviews with case managers in Grand Rapids suggested that staff had neither the time nor the inclination to get involved with clients on a personal level. If problems arose in clients' attendance or performance, Grand Rapids case managers said they were much more likely to impose a sanction than to spend a lot of effort finding out what was wrong or trying to motivate clients to succeed. To do otherwise, in one case manager's words, merely enabled "excuse-maker game-player" clients to avoid responsibility for their actions.

Atlanta staff had a different perspective on how case management should be performed. They tried to adopt what they called a "customer orientation" toward clients, and considered themselves to be service providers first-and attendance monitors or rule enforcers second. When asked to describe what services they offered their customers, Atlanta staff emphasized their counseling skills: specifically, their ability to help clients think through choices about JOBS activities and employment opportunities and to develop solutions for problems that interfered with program participation or employment. One HCD case manager-whose comments were typical of remarks heard from staff in both the LFA and HCD streams-described the type of relationship she tries to establish with her clients this way:

> I like them to think that they can use the caseworker as a sounding board. Some of the customers are learning to make a move. People call me and tell me that they are going to do such and such. I listen and sometimes I'll question their choices. I try to keep the lines open to the client. "You know, every decision you make affects your life," I tell them. I want them to think about the move they are planning to make and the consequences that go along with that move.

Case managers in Atlanta liked to think that they were empowering clients to take charge of their lives. This may help explain why only about a third of Atlanta staff said that they encouraged and provided positive reinforcement to clients on the staff survey. Atlanta staff expressed a desire for their clients to find *internal* sources of motivation rather than to rely on case managers for direction or approval.

In Riverside, case managers had still another approach to working with clients. They did not spend a lot of time counseling clients like the workers in Atlanta; indeed, Riverside staff indicated that they felt pressured to process clients quickly and to keep conversations brief. However, Riverside staff consistently indicated that they felt they had a stake in helping their clients succeed and that they would adopt whatever technique they thought was necessary to motivate the clients

they encountered in their caseload. One LFA case manager characterized the job as follows:

> I am a paper worker and I first try to get people involved. But also you're a motivator, encourager, cheerleader, and sometimes disciplinarian.

Similarly, an HCD case manager described the work this way:

> Motivator, therapist, role model. I need to address problems... "What can I do to make you go to school?"

Riverside staff said they adopted different case management techniques based on their assessment of what it would take to help a client obtain a successful outcome in the program.

B. Structural Differences in the Case Management Role

Chapter 3 described how the case management role was structured in each of the three sites. Two factors related to this staffing structure suggest why Atlanta and Riverside staff placed greater emphasis on personalized attention and encouragement than Grand Rapids staff. First, while average caseload sizes did not differ substantially across the three sites, Atlanta case managers had the lowest number: 88 to 95 cases, depending on the program group. Riverside case managers had caseloads of 110 to 118, and Grand Rapids case managers had caseloads of 120. (See Table 3.1.) Second, Atlanta and Riverside staff usually worked with clients throughout the period that clients were enrolled in JOBS. Grand Rapids staff, in contrast, were divided into "intake" and "ongoing" roles, and also specialized according to service providers (one case manager might handle all clients enrolled in a particular education program, for instance, while another case manager might work with clients assigned to a specific vocational training center). The result was that clients in Grand Rapids often worked with two or more case managers over the course of their participation in JOBS, thereby reducing the chances that they would develop a close relationship with any one staff member.

Differences in staff evaluation and training practices among the three sites may have also contributed to variations in the level of personalized attention and encouragement provided to clients. As described in the previous section, Riverside case managers had to meet specific performance standards tied to the number of clients each month who found employment (in the LFA stream) or who completed educational assignments and found employment (in the HCD stream). These standards may have driven Riverside staff to work harder at getting to know their clients, removing barriers to clients' participation, and encouraging clients to succeed. Similarly, as indicated in Figure 4.1, Atlanta and Riverside staff were much more likely to say that they received helpful training on how to be an effective case manager-including how to match client needs to JOBS services and how to motivate clients in JOBS activities-than Grand Rapids staff. A separate question (not depicted in Figure 4.1) also asked case managers to rate the helpfulness of training they received on working with clients of different ethnic, cultural, or social class groups. At least twice as many Atlanta HCD staff and Riverside staff as Grand Rapids staff in both **streams**

indicated that they received a lot of training on this issue.' Such training-or the lack of it-may have influenced the extent to which staff in the three sites felt comfortable or able to learn about clients' needs, interests, and backgrounds; identify and remove barriers to participation; or provide positive reinforcement to clients.

C. Client Perceptions

JOBS clients' survey responses regarding their case managers are consistent with the perceptions of case managers themselves. In both the LFA and HCD program groups, Atlanta and Riverside clients were noticeably more likely to say that their JOBS case managers knew about them and their family and would help them resolve problems affecting JOBS participation than Grand Rapids clients. (In Riverside, a significantly higher percentage of LFA clients said that JOBS staff would help them resolve problems affecting JOBS participation than HCD clients: 5 1 percent versus 43 percent.) Yet while the client survey responses are patterned similarly to the JOBS staff survey responses, it is noteworthy that no more than half of the clients in any site gave the JOBS staff high marks on these dimensions. In Atlanta and Riverside especially, clients' assessments of case managers' efforts to get to know them or resolve their participation problems did not reflect the level of effort case managers said they devoted to these activities. The discrepancy may partly reflect the fact that some clients spent very little time in the JOBS program, either because they left welfare quickly or did not participate in the program for other reasons. The difference may also be a reflection of the mandatory participation requirement: if a client resented being in JOBS in the first place, perhaps no amount of effort on the case manager's part to understand, assist, or encourage the client was recognized or appreciated.

III. Participation Monitoring

Participation monitoring refers to the efforts of JOBS staff to make sure that clients show up for their assigned activities, attend regularly, and make satisfactory progress. Although participation monitoring is considered a major part of the case management role in all three sites, it may be performed with varying degrees of closeness. The intentions underlying participation monitoring may also differ. For example, in a program that emphasizes personalized attention and encouragement, case managers may conduct participation monitoring chiefly to find out how clients are doing and whether there is anything the case manager can do to provide help. Conversely, in a highly enforcement-oriented program, case managers may view participation monitoring chiefly as a tool to learn whether or not clients are complying with JOBS participation rules and to initiate sanctions on clients who are noncompliant. Case managers may conduct monitoring with *both* purposes in mind: that is, to help clients in need as well as to enforce participation requirements. The level and type of monitoring may also be affected by such factors as staff workload demands, frequency of case file audits or performance reviews of case managers,

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[5]The percentages of staff who reported receiving helpful training on how to work with clients of different ethnic, cultural, or social class groups were as follows: Atlanta LFA cases managers, 27%; Atlanta HCD case managers, 50%; Grand Rapids case managers, 22%; Riverside LFA case managers, 53%; Riverside HCD case managers, 47%.

the quality of relationships between case managers and clients, and the linkages between JOBS staff and service providers.

Figure 4.3 shows results from the JOBS staff survey on several dimensions of participation monitoring, including the amount of information staff receive on clients' progress from JOBS service providers; the average number of weeks before clients learn about clients' attendance problems from service providers; and the average number of weeks before case managers will contact clients about their attendance problems. The survey findings, together with data obtained from field interviews with JOBS staff and service providers, suggest that Atlanta case managers monitored clients' attendance and progress less closely than Grand Rapids or Riverside case managers. No significant differences were detected in the level of monitoring between the LFA and HCD streams in the three sites.

A. Atlanta: Less Intensive Monitoring

As depicted in the bar graphs in Figure 4.3, fewer than one-third of the Atlanta JOBS staff reported that they received a lot of information on client progress from service providers. Atlanta staff also reported that it took them about twice as long (approximately three weeks) to learn about clients' attendance problems from service providers than case managers in the other sites. Once Atlanta case managers found out about clients' attendance problems, it took them close to two weeks before they contacted clients to discuss the matter. In discussions with MDRC researchers, most Atlanta case managers indicated that they did not have time to monitor clients more closely—and that they did not see it as their responsibility to contact service providers to get more information on how clients were doing. Atlanta educational institutions serving JOBS clients confirmed this report. Although educators said they maintained attendance and progress information for their own purposes, they said there was no mechanism by which they regularly communicated this information to the JOBS office. Atlanta teachers also said that they rarely heard from JOBS case managers about why some clients stopped attending or what, if anything, was being done about it.

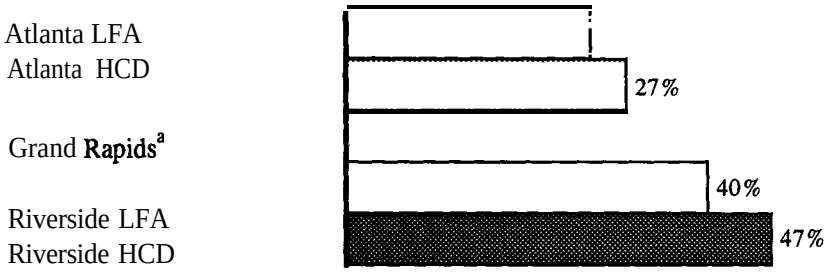
Interviews with Atlanta case managers suggested that while they were willing to, provide help to clients who experienced difficulties attending or advancing in their activities, the program philosophy was to encourage them to take the initiative in asking for help. In the words of one LFA case manager, "I explain that I'm willing to work with them if they just call." A consistent message from case managers to clients in Atlanta was that clients should take responsibility for using the services JOBS offered. Hence, the relatively lengthy amount of time that it took for Atlanta case managers to learn about client attendance problems or to contact clients about poor attendance (compared with Grand Rapids and Riverside) might partly reflect a view that clients should be given sufficient time to demonstrate that they would participate in JOBS as expected or that they would seek help if they needed it.

Figure 4.3

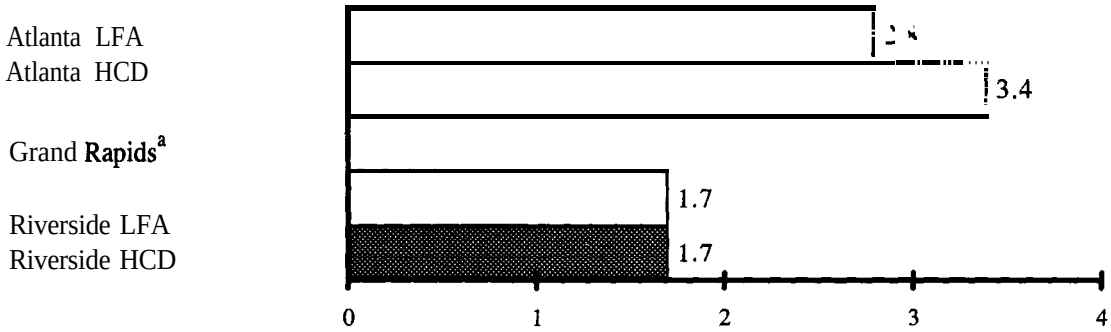
Participation Monitoring by JOBS Staff

JOBS Staff

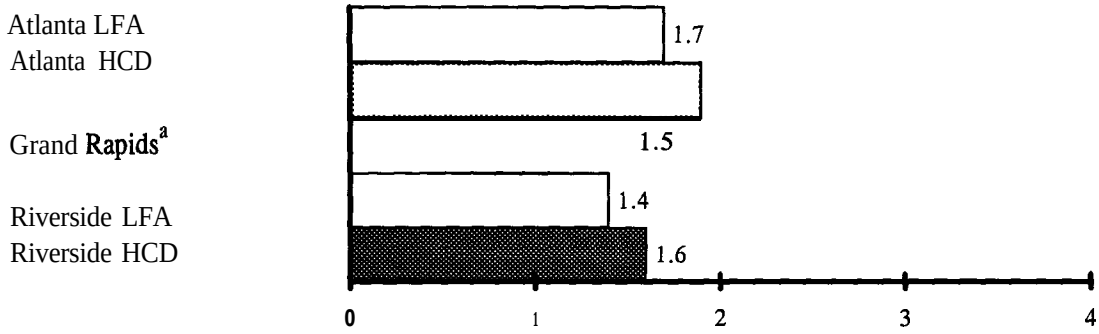
Percent who report receiving a lot of information on client progress from service providers



Average number of weeks before learning about attendance problems from service providers



Average number of weeks before contacting clients about their attendance problems



SOURCE: JOBS Staff Activities and Attitudes Survey.

NOTES: [a]The same Grand Rapids staff worked with both LFA and HCD sample members.

Statistical significance tests were run between the two groups within each site. No statistically significant differences were detected on these measures of participation monitoring.

B. Grand Rapids and Riverside: More Intensive Monitoring

Case managers in Grand Rapids and Riverside indicated that close participation monitoring was a high priority for them in their programs. Although only 27 percent of Grand Rapids staff said that they received much information about client progress in JOBS activities from service providers (see Figure 4.3), they indicated that they learned about client attendance problems relatively quickly: in 1.6 weeks, on average. In addition, Grand Rapids staff reported that they contacted clients about their attendance problems in an average of 1.5 weeks. Riverside case managers indicated that they learned about clients' attendance troubles and made contact with clients in approximately the same amount of time. At least 40 percent of Riverside case managers also indicated that they learned much about clients' progress from service providers.

Field interviews with JOBS staff and visits to service providers in Grand Rapids and Riverside confirmed that participation monitoring was a high priority in these sites. The interviews and visits also revealed that Grand Rapids and Riverside had more extensive procedures to promote close monitoring than Atlanta. For example, case managers in the two sites conducted regular site visits to job clubs and education classes to make sure clients showed up to their assigned activities and to check on their progress. In turn, service providers in Grand Rapids and Riverside took roll call, required clients to punch time clocks, or used sign-in sheets (often verified by service provider staff) to document client attendance. Attendance reports were typically submitted to JOBS on a weekly basis in both sites. In Riverside, education providers also reported monthly to JOBS case managers about clients' progress in improving educational test scores. Unlike Atlanta-where service providers indicated little contact with JOBS staff-Grand Rapids and Riverside service providers indicated relatively frequent communications with JOBS, and were confident that the information they submitted to JOBS was reviewed carefully.

There appeared to be different motivations underlying the close monitoring of participation in Grand Rapids and Riverside. Grand Rapids was a highly enforcement-oriented site; staff took each instance of noncompliance seriously and imposed financial sanctions readily. Grand Rapids staff closely monitored client attendance so that they could enforce the JOBS participation rules rigorously and uniformly. Riverside staff, by contrast, seemed to be motivated more by the performance standards that they were required to meet: most notably, the number of clients placed in jobs in the LFA stream and the number of clients who completed education programs in the HCD stream. Riverside staff placed a strong emphasis on making sure clients attended their assigned activities and made reasonable progress toward program completion and employment so that they could meet these performance goals.

IV. Rule Enforcement and Sanctioning

The extent to which a JOBS program may be considered "mandatory" depends largely on how strongly and consistently the participation requirements are communicated to clients and the certainty and swiftness with which financial sanctions are imposed on clients who do not comply. The responsibility for enforcing JOBS rules mainly lies with JOBS case managers, who are responsible for communicating to clients what it means to be mandatory, detecting instances of noncompliance, and initiating financial sanctions on clients who do not meet program participation

requirements. Income maintenance staff also play a role: they, too, are responsible for telling clients that they are required to participate in JOBS. More important, at the request of JOBS staff, income maintenance workers apply financial sanctions to clients' welfare grants and lift sanctions when clients regain compliance.

Federal JOBS regulations governed the rule enforcement and sanctioning process in JOBS programs nationwide.[6] The penalty for noncompliance was removal of the JOBS-mandatory client from the AFDC grant. For example, if an AFDC case consisted of a JOBS-mandatory parent with two children, and the parent failed to participate in JOBS, the AFDC grant was reduced so that only the two children were covered. The length of time that the sanction was in effect was also determined by federal guidelines. The first time a client was noncompliant, the sanction was lifted as soon as he or she began participating as required. The second time a client was noncompliant, the sanction was in effect for a minimum of three months (or longer, if the client refused to comply). The third instance of noncompliance-and any subsequent occurrences-resulted in a minimum sanction of six months (or longer, if compliance was not re-established). Federal rules ensured that clients were given the opportunity to show good cause for not meeting the participation requirement before sanctions were applied.

Although the federal regulations provided a common framework for rule enforcement and sanctioning in JOBS, there were subtle differences among the sites in how they implemented these procedures. As Figure 4.4 indicates, in all three sites, penalties for noncompliance were generally emphasized strongly, and sanctions tended to be imposed without delay. Furthermore, compared with previously studied welfare-to-work programs as well as the other sites in the National Evaluation of Welfare-to-Work Strategies, these were all highly mandatory programs. Nevertheless, the survey and field research data suggest that Grand Rapids had the *most* enforcement-oriented program. Virtually no client who failed to participate in JOBS in this site escaped a financial penalty, even if the client agreed to comply in the future. Atlanta and Riverside, while also strict programs, seemed-for different reasons-to offer noncompliant clients somewhat more opportunity to avoid sanctions if they pledged to start "playing by the rules." JOBS staff in the three sites indicated that enforcement and sanctioning procedures did not differ significantly between the LFA and HCD streams, although responses on the client survey suggest some stream differences in Grand Rapids and Riverside. (Actual sanction rates for clients assigned to the LFA and HCD streams in each site are presented in Chapters 5 and 6.)

A. Atlanta: Tough Enforcement Despite Some Ambivalence

In Atlanta, a large majority of JOBS staff reported that they strongly emphasized penalties for noncompliance to new clients (more so in the LFA stream than in the HCD stream, though the difference was not statistically significant). However, when Atlanta JOBS staff were asked whether they would delay requesting sanctions for noncompliant clients, only about half the workers in either group replied "never''-a noticeably smaller percentage than in Grand Rapids or Riverside.

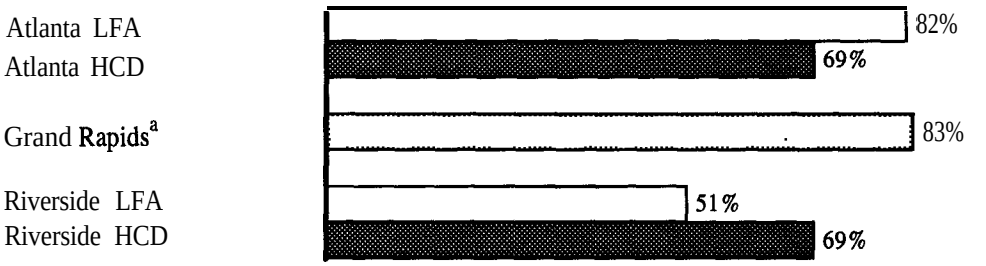
[6]Some states or localities may have followed different sanctioning policies if the states had received a waiver from the U.S. Department of Health and Human Services.

Figure 4.4

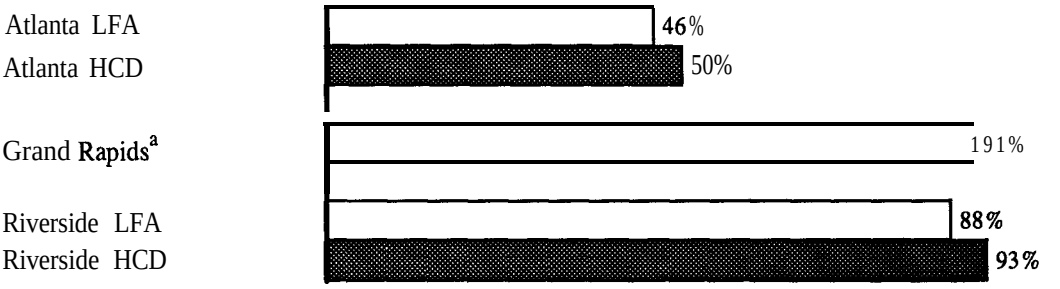
Rule Enforcement and Sanctioning: Practices and Perceptions

JOBS Staff

Percent who strongly emphasize penalties for noncompliance to new clients

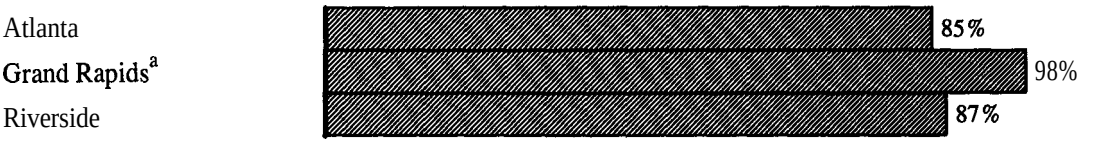


Percent who never delay requesting sanctions for noncompliant clients



Income Maintenance Staff

Percent who never delay imposing sanctions on noncompliant clients

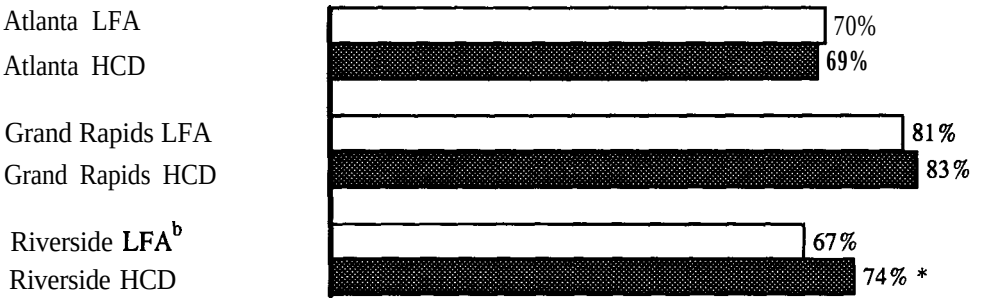


(continued)

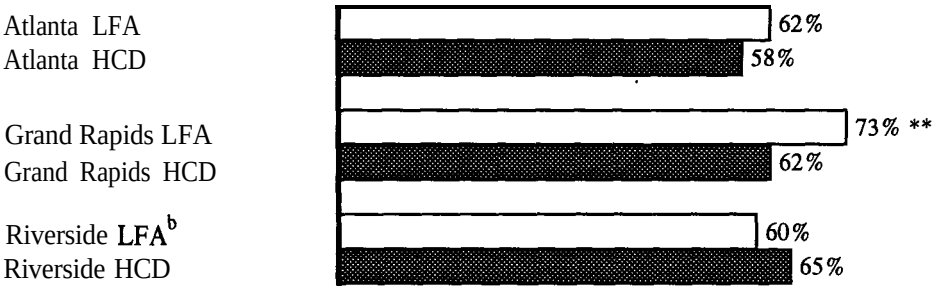
Figure 4.4 (continued)

JOBS Clients

Percent who say they were informed about penalties for noncompliance



Percent who felt the JOBS staff just wanted to enforce the rules



SOURCES: JOBS Staff Activities and Attitudes Survey; Income Maintenance Staff Activities and Attitudes Survey; Two-Year Client Survey.

NOTES: Statistical significance tests were run between the two groups within each site. A two-tailed t-test was applied to the differences between the proportion of LFA and HCD staff (in Atlanta and Riverside) and LFA and HCD clients (in all three sites) whose views leaned toward one end of the scale. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

The same Grand Rapids staff worked with both LFA and HCD sample members.

[b]JOBS client responses in Riverside are shown for the entire HCD sample (which includes only sample members without a high school diploma or GED) and the LFA subgroup without a high school diploma or GED.

Field research in Atlanta confirmed that a sizable number of case managers in this site had serious misgivings about sanctions. For example, in the words of one LFA case manager:

> I was told to work with customers before sanctioning. I try not to sanction... If all else fails, I will sanction, but truthfully, I have not sanctioned too many people. Maybe I should have, but I thought I should try to work with them first.

While not all Atlanta staff said that they avoided sanctions-indeed, some workers reported that they would sanction noncompliant clients without hesitation-field interviews with staff in this site generally revealed less comfort with sanctioning than in Grand Rapids or Riverside. Possible harmful effects on children from reducing the grant particularly troubled some Atlanta workers.

If some Atlanta JOBS staff were uncomfortable with sanctioning, this ambivalence did not come across to most clients. About 70 percent of Atlanta's clients in either the LFA or HCD program group said they were informed about the penalties for noncompliance, and approximately 60 percent of clients in the two streams agreed with the statement, "the JOBS staff just want to enforce the rules." In the income maintenance offices, staff reported that they imposed the sanctions requested by JOBS staff without delay. Specifically, 85 percent of the IM workers surveyed said that they would apply the sanction immediately.

One distinctive feature of Atlanta's sanctioning process was a special group meeting held at the JOBS office for clients who had been referred to sanction or had a sanction imposed. The primary purpose of the meeting was to have clients sign a form indicating their willingness to comply, thus leading to a cancellation or lifting of the sanction. The staff member who led the groups also addressed clients' negative feelings about JOBS and tried to motivate them to start attending. She described the sessions as follows:

> When they sign the [compliance] form, I give them a counseling session. I try to address their reasons for nonparticipation. I also encourage them to follow up with their verification. I tell them about the emphasis on [JOBS] in Georgia. I tell them they need to start thinking seriously about getting off welfare. I talk to them about the history of welfare, and the politics of welfare... Many clients associate [JOBS] with the old WIN program. I tell them that the program has changed. I try to give them things to think about.

The staff member who led the sanction meetings was an IM worker and was thus authorized to impose or remove sanctions herself. JOBS staff in Atlanta credited this arrangement with making the sanctioning process timely, accurate, and reliable, and for bringing at least some nonparticipants back into compliance.

B. Grand Rapids: A Commitment to Tough Enforcement

No JOBS program seemed more intent on enforcing participation rules than Grand Rapids. The mandatory tone was set by program administrators, one of whom described it this way:

> The message is strong: it is important to attend regularly... The purpose of sanctions is to inflict enough harm so that [clients] will cooperate.

Grand Rapids case managers conveyed the mandatory participation requirement and posed the threat of sanctions for noncompliance at almost every encounter with a client. When case managers learned that someone failed to attend an activity, they requested a sanction right away; in turn, income maintenance staff imposed the sanction immediately. The entire process was quick and automatic. Indeed, JOBS and income maintenance staff in Grand Rapids often spoke about sanctioning as a mechanical procedure that offered them no choice or discretion.

Grand Rapids staff sanctioned clients if they were absent from an assigned JOBS activity without a legitimate, documented reason for more than one day within a 10-day period. (Atlanta and Riverside followed similar procedures.) Grand Rapids staff also sanctioned clients who showed up late to an activity more than once in 10 days. (Unless clients were repeatedly late, Atlanta and Riverside staff were more likely to let this go.) What particularly set Grand Rapids apart from the other sites was the extent to which clients were required to demonstrate that they would comply with JOBS rules before staff agreed to lift a sanction. Clients had to attend satisfactorily for 5 days before a first occurrence sanction was lifted and 10 days before a second or third occurrence sanction was removed. (In Atlanta and Riverside, sanctions were normally lifted once noncompliant clients came into the JOBS office and signed a statement agreeing to participate-or, in the event of a second or third occurrence, once clients signed a statement and the minimum number of months had elapsed for the penalty.) Even with these strict policies, many JOBS staff in Grand Rapids expressed a desire for a tougher policy. In the words of one case manager:

> Sanctions offer [clients] too many chances. Their only recourse should be a hearing.

Results from the JOBS client survey indicate that the mandatory message got through. Over 80 percent of Grand Rapids clients reported that they were informed about penalties for noncompliance-the highest such figure of the three sites. A majority of Grand Rapids clients—significantly larger in the LFA stream than in the HCD stream-felt that enforcing the rules was the only thing JOBS staff cared about, although most Atlanta and Riverside clients thought this about their case managers, too. (It is unclear why more LFA than HCD clients in Grand Rapids thought that the JOBS staff only wanted to enforce the rules. Both groups, it will be recalled, were assigned to the same pool of case managers.)

C. Riverside: Tough Enforcement Combined with Extensive Due Process

The staff survey and field research findings suggest that Riverside was not as enforcement-driven as Grand Rapids. While Riverside case managers expressed a belief in the usefulness of sanctions-and a willingness to request sanctions when clients failed to participate-they tended-to view sanctions as only one tool to get clients to attend JOBS activities. Indeed, Riverside staff often placed greater emphasis on positive motivational techniques, at least initially. During orientations and individual meetings with clients, Riverside staff tended to emphasize the importance of personal responsibility rather than threaten clients with sanctions. Indeed, sanctions were presented as being entirely within clients' control: the consequence of not meeting their personal obligation to participate in JOBS. As one Riverside JOBS orientation leader told a group of incoming LFA

clients, "a welfare grant is a gift from the government, but there are certain strings attached."

Fifty-one percent of the LFA case managers and 69 percent of the HCD case managers in Riverside reported on the staff survey that they strongly emphasized penalties for noncompliance to new clients. (By comparison, in Grand Rapids, 83 percent of the staff said they stressed penalties.) Although the difference between the Riverside LFA and HCD responses was not statistically significant, the gap may be explained by the fact that LFA activities in Riverside were noticeably shorter in duration than HCD activities. Case managers therefore may have had more occasions to talk with clients about program rules in the HCD stream-and HCD clients may have had more time to fall out of compliance. Results from the client survey show that about three-fourths of Riverside HCD clients said they were informed about penalties compared with about two-thirds of LFA clients (a statistically significant difference). About equal percentages of LFA and HCD clients thought that their case managers cared mainly about enforcing program rules.

Riverside's sanctioning procedures, which were set by California law, built in more due process for clients than those in Atlanta or Grand Rapids. In all three sites, if a client was to be sanctioned, staff would first notify the client in writing and provide the client with an opportunity to show good cause for not participating. If the client could not demonstrate good cause-or failed to attend the cause determination meeting-the case manager would request that a sanction be applied. In Atlanta and Grand Rapids, the request went directly to income maintenance, but in Riverside, another important step had to be completed. The JOBS office sent the client another notice scheduling him or her for a conciliation appointment. Conciliation provided the client with a second opportunity to demonstrate good cause and a willingness to comply. Only clients who did not show good cause during conciliation-or who skipped the meeting altogether-would be referred to sanction. The result was fewer sanctions imposed in Riverside than in the other sites: there was more opportunity for misunderstandings to be resolved; clients had more time to come into compliance; and some clients could go off welfare before the sanctions took effect. The lengthy procedures often frustrated Riverside staff, as one JOBS supervisor's comments make clear:

> I wish the process was quicker. People can go through two months of doing nothing. All it teaches is that they can get away with it.

V. Relations Between Income Maintenance and JOBS

Up to this point, JOBS program implementation in Atlanta, Grand Rapids, and Riverside has been described chiefly in terms of the practices and attitudes of JOBS case managers and service providers. Yet, as described in the discussion on rule enforcement and sanctioning, JOBS staff in the three sites were reliant on income maintenance staff to carry out certain functions integral to JOBS. Imposition and lifting of financial sanctions were perhaps the most obvious tasks, but there were other important roles as well. For example, IM staff were responsible for identifying mandatory AFDC recipients and referring them to the program, which meant keeping track of welfare recipients' changing statuses and referring or re-referring them to JOBS when they became JOBS-mandatory. They were also expected to alert JOBS case managers to circumstances that could affect clients' participation in JOBS, such as a move to a different region of the county or the

starting or ending of a part-time job. Finally, IM staff were usually the first to communicate to clients about JOBS: what the program offered, for example, and what the mandatory participation requirement meant. The tone set by income maintenance staff thus had the potential to influence whether clients showed up to JOBS as well as their attitudes toward participating in the program and seeking work.

A. A Limited Partnership Between JOBS and Income Maintenance

In all three sites, the general consensus among JOBS staff was that IM workers carried out their JOBS responsibilities in an acceptable but perfunctory manner. JOBS staff felt that IM workers referred clients to JOBS correctly most of the time; that they imposed and lifted sanctions within a reasonable time frame, if not always as promptly as JOBS staff might hope; and that they gave clients some, if very limited, information about JOBS. What the JOBS staff generally felt was missing was a sense *of partnership* between income maintenance and JOBS. For example, JOBS staff often felt that their efforts to communicate with income maintenance were strained or one-sided. The remark below came from a Grand Rapids JOBS case manager, but was echoed by JOBS staff in Atlanta and Riverside:

> I just wish [income maintenance] would let us know more whether someone is working. The information flow seems to be from us to them.

Despite some frustrations, however, the JOBS staff interviewed by MDRC felt that it was unrealistic to expect any more from income maintenance, given their larger caseloads and more harried routines. JOBS staff tended to sympathize with IM workers to a degree, viewing the welfare job as more pressured and less appreciated than the JOBS position.

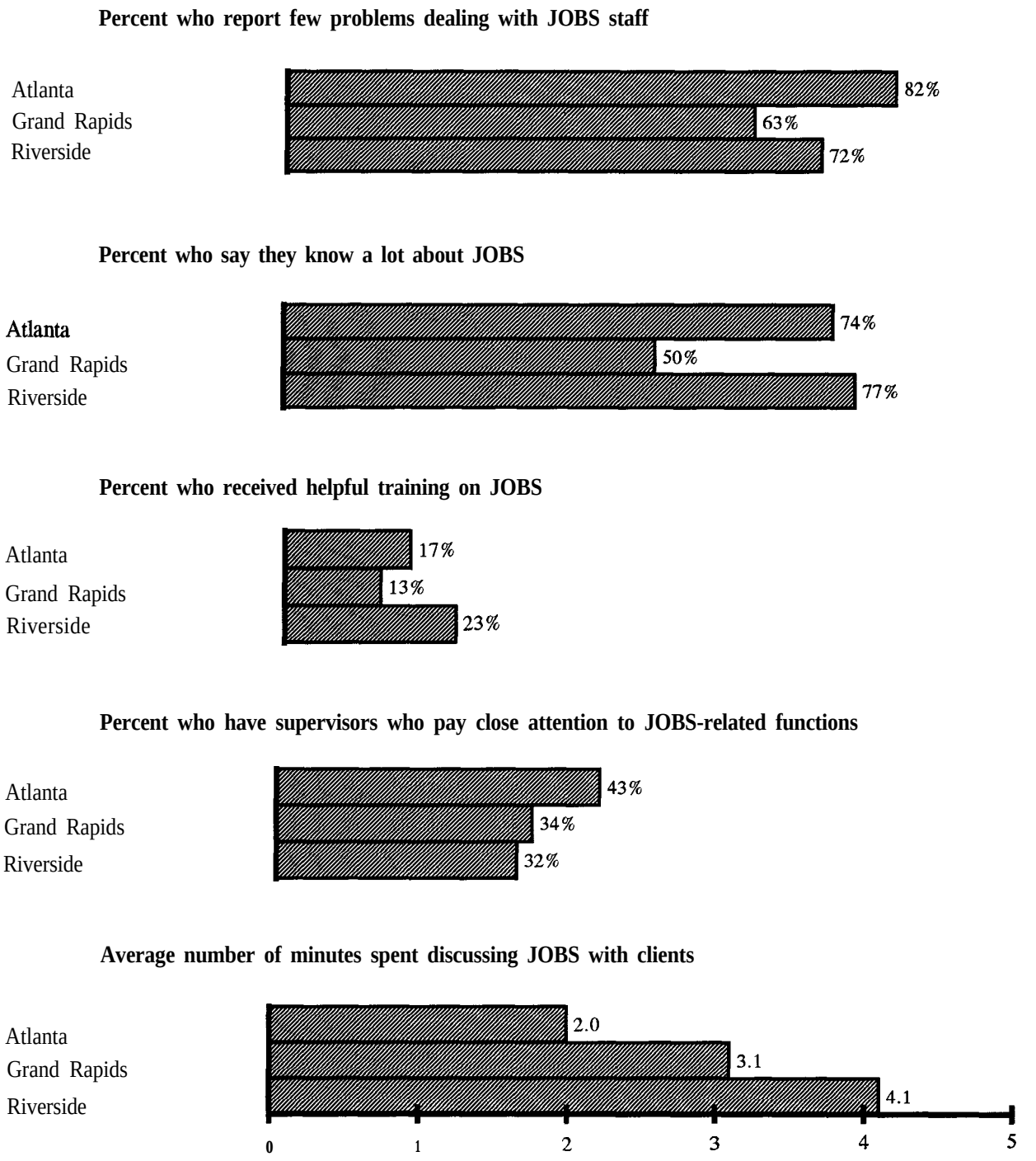
Comments from IM workers generally reinforced the impression given by the JOBS staff: that IM staff performed their JOBS-related functions at an acceptable level, but that JOBS was not their top priority. As Figure 4.5 shows, a majority of IM workers in all three sites reported few problems dealing with JOBS staff. Furthermore, about three-quarters of the IM staff in Atlanta and Riverside and half in Grand Rapids said they knew a lot about the JOBS program: specifically, what the program requirements were, what services were available, and what to say to clients about the program. At the same time, only 13 to 23 percent of the IM staff (depending on the site) said they received helpful training on JOBS, and only 32 to 43 percent (depending on the site) reported that they had a supervisor who paid close attention to their JOBS-related functions. Finally, the average amount of time that IM workers said they devoted to discussing JOBS with their clients during AFDC application and redetermination meetings was low: an average of two to four minutes, depending on the site. Given that these meetings typically lasted between 30 and 60 minutes, it is safe to say that JOBS received relatively little attention.

B. Factors Impeding Better Relations Between JOBS and Income Maintenance

Income maintenance staff in the three sites told MDRC researchers that the major reason they did not devote more attention to JOBS was workload. A particularly blunt IM worker in Atlanta, who admitted to knowing very little about JOBS, said she preferred ***not*** to learn more

Figure 4.5

Income Maintenance Staff Relations with JOBS



SOURCE: Income Maintenance Staff Activities and Attitudes Survey.

because this would only make her feel that she had to spend more time sharing program information with her clients:

> To be honest, with our caseload sizes, I like not knowing. In an ideal situation, it would be nice to be able to talk about details with clients, but now, it's easier just to give them the phone number [for JOBS].

As shown in Table 4.1, Atlanta IM staff had much larger caseloads than their Grand Rapids and Riverside counterparts, which perhaps made them feel particularly stressed. Nonetheless, IM workers in all three sites expressed feelings of overload. They noted the pressures they got from clients (who were anxious about getting their welfare checks) and from supervisors and auditors (who scrutinized their cases for AFDC payment errors). JOBS case managers, while facing other demands, generally experienced less stress of this nature.

The differences in workload pressures underscore a deeper division between income maintenance and JOBS that tends to weaken IM-JOBS relations in all three sites. IM staff were focused on processing large numbers of cases and minimizing payment errors; JOBS staff, by comparison, had fewer cases to handle and were more concerned with delivering employment-related services. The IM function was considered more routine, while the JOBS function was regarded as more specialized and professional. A comparison of the caseloads and staff characteristics of IM and JOBS workers reveals these divisions (see Tables 4.1 and 3.1). IM workers had bigger caseloads, less experience in employment-related fields or as employment counselors, and, except in Atlanta, lower levels of educational attainment than JOBS workers. Generally, they were also paid less than JOBS staff. The result was an underlying resentment of JOBS that a number of IM staff expressed and JOBS staff felt to varying degrees in each site. A JOBS administrator in Grand Rapids characterized IM workers' feelings this way: "It's like, 'you guys are [JOBS] workers, we hate you, we have more work than you, you're paid more."'

There was no evidence that tensions between income maintenance and JOBS resulted in important JOBS-related functions being neglected or performed improperly by IM staff, The tensions do suggest, however, that JOBS' ability to change the culture of the welfare agency as *a whole* was limited in the three sites. The ideal, as one Riverside IM supervisor described, was that:

> [JOBS] and income maintenance work hand in hand to better the client. Income maintenance provides clients with support until they get on their feet. [JOBS] supplies the means for them to get on their feet.

The reality was that staff in the three sites carried out their duties rather independently from one another. IM staff approved AFDC grants, identified JOBS-mandatory clients and referred them to JOBS, and applied sanctions as requested by JOBS, but rarely devoted extra time to promoting the program or paying much attention to what clients were doing in it. Correspondingly, JOBS case managers relied on income maintenance to make referrals to JOBS and process their sanction requests, but seldom expected or counted on any deeper level of engagement.

Table 4.1

Caseloads and Characteristics of Income Maintenance Workers

Characteristic	Atlanta	Grand Rapids	Riverside
Average caseload size[a]	432	152	130
Average number of years employed with agency	8.2	9.7	5.5
Average number of years in current position	4.5	5.5	3.4
Percent with prior experience in an employment-related field	12.4	11.7	11.4
Percent with prior experience as a(n):			
Caseworker in a WIN or other employment and training program[b]	3.5	1.7	0.0
JTPA caseworker[b]	0.9	1.7	1.0
Employment counselor, trainer, or job developer[b]	9.7	9.2	10.5
Highest degree/diploma earned (%)			
High school graduate[c]	0.9	17.2	23.3
Some college	9.0	35.3	45.6
Associate's degree	2.7	17.2	8.7
Bachelor's degree or higher	87.4	30.2	22.3
Average age (years)	36.6	40.6	37.7
Gender (%)			
Male	17.1	17.0	17.3
Female	82.9	83.1	82.7
Race/ethnicity (%)			
White	30.2	80.5	67.0
Hispanic	0.0	4.4	17.5
Black	69.8	8.0	4.9
Native American/Alaskan Native	0.0	3.5	0.0
Asian/Pacific Islander	0.0	0.9	7.8
Other	0.0	2.7	2.9
Sample size	113	120	105

SOURCE: Income Maintenance Staff Activities and Attitudes Survey.

NOTES: [a]Includes only workers who reported that they had a regular caseload with at least one client.

[b]Missing responses to these questions were recoded as negative responses (i.e., no experience).

'Includes some individuals who have earned a General Educational Development (GED) certificate.

VI. Child Care and Support Services Payments

For many welfare recipients with young children, the major obstacle to working or attending an education or job training program is child care. Another barrier confronted by many welfare recipients is transportation: unless an individual owns a car or lives near a public transit stop-and can afford gas or transit fare-getting to a job or to an education or training program may be difficult. A third barrier, usually less formidable than child care or transportation, may be getting the money to purchase the work uniform, school books, or other supplies necessary to start a job or education or training program. In accordance with federal regulations,[7] the JOBS programs in Atlanta, Grand Rapids, and Riverside provided assistance to JOBS participants in all these areas, although there were some differences in their procedures. No major differences in practices were intended or detected between the LFA and HCD streams in any of the sites.

Child care and support services payments were authorized by JOBS case managers in Atlanta and Riverside. In Grand Rapids, child care assistance was first handled by a local child care coordinating council (prior to June 1993) and later by a special child care unit in the welfare office; transportation assistance was handled by either JOBS case managers or service providers. Grand Rapids case managers authorized payments for transportation and ancillary payments, although some JOBS service providers issued bus passes as well.

A. Child Care Payments

In Atlanta and Riverside, child care payments were made directly to providers for the number of days or hours of care they delivered. In Grand Rapids, payments were made either directly to the provider or jointly in a two-party check to the client and the provider.[8] JOBS participants may use three major types of child care:

- Child care provided by relatives of participants.
- Family day care or group home care, in which child care was provided in a private residence, usually for no more than 12 children.
- Center-based care, in which child care was provided in a nonresidential facility, typically for 13 children or more.

Center-based care and family or group home care may be licensed by state social services agencies. Standards for licensing vary by state, but generally encompass such factors as staff qualifications, child-to-staff ratios, group size, health and safety practices, and means of parental involvement and access.[9] Licensing also normally entails monitoring visits by state or local authorities to ensure that

[7] In order to require attendance in JOBS activities, states had to offer day care assistance to clients who were the primary caretakers of children aged 12 and under or the primary caretakers of incapacitated children or adults. States also had to pay or reimburse clients for the costs of transportation and other work-related expenses if these expenses were necessary for individuals to participate in JOBS. (See Family Support Act of 1988; Federal Register, 1989.)

[8] Prior to July 1992, child care payments in Grand Rapids could also be added to clients' welfare checks.

[9] Adams, 1990; U.S. General Accounting Office, 1992.

standards are maintained. Costs for child care vary by location, but center-based care is usually the most expensive option, while family day care or group home care is somewhat cheaper. Child care provided by relatives tends to be the least expensive option, but also the least reliable.

The Atlanta JOBS program provided child care payments only to licensed providers. Grand Rapids and Riverside provided payments to licensed and unlicensed providers. Different standards were used in each of the sites to determine maximum reimbursement rates. In Atlanta, providers were reimbursed on a weekly basis on a scale that ranged from a low of $40 (for in-home care) to a high of $65 or $75 (for toddlers or infants, respectively, in center-based care). These weekly rates were expected to cover 20 hours of mandatory program participation time plus travel time to and from the day care provider. In Grand Rapids, providers were reimbursed on an hourly basis. The Grand Rapids scale offered a maximum of $1.50 for child care provided in the client's home; $2.00 for child care in the provider's home; $2.10 for care of children aged 2 and over in a licensed center; and $2.65 for care of children under age 2 in a licensed center. Riverside's reimbursement rates, which were also calculated by the hour, varied by children's ages, region of the county, and full-time or part-time care. The full-time rates for children between ages 2 and 5 in the City of Riverside (that is, the Western region) were $2.15 for unlicensed in-home care, $2.23 for family day care homes, and $2.93 for child care centers.[“]

Field interviews with JOBS staff and observations of meetings between staff and clients suggested that information about child care was communicated to clients rather differently in the three sites. In Atlanta, JOBS staff encouraged clients to use center-based providers and actively promoted the availability of child care assistance as a benefit to participating in JOBS. Even noncompliant clients were reminded about child care assistance as an inducement to become active in JOBS. Grand Rapids and Riverside staff adopted a more neutral tone. Clients who needed child care assistance were given information about how to obtain it, but staff did not engage clients in extended conversations about child care and did not promote it as a program benefit. As one Riverside case manager stated, "we basically tell [clients], 'find it.“' The Grand Rapids JOBS program approved informal, home-based, or center-based care and generally did not try to influence clients' choice. The Riverside program, by contrast, steered clients toward unlicensed in-home care or family day care. This was based largely on a desire to minimize program costs, since center-based care was reimbursed at a much higher rate. Riverside staff also believed that these lower-cost arrangements would work out better for clients in the long run, since clients might not be able to afford center-based care after leaving welfare and losing their child care subsidy,

Availability of child care slots was generally not a problem for JOBS participants in either Atlanta or Grand Rapids, according to program staff. Riverside case managers, in contrast, indicated that locating slots was sometimes a challenge, mainly because some providers did not like the JOBS program's reimbursement rates or procedures. Field research in Riverside suggested that staff and clients sometimes clashed over what type of child care clients should use, especially if clients preferred more costly options. A study by MDRC of monthly JOBS participation rates and reasons for nonparticipation in the three sites supported the conclusion that child care was somewhat more problematic in Riverside than in the other two sites. In a typical month, 6 percent

[“]Child care rates are from 1992 in Atlanta and Riverside and 1993 in Grand Rapids.

of Riverside's nonparticipants did not attend JOBS because child care was unavailable or unacceptable to clients. In Atlanta and Grand Rapids, only 1 or 2 percent of nonparticipants, respectively, did not attend JOBS because of these reasons."

Transitional child care assistance-which was available for up to 12 months to AFDC recipients who left welfare for work-was not used extensively in any of the sites. Atlanta, Grand Rapids, and Riverside staff said that they seldom informed clients about transitional child care, and other forms of information (such as posters or flyers) were not observed in any of the JOBS or welfare offices. At least some staff in all three sites indicated that they themselves did not know very much about transitional child care. Staff members who were more informed said that they were sometimes unable to approve transitional child care because they lacked complete information about the conditions that enabled clients to qualify: namely, that clients had received AFDC for at least three of the last six months and were leaving AFDC for employment. In Riverside especially-where relatively high AFDC grants meant that clients often combined welfare and work-JOBS case managers often did not know when clients left welfare completely.

Riverside and Grand Rapids made special allowances to assist AFDC recipients who had earned income to pay for child care. In Riverside, clients who combined welfare and work were allowed to deduct from their earnings up to $175 per month, per child, in child care expenses before their AFDC grant amount was determined. In addition, clients who were deferred from JOBS because of part-time employment qualified for JOBS child care assistance. Grand Rapids similarly offered an earned income disregard to help clients cover child care expenses. Child care costs were deducted from earnings at a variable rate based on family size and earnings. In both Riverside and Grand Rapids, IM staff were responsible for calculating and applying the disregards to the AFDC grants of eligible clients. Atlanta-owing to its low AFDC grant-had few clients who combined work and welfare; however, any clients who did so could continue to receive child care payments through the JOBS program.

B. Transportation Assistance and Ancillary Expenses

Atlanta, Grand Rapids, and Riverside provided transportation assistance to clients in the form of bus or subway passes (the latter only in Atlanta) or reimbursement for miles driven (for clients who had access to automobiles). Information about the transportation assistance was communicated during program orientations and appraisal meetings between JOBS clients and their case managers. In Grand Rapids, some JOBS service providers also provided information to clients about transportation assistance and handed out bus passes to clients who attended. As they did with child care, case managers in Atlanta tended to market the availability of transportation assistance as a benefit to JOBS participation more aggressively than case managers in Grand Rapids or Riverside. Atlanta staff were also likely to issue bus passes that were good for an entire month—even if scheduled activities lasted less than a month-whereas bus passes or mileage reimbursement in Grand Rapids and Riverside tended to be limited to the actual days that clients were scheduled for or attended activities.

"Hamilton, 1995.

Atlanta had the most fully developed public transportation system of the three sites. As a result, JOBS staff in this site reported that clients rarely had difficulty getting to assigned program activities or to places of employment. Grand Rapids and Riverside had less extensive public transportation networks, and JOBS staff indicated that transportation sometimes posed more of a problem. In Riverside-a sprawling county encompassing 7,208 square miles-remote home addresses (defined as being more than one mile from a public transportation stop) were the reason why some clients were deferred from JOBS participation. Indeed, the aforementioned analysis of monthly JOBS participation rates and reasons for nonparticipation revealed that in a typical month in Riverside, lack of transportation accounted for 7 percent of clients who did not participate. In Atlanta and Grand Rapids, transportation problems accounted for less than 1 percent of clients who did not participate. [12]

Ancillary expenses-school books and supplies, work uniforms, GED examination fees, and interview clothes-could be approved by clients' JOBS case managers in all three sites. These payments were usually made on a reimbursement basis and seldom were paid out more than once to a client during the time he or she participated in JOBS. The amount of money that could be paid on behalf of any individual client was capped at $500 in Atlanta, $300 in Grand Rapids, and $450 in Riverside for the expenses listed above. Grand Rapids had provisions for higher one-time payments for such expenses as car repairs, medical services, and moving costs if justified as necessary for employment. Field research indicates that Riverside and Grand Rapids staff were somewhat stricter about the expenses they would approve than Atlanta staff. JOBS staff in Grand Rapids noted that some of the educational service providers they used also helped clients with ancillary payments, thus obviating the need for assistance from the welfare department.

VII. Perceptions of the Helpfulness of JOBS

Some of the best critics of a welfare-to-work program are the staff who run it and the clients who participate in it. Although staff and clients may not be able to predict what would happen to welfare recipients in the absence of the program-only a controlled experiment can answer that question definitively-they are in a better position than most to judge whether or not the program's mandates and services are helpful. A case can also be made that staff and client expectations can become self-fulfilling. For example, staff who believe strongly in their program may do a better job of delivering services and conveying expectations of success to their clients. Similarly, clients who believe that the program will help them may get more out of the program and achieve better outcomes than clients who think the program has no value.

Figure 4.6 shows the percentages of JOBS and income maintenance staff who responded favorably to a series of questions about whether JOBS would help clients become self-supporting, and the percentage of JOBS clients who said that they thought JOBS had improved their long-run chances of getting or keeping a job. Overwhelmingly, the JOBS staff in the three sites believed that the JOBS program would help clients become self-sufficient: that clients would be able to get a job, leave welfare, and improve their lives. Atlanta LFA case managers and Riverside case managers in

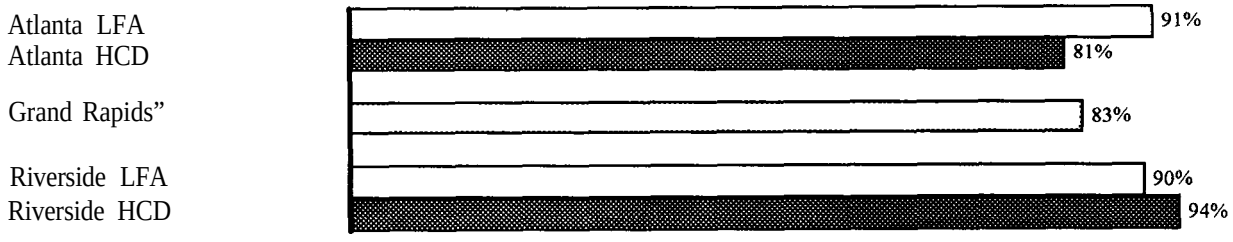
"Hamilton, **1995.**

Figure 4.6

Perceptions of JOBS's Ability to Help Clients

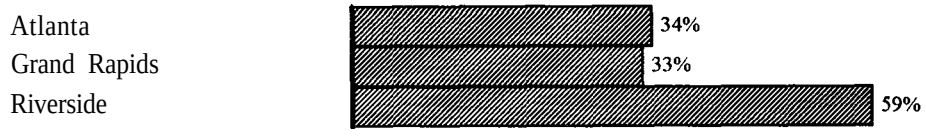
JOBS Staff

Percent who think JOBS will help clients become self-supporting



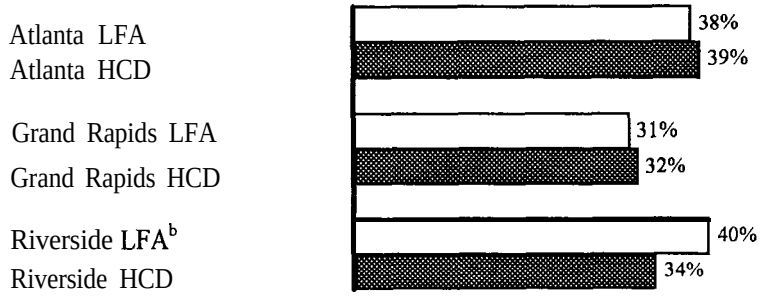
Income Maintenance Staff

Percent who think **JOBS** will help clients **become self-supporting**



JOBS Clients

Percent who think the program improved their long-run chances **of getting or keeping a job**



SOURCES: JOBS Staff Activities and Attitudes Survey; Income Maintenance Staff Activities and Attitudes Survey; Two-Year Client Survey.

NOTES: Statistical significance tests were run between the two groups within each site. No statistically significant differences were detected on these measures **of** JOBS's ability to help clients.

"The same Grand Rapids staff worked with both LFA and HCD sample members.

[b]JOBS client responses in Riverside are shown for the entire HCD sample (which includes only sample members without a high school diploma or GED) and the LFA subgroup without a high school diploma or GED.

both the LFA and HCD streams seemed the most confident-90 percent or more expressed a positive view-but Atlanta HCD staff and Grand Rapids staff were nearly as confident, with approximately 80 percent rating the program as helpful. The overwhelming positive response in Riverside may partly reflect the results of the Greater Avenues for Independence (GAIN) program evaluation, which provided strong and well-publicized evidence of the effectiveness of Riverside's program.[13] Even without such proof, most case managers in the other sites were convinced that JOBS was making a positive difference in clients' lives.

The 10 percentage point difference between LFA and HCD case managers in Atlanta who thought JOBS would help clients become self-supporting is not statistically significant, but may reflect a concern among a few HCD staff that clients assigned to basic education do not move into employment as quickly as they should. "Clients stay in the education activities a really long time and never move," one case manager observed. Similarly, in Grand Rapids, the staff who hesitated to describe JOBS as an effective program tended to single out the HCD track. When asked which group of clients she thought would be more likely to achieve self-sufficiency-LFA or HCD—one ongoing case manager said the following:

> I would predict that [LFA clients] would be more likely to do better. Lots of education and training clients are just dragging, taking things that have no end or goal... Schools should test the clients' aptitude, but they just want the money... Clients keep changing majors, floating around.

In contrast, case managers in all three sites almost never described job club or job search as unhelpful. If the LFA approach failed to assist some clients to become self-supporting, most case managers blamed either the labor market for the lack of stable jobs that could support families or welfare recipients for poor work habits.

If JOBS case managers were generally quite confident about the program's ability to help clients, IM workers tended to be more skeptical. As the middle set of bar graphs in Figure 4.6 shows, only about one-third of the IM staff in Atlanta and Grand Rapids and close to three-fifths of those in Riverside thought that the JOBS program would help clients become self-supporting. The higher percentage of IM staff in Riverside who rated the program favorably may once again reflect knowledge about the results of the GAIN Evaluation.

On reflection, it is not hard to understand why fewer IM workers would give positive ratings to the JOBS program than JOBS case managers. First, as discussed earlier, there were tensions between IM and JOBS staff in all three sites. Second, IM staff had more frequent exposure to the clients who were *not* helped by JOBS: for example, clients who were exempted or deferred from JOBS, clients who were referred to JOBS but later sanctioned for noncompliance, and clients who left welfare temporarily but returned to the rolls. Third, IM staff may have formulated their opinions based in part on what their clients told them about JOBS. Given the mandatory

[13] At the time the JOBS staff survey was administered in Riverside, a report on the two-year impacts of the GAIN program in six California counties, including Riverside, had just been released. The report found that GAIN significantly increased earnings and reduced welfare payments, and that Riverside's effects were the largest of the six counties (Friedlander, Riccio, and Freedman, 1993).

participation requirement and the threat of sanctions for noncompliance—and the likelihood that at least some clients had legitimately bad experiences in JOBS—IM staff were probably subject to a barrage of negative remarks from their clients. One IM worker in Atlanta described what she heard from clients this way:

> Clients say [JOBS] is a joke. They tell me they just sit around. [JOBS] doesn't do anything for anybody.

IM staff in Grand Rapids and Riverside indicated receiving similarly negative feedback from some of their clients.

The JOBS client survey, conducted at two years after clients were randomly assigned into the LFA or HCD groups in each of the'sites, indicated that many clients did not, in fact, find JOBS to be helpful. As shown at the bottom of Figure 4.6, only a minority of clients randomly assigned to the LFA and HCD groups in each of the sites thought that the JOBS program improved their long-run chances of getting or keeping a job. There were no statistically significant differences between the LFA and HCD groups within any site.

The fact that more clients did not find JOBS helpful to them in obtaining employment is probably due to several factors, including (as mentioned earlier) possible resentment toward the mandatory participation requirement and financial sanctions for noncompliance. It is also important to remember that some clients may have left welfare before beginning a JOBS activity, participated in JOBS only briefly, or found employment from a non-JOBS source. It follows that these individuals would have disagreed with the statement that JOBS improved their long-run chances of getting or keeping a job. The most important explanation, however, may be that a sizable percentage of clients in the LFA and HCD streams remained on welfare and were unemployed at the time the survey was administered. Even if JOBS helped these clients in other ways-by increasing their educational skills, for example, or improving their self-esteem-the program did not lead them to employment. The effects of the LFA and HCD approaches in Atlanta, Grand Rapids, and Riverside on employment and welfare receipt are discussed in Chapters 9 and 10.

VIII. Conclusion

This chapter, together with the description of the implementation of the messages and services of the LFA and HCD streams in Chapter 3, provides a fuller picture of the operations of the Atlanta, Grand Rapids, and Riverside JOBS programs. It shows how the LFA and HCD approaches were embedded within a wide array of organizational practices and characteristics that were not necessarily tied to one treatment stream or the other. Nonetheless, these practices and characteristics influenced how the LFA and HCD approaches operated and how clients experienced JOBS. The chapter has presented a distinctive picture of each site's organizational environment and procedures. For example:

- Atlanta was distinguished for its "customer orientation" toward working with clients. Case managers emphasized their counseling skills and the benefits JOBS offered in the form of child care and transportation

assistance. Relative to the other sites, Atlanta staff did not monitor clients' participation in JOBS as closely and expressed more ambivalence about requesting financial sanctions for noncompliance; nonetheless, most Atlanta clients indicated that the mandatory message got through to them.

- Grand Rapids was noted for its close monitoring of clients' participation and exceptionally tough enforcement of participation rules. In the event of noncompliance, JOBS case managers and IM workers sanctioned clients without delay. Perhaps because JOBS staff were so focused on monitoring and enforcement activities, they were less likely to provide personalized attention or encouragement to their clients. The structure of the case management position in Grand Rapids also limited the ability of case managers to get to know their clients well, owing to the division of case managers into intake and ongoing roles, the contracting out of the formal assessment component in the HCD stream, and the specialization of ongoing workers by service providers.

- Riverside was distinctive for its performance standards, which held case managers accountable for their clients' employment or educational outcomes. Case managers reported that they responded to these measures in a variety of ways, including placing a strong emphasis on encouraging clients to succeed in their assigned programs and monitoring clients' attendance and progress closely. Riverside staff were also tough in enforcing program participation standards, although California's sanctioning rules provided clients with more opportunity to come into compliance before sanctions went into effect than was true in Atlanta or Grand Rapids.

These practices, along with the other general program practices and characteristics discussed in this chapter, provide a context for interpreting each site's LFA and HCD participation patterns, costs, and impacts in the following chapters.

CHAPTER 5

PARTICIPATION PATTERNS IN THE LABOR FORCE ATTACHMENT (LFA) PROGRAMS

This chapter examines LFAs' involvement in employment-related activities in Atlanta, Grand Rapids, and Riverside during the two years following their random assignment to the LFA research group. In addition, the chapter compares LFAs' activity levels with those of their control group counterparts.

Participation patterns are one of the two defining dimensions of welfare-to-work program interventions described in Chapter 3. To examine the nature of the LFA programs in these three sites, the chapter addresses four main sets of research questions: First, did case managers in the three sites implement the LFA program model as it was intended? To what types of employment-related activities were LFAs assigned? Second, to what. extent did LFAs actually participate in various types of employment-related activities over a two-year follow-up period? What were the major sequences of activities that LFAs followed prior to exiting AFDC? Third, to what extent was an ongoing participation requirement put into effect for LFAs? In what proportion of LFAs' months on AFDC were they either participating in an employment-related activity, employed, or sanctioned owing to nonparticipation for no good reason? Fourth, to what extent was the incidence and number of hours of participation in employment-related activities increased among LFAs compared with what would have happened in the absence of the LFA program (as measured by the experiences of control group members)?

The chapter is organized as follows: It begins with a short explanation of the types of participation measures used in the report and a brief overview of the chapter's findings. The bulk of the chapter then addresses the questions listed above, in the order they are listed,

I. Participation Measures and AFDC Dynamics

There are many ways to define and measure participation in welfare-to-work programs. This chapter examines participation longitudinally: that is, it uses measures that focus on a cohort of individuals identified as mandatory for JOBS and traces their program experiences for two years. The measures thus indicate individuals' "chances" of participating at all in program activities after having been identified as mandatory for JOBS, regardless of how long they remained on AFDC or remained mandatory. Since this approach parallels the approach used in the impact analysis, longitudinal measures are the best participation measures to use to explain impact findings.

The longitudinal participation measures used in this chapter differ substantially from the point-in-time participation measures contained in the 1996 welfare reform bill, embodied in the federal regulations for the JOBS program, or used in the 1995 National Evaluation of Welfare-to-

Work Strategies participation report.' Point-in-time measures focus on individuals who are required to participate in a program during a specific time period (a given month) and count those who participate in the program within that same time period.' As a result, point-in-time measures give a snapshot view and show the likelihood that an individual will participate in a program activity during a month in which the individual is, in fact, still required to participate.

Results from these two types of participation measures are likely to differ in magnitude. For example, in the San Diego Saturation Work Initiative Model (SWIM) study, a demonstration specially funded to determine the maximum level of monthly (point-in-time) participation feasible in welfare-to-work programs of the 1980s, about 33 percent of the individuals who were mandated to participate in SWIM in any given month participated at all in a program-referred or self-initiated activity in the same month.[3] Longitudinally, however, 64 percent of those who became mandatory for SWIM during the program's first year ever participated in a program-referred or self-initiated activity during the 12 months after they entered the program. Thus, *in any month* during the program, about one in three of those mandated to participate in SWIM were participating; over *time,* about two in three of those identified as mandatory for SWIM ever participated in the program.

An awareness of AFDC caseload dynamics is essential in understanding and interpreting welfare-to-work program participation rates. A number of studies have shown that many welfare recipients cycle on and off the welfare rolls, often leaving without any special intervention. For example, some people get jobs on their own or get married. To the extent that this occurs among individuals mandated for a welfare-to-work program before they enter their first program activity, a site's overall longitudinal participation rate will be lowered. This rate will be further lowered to the extent that individuals obtain part-time employment, which, if it involves a specified number of hours per week, excuses clients from a program participation requirement.

At the same time, welfare-to-work programs may induce some of these behavioral changes. For example, a desire to avoid a program participation requirement may lead some individuals to find employment or leave welfare sooner than they otherwise would have done, again lowering a site's participation rate if these actions are taken prior to starting an activity. Alternatively, some individuals might feel encouraged to remain longer on welfare in order to take advantage of a program's opportunities for education and training. Thus, participation rates, whether high or low, are influenced by normal welfare caseload turnover as well as by a welfare-to-work program's intervention. In any case, given welfare dynamics, participation rates should not be expected to reach 100 percent.

'Hamilton, 1995.

[2]The participation measure contained in the JOBS regulations, for example, is defined as follows: Participation standards are applied to individuals who are required to participate in JOBS in a month and do not have a good reason for not participating. According to the JOBS criteria, "participants" are JOBS-mandatory individuals who, averaged across a group, are scheduled for at least 20 hours of participation per week in a variety of activities in a month and actually participate for at least 75 percent of their scheduled hours.

'See Hamilton, 1988.

II. An Overview of LFA Participation Patterns

The LFA participation data indicate that program staff in the three sites implemented the LFA program model's sequence and emphasis of services as intended in the evaluation design. Almost all LFAs in Atlanta and Grand Rapids and over two-thirds of the LFAs in Riverside were assigned to job search as their first activity following random assignment. In fact, it was, by far, the most common activity undertaken by LFA participants during the two-year follow-up period.

Job search, however, was not the only JOBS activity in which LFAs participated. In the three LFA programs, only about one-quarter of the LFAs followed what is generally thought of as the "expected" path (that is, sequence of activities) through an LFA program: participation in job search, followed by an exit from AFDC. Some individuals failed to find employment through job search activities and were subsequently assigned to basic education or vocational training programs; other individuals were already enrolled, at their own initiative, in education or training programs at the time they entered the LFA programs and were allowed to continue in these activities; finally, in Riverside, few LFAs participated in education or training as part of the program but many LFAs worked part time while on AFDC, which served as their JOBS obligation.

The results also indicate that staff in the three LFA programs enforced a mandatory participation requirement. Substantial numbers of individuals were sanctioned for failing to participate in a program activity at some point in the two-year follow-up period. Sanctioning rates were extremely high in Grand Rapids, where 42 percent of all LFAs were sanctioned and, among those sanctioned, 46 percent had sanctions lasting longer than 12 months of the 24-month follow-up period.

The three LFA programs (the Grand Rapids program in particular) also appeared to implement a welfare quid pro quo (that is, an ongoing participation requirement) for sizable percentages of LFAs. "Coverage" rates (that is, the number of months in the two-year follow-up period in which LFAs either participated in a JOBS activity, were employed while they were JOBS-mandatory, or were sanctioned for nonparticipation, as a proportion of the months in which LFAs were receiving AFDC and were required to participate in JOBS) were 68 percent in Grand Rapids and 41 percent in both Riverside and Atlanta. The disparity between the Grand Rapids figure and those of the other two sites reflects several factors: many LFAs in Grand Rapids met a quid pro quo in Grand Rapids because they were sanctioned; few LFAs in Atlanta, given Georgia's relatively low AFDC grant level, could meet the participation requirement through unsubsidized employment while receiving AFDC, since most jobs would make an individual ineligible for AFDC; and a substantial number of LFAs in Riverside were deferred from program participation, some for fairly long periods of time.

A comparison of LFAs' levels of participation in job search, education, training, and work experience with those of control group members indicates that the LFA programs in all three sites increased participation in employment-related activities beyond what would have happened in the absence of the programs. In all three sites, but especially in Grand Rapids, a sizable proportion of control group members participated in activities on their own initiative (mostly basic education, vocational training, or college) during the two-year follow-up period. Relative to the control group activity levels, the LFA programs in all sites most dramatically increased participation in job

search. In Atlanta, the LFA program also increased both the level of participation in basic education and the length of stay in basic education among participants. In Grand Rapids, where one-third of all LFAs and controls reported that they were participating in self-initiated education or training activities as of random assignment, the LFA program shortened the length of stay among participants in college, basic education, and vocational training, by either diverting these individuals into job search, facilitating quicker exits from AFDC, or sanctioning participants with spotty attendance. In Riverside, although the LFA program did not raise the incidence of participation in basic education, length of stay among basic education participants was increased.

The remainder of this chapter explores these overall findings in more detail.

III. Assienment Patterns

In theory, LFA and HCD program approaches should differ in terms of the types and sequences of employment-related activities to which program eligibles are assigned, if staff are really implementing employment preparation strategies with different emphases. Thus, an examination of program activity assignment patterns can serve as one indicator of the extent to which the LFA programs in these three sites were implemented as intended by the research design.

Figure 5.1 indicates assignment patterns at two points in the LFA programs in Atlanta, Grand Rapids, and Riverside. The upper set of circles shows, for each of the three LFA programs examined in the report, the activities to which individuals were initially assigned (or allowed to continue) directly following random assignment and program orientation. As shown, job search was the first assignment for a large majority of the LFA orientation attenders in all three sites, as would be expected in an LFA program: 89 percent in Atlanta, 86 percent in Grand Rapids, and 68 percent in Riverside. In Grand Rapids, an additional 13 percent of the LFAs were allowed to continue basic education, college, or vocational training courses that they had begun on their own prior to random assignment. In Riverside, an additional 6 percent of the LFAs either continued or began part-time employment as their initial activity.[4] Figure 5.1 also shows that slightly over one-fifth of the Riverside LFAs were neither given an activity assignment nor employed. Almost all of these individuals were deferred from participation following their JOBS orientation and appraisal for a variety of reasons.'

[4]California's high AFDC grant levels, relative to the grant levels in Georgia and Michigan, increased the likelihood that individuals in Riverside could combine part-time employment and the receipt of AFDC. In addition, Riverside's program (following California JOBS rules) deferred individuals from participation in JOBS activities if they were employed at least 15 hours per week, while individuals in the other two programs were generally excused from JOBS activity participation if they were employed for 20 hours per week or more.

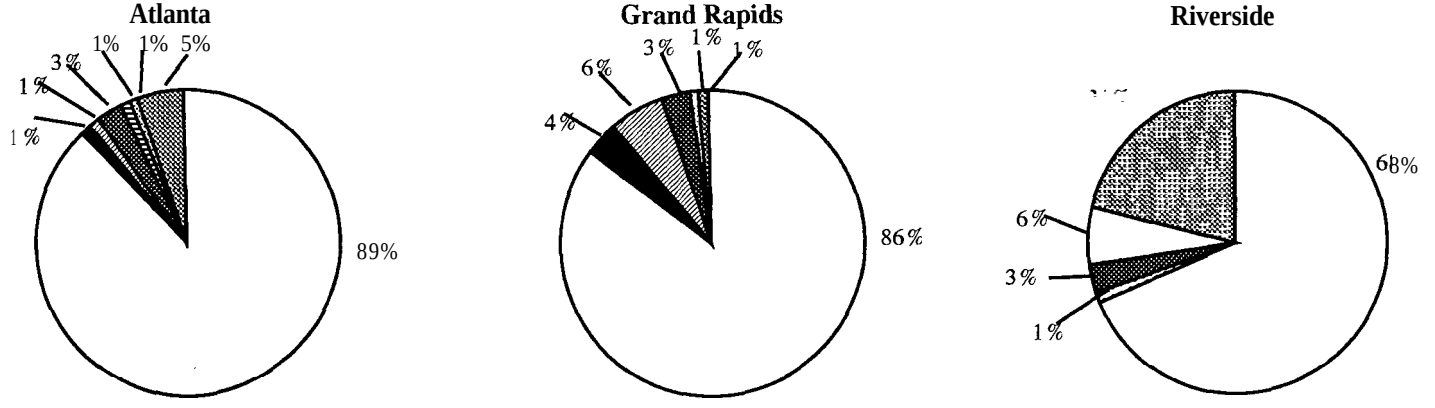
'About a quarter of these deferred individuals were participating in education or training activities that did not meet JOBS approval criteria. (If Riverside staff thought that an unapproved, self-initiated activity would benefit an individual, even if the activity did not meet the JOBS approval criteria, staff would defer the individual from JOBS to enable him or her to complete the activity without interference from another JOBS activity assignment. The individual would not be eligible, however, for program assistance such as child care.) The remaining individuals were deferred owing to a severe family crisis, illness, alcoholism or drug addiction, emotional or mental problems, transportation issues, a first trimester pregnancy, or a housing move.

Figure 5.1

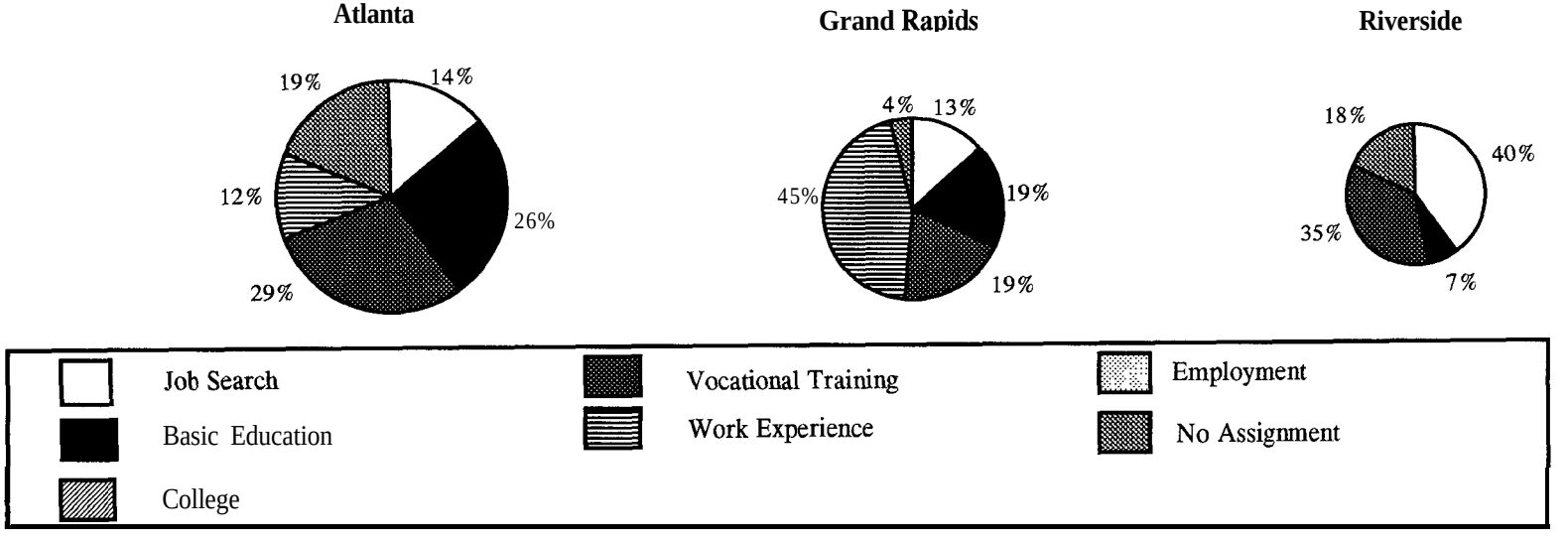
Assignment Patterns Within a Two-Year Follow-Up Period, by Site

Labor Force Attachment Approach

Activities to which individuals were initially assigned or in which they were allowed to continue:



Next assignments for those who had completed job search and had not found a job:



SOURCE: See Table 5.3.
NOTE: Numbers may not add up to 100% because of rounding.

Job search, the most common initially assigned activity in these LFA programs, generally took the form of job clubs, which consisted of structured classroom training in job search techniques followed by phone calls to prospective employers about job openings. As noted in Chapter 3, job search generally lasted three to five weeks. By the end of this time period, some individuals had left their job search activity because they had found jobs; some had dropped out of job search for other reasons; and a small group, the size of which differs by site (ranging from 42 percent of all LFAs in Atlanta to 6 percent in Riverside and illustrated by the different sizes of the lower set of circles in Figure 5. 1), completed five weeks of job search without finding a job.

Individuals who completed their initial job search without finding a job were assigned to a variety of activities as their next step in the three LFA programs. As shown in the lower set of circles in Figure 5.1, some job search completers were next assigned to further job search; others were assigned to basic education or vocational training programs; and some were assigned to work experience positions. In each of the three sites, a portion of the LFAs who completed their initial job search activity without finding a job-ranging from 4 percent in Grand Rapids to 19 percent in Atlanta-were not assigned to a subsequent JOBS activity. The circumstances of most of these individuals are unknown. Only a few of them became exempt from JOBS shortly after completing their job search activity, either because they left the AFDC rolls or because they became exempt for another reason while remaining on AFDC. As noted in Chapter 2, individuals identified as having a disabling illness or in the second trimester of pregnancy, for example, could be exempted from JOBS.

Assignment patterns for LFAs differed only slightly within each site for those with and without a high school diploma or GED. Directly following JOBS orientation, assignments were the same for both groups: a large majority of individuals were initially assigned to job search. Among those who completed their initial job search activity without a job, the only major difference between these education-based subgroups was that vocational training assignments tended to be reserved for those with a high school diploma or GED.

IV. Participation Rates and Length of Stay in Activities

While assignment patterns indicate the types of activities favored by program staff, participation rates and estimates of length of stay in various types of activities indicate the extent to which AFDC recipients actually received services, particularly services in line with their research group's emphasized employment preparation strategy. Participation findings are summarized in the next few paragraphs.

Depending on the site, between 44 and 74 percent of the LFA orientation attenders in each site participated for at least one day (but usually much longer) during the two years following program orientation in at least one of the following activities: job search, education, training, or

Table 5.1

Summary of Rates of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Labor Force Attachment Approach

	Atlanta			Grand Rapids			Riverside		
Activity Measure	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED
Participated in any activity (X)	73.8	78.9	67.0	69.0	74.9	61.1	43.8	39.4	50.6
Participated in job search (%)	69.1	72.2	65.0	48.2	49.7	46.2	41.3	37.4	47.2
Participated in any education or training (%)	25.9	22.2	30.9	30.6	40.2	17.8	7.6	8.1	6.7
Basic education	14.4	4.4	27.8	9.2	5.0	14.7	1.3	0.0	3.4
College	1.3	2.2	0.0	12.0	20.1	1.3	1.2	2.0	0.0
Vocational training	11.8	16.7	5.2	14.9	22.1	5.4	5.0	6.1	3.4
Participated in work experience (%)	14.1	20.0	6.2	9.6	9.0	10.4	0.6	1.0	0.0
Sample size	187	90	97	219	104	115	188	99	89

SOURCE: MDRC calculations from MDRC-collected JOBS case file data.

work experience. (See Table 5.1.) Note that employment is not considered to be participation in this measure.[6]

The LFA longitudinal participation rates appear to be in line with or, in some cases, higher than the range reported in MDRC's studies of other mandatory welfare-to-work initiatives in the 1980s and early 1990s. Within a one-year follow-up period (the length of follow-up generally available in previous studies), participation rates were only slightly lower: between 41 and 73 percent of the LFA orientation attenders, depending on the site, participated at all in the above activities. In the prior studies, approximately 38 to 70 percent of the orientation attenders in those programs took part in at least one activity within follow-up periods that were approximately one year.' For example, in GAIN, California's JOBS program, between 43 and 63 percent of the orientation attenders in six counties participated in a program activity within 11 months; in Project Independence, Florida's JOBS program, an average of 56 percent of orientation attenders in nine counties participated within a 12-month follow-up period.

During the two-year follow-up period, LFAs most commonly participated in job search, primarily through job clubs; between 41 and 69 percent of the LFAs in any site participated at all in some type of structured job search activity (including individual job search as well as job club). Participation in education and training was much less common. Over the two-year follow-up period, 26 percent of the LFAs in Atlanta, 31 percent in Grand Rapids, and 8 percent in Riverside participated at some point in education or training. Work experience participation levels differed by site, involving 14 percent of Atlanta LFAs, 10 percent of Grand Rapids LFAs, and less than 1 percent of Riverside LFAs at some point during the two-year follow-up period. (See Appendix Table C.l for a breakdown of the types of activities in which LFAs participated, subsumed under the broad categories of job search, education and training, and work experience.

For both of the education-based subgroups (those with and without a high school diploma or GED), job search was the most common activity during the two year follow-up period, and job search participation rates were similar. (See Table 5.1.)

The statistics above indicate the likelihood that an LFA sample member would have participated at all in an employment-directed activity as part of an LFA program within two years of attending a program orientation. An examination of the dosage of program activities that individuals received, based on how long they participated in activities, is also valuable. When examining length of stay, it is important to realize that the goal of welfare-to-work programs is to

[6]In contrast, monthly *point-in-time* participation rates for these same three sites, measured for two months in 1992, were lower than these longitudinal participation rates, as would be expected. In a typical month, the following percentages of LFAs who were JOBS-mandatory in the month and had already attended a program orientation actually participated in a JOBS activity at all (not for a specific number of hours each week) in that same month: 37 percent in Atlanta; 35 percent in Grand Rapids; and 18 percent in Riverside. (See Hamilton, 1995.)

[7]See Friedlander et al., 1985a; Friedlander et al., 1985b; Friedlander et al., 1987; Goldman, Friedlander, and Long, 1986; Riccio et al., 1986; and Hamilton and Friedlander, 1989; for summaries of participation levels in programs in Arkansas, Baltimore, Cook County (Illinois), San Diego, and Virginia in the 1980s; Riccio and Friedlander, 1992, for participation data relating to California's JOBS program; and Kemple and Haimson, 1994, for participation rates in Florida's JOBS program.

enable individuals to leave welfare and/or get a job. As a result, one would hope that individuals had *not* been participating in program activities during every month in the follow-up period, since it would mean that they had never left AFDC and/or found employment during the period. As shown in Table 5.2, within the two-year follow-up period LFAs received AFDC for an average of 20.2 months in Atlanta, 16.3 months in Grand Rapids, and 15.5 months in Riverside. During some of these months, LFAs were receiving AFDC but had become JOBS-exempt; that is, they were no longer required to participate in JOBS activities.* Taking this into account, LFAs were JOBS-mandatory, and thus available for JOBS activity participation, for an average of 16.4 months in Atlanta, 12.9 months in Grand Rapids, and 11.1 months in Riverside during the two-year follow-up period. Among all LFAs, the average number of months during the follow-up period in which there was participation in any activity was 4.5 months in Atlanta, 3.3 months in Grand Rapids, and 1.3 months in Riverside. The Atlanta and Grand Rapids averages were similar to those found for other recent mandatory welfare-to-work initiatives studied by MDRC.[9] It is likely that the Riverside average was lower than in the other two sites and in past studies, at least partly because of the greater propensity of Riverside LFAs to leave welfare or become no longer JOBS-mandatory during the follow-up period and to California's participation deferral policies.

Among LFA participants, length of stay in JOBS activities was short for the majority, reflecting the fact that many LFAs quickly found jobs and left the AFDC rolls, but length of stay was long for others. The average number of months in which individuals were active in some type of JOBS activity was 6.1 months in Atlanta, 4.8 months in Grand Rapids, and 3.0 months in Riverside. (See the "participant" panel of Table 5.2.) The majority of LFA participants in any site were active in a JOBS activity during one to three months in the two-year follow-up period. Some participants, however, were active during at least 13 months, that is, for cumulatively over one year, during the two-year follow-up period: 15 percent of the Atlanta LFA participants, 7 percent of the Grand Rapids participants, and 4 percent of the Riverside participants. Less than 7 percent of all LFA participants in any site were still active as of the end of the two-year follow-up period,

Of the two education-based subgroups, those without a high school diploma or GED received AFDC and were JOBS-mandatory for slightly more months, on average, during the two-year follow-up period than those who possessed these credentials. In spite of slightly longer stays on AFDC and on the JOBS-mandatory rolls, individuals without a high school diploma or GED in Atlanta and Grand Rapids participated in JOBS activities for slightly *fewer* months during the

'Over time, as shown at the bottom of Appendix Table C. 1, a large percentage of LFAs in each site became no longer mandatory for JOBS at some point in the two-year follow-up period-43 percent of all LFAs in Atlanta, 52 percent in Grand Rapids, and 73 percent in Riverside-because of an AFDC exit, full-time employment, or other reasons.

[9]Within a one-year follow-up period, LFAs were JOBS-mandatory for an average of 10.3 months in Atlanta, 8.2 months in Grand Rapids, and 7.7 months in Riverside. During this same period, LFAs participated for an average of 3.4 months in Atlanta, 2.7 months in Grand Rapids, and 1.0 month in Riverside. A study of Florida's Project Independence program found that those who attended program orientations were "registered" for the program for an average of 8.4 months and participated for an average of 2.0 months during a one-year follow-up period (Kemple and Haimson, 1994). In California's GAIN program, statistics available for four of the six studied counties indicated that orientation attenders were registered with GAIN for between 5.9 months (in Riverside County) and 8.7 months (in Tulare County) and participated in program activities for between 2.4 months (in Butte County) and 4.2 months (in Tulare County) during an 11 -month follow-up period (Riccio and Friedlander, 1992).

Table 5.2

Length of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Labor Force Attachment Approach

	Atlanta			Grand Rapids			Riverside		
Activity Measure	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED
For all sample members for whom case files were reviewed									
Average number of months receiving AFDC	20.2	19.6	21.0	16.3	16.0	16.7	15.5	15.1	16.1
Average number of months in which individuals were JOBS-mandatory	16.4	15.3	18.0	12.9	12.2	13.7	11.1	11.0	11.2
Average number of months in which individuals participated in a JOBS activity	4.5	4.9	3.9	3.3	4.0	2.3	1.3	1.2	1.5
Sample size	187	90	97	219	104	115	188	99	89
For participants only									
Average number of months in which individuals participated in a JOBS activity	6.1	6.2	5.9	4.8	5.4	3.8	3.0	3.1	2.9
Number of months in which there was participation (%)									
1	10.7	12.7	7.7	20.1	16.1	26.4	43.0	43.6	42.2
2	33.4	28.2	41.5	26.0	23.5	30.0	26.5	28.2	24.4
3	12.7	16.9	6.2	11.8	12.8	10.3	7.9	5.1	11.1
4-6	7.6	5.6	10.8	15.7	16.1	15.0	15.5	15.4	15.6
7-12	20.7	21.1	20.0	19.3	22.2	14.5	3.4	2.6	4.4
13-18	7.8	9.9	4.6	5.4	8.0	1.1	1.4	2.6	0.0
19 or more	7.0	5.6	9.2	1.8	1.3	2.6	2.4	2.6	2.2
In any activity at the end of the follow-up period (%)	6.2	4.2	9.2	4.2	2.7	6.8	4.4	2.6	6.7
Sample size	136	71	65	150	79	71	84	39	45

SOURCE: MDRC calculations from MDRC-collected JOBS case file data and Georgia, Michigan, and Riverside County AFDC records.

follow-up period. Those without a high school diploma or GED, however, were more likely to be still participating in an activity at the end of the two-year follow-up period than those with such education credentials.

V. Part-time Employment While JOBS-Mandatory

The three sites varied widely in the extent to which individuals mixed employment with AFDC receipt and were able, according to site JOBS procedures, to have their employment count as their participation obligation. In general, states that had high AFDC grant levels or generous income disregards would, other things being equal, have had higher proportions of individuals who were employed while JOBS-mandatory. In Atlanta, where AFDC grant levels were lower than in the other two sites, 14 percent of the LFAs were employed for at least 15 hours per week while mandatory for JOBS at some point during the two-year follow-up period (see Appendix Table C. 1). In Grand Rapids, where AFDC grant levels were about $100 above the median of those across the nation, 25 percent of the LFAs were in this situation.[10] In Riverside, a site in a high-grant state, 54 percent of the LFAs fit this description. Riverside's high rate of mixing work and AFDC probably also reflected the Riverside JOBS program's emphasis on employment-part-time or full-time. Staff in the Riverside program encouraged AFDC recipients to find a job of at least 15 hours per week (at the minimum wage or above). If recipients did find such a job, they were deferred for a set time period from other JOBS participation requirements. The extent to which individuals were employed while mandatory for JOBS was only slightly different, and did not differ in a consistent direction, for individuals with a high school diploma or GED than for those without these credentials.

VI. Sanctioning

The frequency with which case managers imposed sanctions, that is, AFDC grant penalties, on LFAs who for no approved reason did not participate in employment-related activities or dropped out of them, provides a good indication of the extent to which a mandatory participation requirement was enforced in these three LFA programs: sanctioning rates were much higher in Atlanta, Grand Rapids, and Riverside than those calculated in past studies of mandatory welfare-to-work programs.

At some point during the two-year follow-up period, staff in the three National Evaluation of Welfare-to-Work Strategies sites referred for sanction (that is, requested income maintenance staff to impose sanctions on) 27 to 50 percent of the LFA clients who had attended program orientations, depending on the site. (See Table 5.3.) In welfare-to-work programs, however, the number of clients on whom sanctions were actually imposed was generally less than the number of clients referred for sanction, since some individuals agreed to participate and the sanction request was withdrawn, and others left AFDC or were found to be no longer JOBS-mandatory before the

[10]Note that sample members were not eligible for Michigan policy begun in late 1992, which increased work incentives for welfare recipients by increasing income disregards in the calculation of AFDC grants.

Table 5.3

Summary of Sanction Activity Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Labor Force Attachment Approach

Activity Measure	Atlanta			Grand Rapids			Riverside		
	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED
For all sample members for whom case files were reviewed									
Referred for sanction (%)	26.9	20.0	36.1	50.2	39.7	63.9	27.0	26.3	28.1
Sanction imposed (%)	18.7	13.3	25.8	41.5	31.2	55.1	8.7	7.1	11.2
In sanction at the end of the follow-up period (%)	5.7	2.2	10.3	20.7	13.6	30.1	0.9	0.0	2.3
Sample size	187	90	97	219	104	115	188	99	89
For sanctioned individuals only									
Average number of months in which a sanction was in effect	6.9	5.0	8.2	11.6	10.0	12.8	4.9	3.6	6.2
Number of months in sanction (%)									
1	3.4	8.3	0.0	14.5	21.0	9.8	14.0	28.6	0.0
2	26.4	41.7	16.0	6.1	8.1	4.6	17.2	14.3	20.0
3	7.1	0.0	12.0	3.0	3.2	2.9	29.3	28.6	30.0
4-6	23.4	16.7	28.0	10.7	9.7	11.5	5.1	0.0	10.0
7-12	22.0	25.0	20.0	20.2	22.6	18.4	24.2	28.6	20.0
13-18	10.5	8.3	12.0	16.8	14.5	18.4	10.2	0.0	20.0
19 or more	7.1	0.0	12.0	28.7	21.0	34.5	0.0	0.0	0.0
In sanction at the end of the follow-up period (%)	30.5	16.7	40.0	49.9	43.6	54.6	10.2	0.0	20.0
Sample size	37	12	25	97	34	63	17	7	10

SOURCE: MDRC calculations from MDRC-collected case file data.

sanction actually took effect. Within the two-year follow-up period, 19 percent of LFAs in Atlanta, 42 percent in Grand Rapids, and 9 percent in Riverside had their AFDC grants reduced as a result of noncooperation with the JOBS program." For a three-person family in 1993, a sanction in Atlanta would have resulted in a $45 decrease in a monthly grant of $280; in Grand Rapids, an $88 decrease in a monthly grant of $474; and in Riverside, a $120 decrease in a monthly grant of $624.

JOBS regulations specified that sanctions were to continue until the sanctioned individual complied with the JOBS participation mandate, with a minimum sanction length of three months for the second "offense" and a minimum length of six months for the third offense (with no minimum length for the first offense). Prior to JOBS, welfare-to-work program sanctions were to last three months for the first offense and six months for the second offense, with no requirement that the individual participate in the program in order to have the sanction lifted.

The change in sanction policy from pre-JOBS to JOBS is evident in the actual lengths of sanctions in Atlanta, Grand Rapids, and Riverside: Sanction periods were long for the LFAs who were actually sanctioned in these three sites, particularly in Grand Rapids. As shown in Table 5.3, 46 percent of the LFAs sanctioned in Grand Rapids were sanctioned for more than 12 months during the two-year follow-up period; this same figure was 18 percent in Atlanta and 10 percent in Riverside.[12] Many individuals, however, were sanctioned for shorter periods of time: individuals sanctioned for 3 months or less constituted 37 percent of those sanctioned in Atlanta, 24 percent in Grand Rapids, and 61 percent in Riverside.

Of the two education-based subgroups, those without a high school diploma or GED were more likely to have a sanction imposed on them than their credentialed counterparts, with subgroup differences particularly large in Atlanta and Grand Rapids. In addition, sanctions were consistently longer for those without a high school diploma or GED than for those with these credentials.

VII. An Overview of "Paths" Through the LFA Programs

While assignment patterns, participation rates, participation dosage measures, part-time employment rates during JOBS, and sanctioning measures are helpful in gauging the treatment

"Within a one-year follow-up period, sanctions were requested for 22 percent and imposed on 13 percent of the LFAs in Atlanta; requested for 43 percent and imposed on 37 percent in Grand Rapids; and requested for 23 percent and imposed on 8 percent in Riverside. In comparison, in MDRC's study of GAIN in California (Riccio and Friedlander, 1992), no more than 11 percent of the orientation attenders in any of the six studied counties were *referred* for sanction within an 11-month follow-up period (imposed sanction rates are not available for all counties). In Florida's Project Independence, within a 12-month follow-up period, 9 percent of the program orientation attenders were *referred* for sanctions as a result of noncompliance with post-orientation activities and sanctions were actually imposed on 3 percent of those who had attended orientations (Kemple and Haimson, 1994). Finally, in SWIM, sanctions were actually imposed on approximately 11 percent of the program's orientation attenders within a 12-month follow-up period (Hamilton, 1988).

[12]Income maintenance records were the source of sanction data in Atlanta and Riverside; sanction data in Grand Rapids were obtained from JOBS case tiles. As a result, site differences in the length of sanctions may reflect some data source bias. The finding of long-lasting sanctions in Grand Rapids, however, is strongly supported by field research.

received by LFAs in these three sites, these indicators do not show the timing and frequency of various activity sequences in these three LFA programs. Figures 5.2 and 5.3 provide some of this information.

Figure 5.2 presents a monthly breakdown, at six-month intervals, of AFDC status and various JOBS statuses for LFAs throughout the two-year follow-up period in the three sites.[13] The sections of each bar in the figure represent mutually exclusive categories.[14] Note that Figure 5.2 follows the same cohort of LFAs throughout a two-year follow-up period; as a result, the denominator for the percentages shown in the bars is identical for each bar.[15]

Figure 5.2 indicates that at least one-half of the LFAs in any site were not subject to a JOBS' participation mandate by follow-up month 25, either because they were not receiving AFDC or they were exempt from JOBS. The percentage of LFAs not receiving AFDC increased gradually over the follow-up period, as individuals found jobs or left AFDC for other reasons. The percentage of LFAs receiving AFDC but in an exempt-from-JOBS status increased gradually over time in Atlanta, but did not necessarily increase steadily in the other two sites.

As would be expected, given the findings discussed above, the proportion of individuals in a sanction status at various points in the follow-up period in Grand Rapids was large and fairly constant. In the other two sites, the percentage of LFAs in a sanction status decreased over time, with sanctioning accounting for a very small proportion of sample members by month 25.

The proportion of LFAs employed, generally part time, while JOBS-mandatory remained fairly steady over the follow-up period. For the reasons discussed above, the percentage of individuals in this status was highest in Riverside and lowest in Atlanta in any given follow-up month. Figure 5.2 also shows that the percentage of LFAs participating in JOBS activities was highest early in the follow-up period and then decreased throughout the rest of the follow-up period.

Finally, the figure indicates that a substantial percentage of LFAs were JOBS-mandatory but were not participating in a JOBS activity, employed part time, or sanctioned during most months in the follow-up period in Atlanta; fewer individuals were in this situation during the follow-up period in Grand Rapids and Riverside.

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[13]Since month 1 represents the month of random assignment, and thus is a partial JOBS month, the figure starts with month 2.

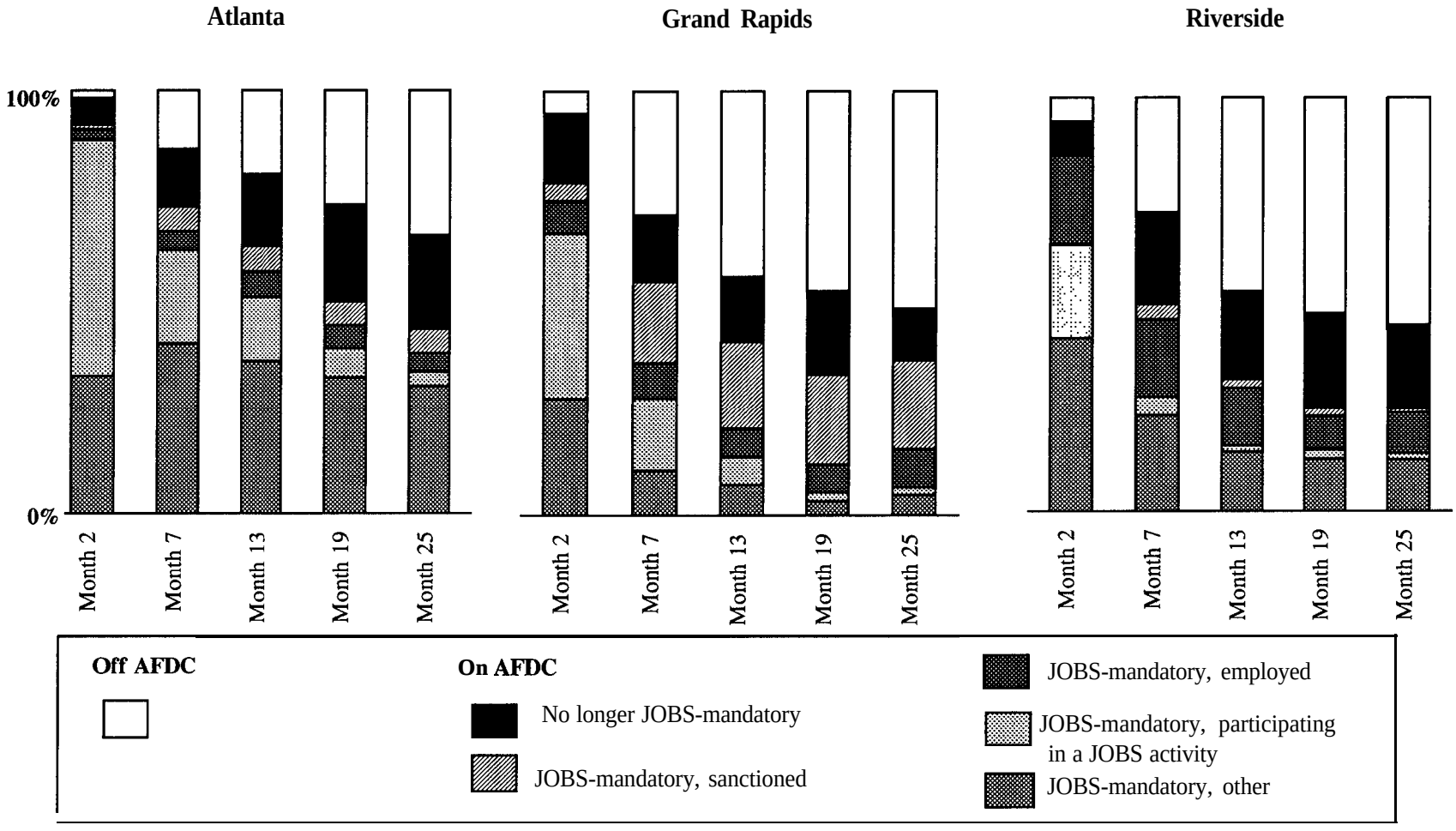
[14]During any given month, it was possible for an individual to be in more than one status. As a result, statuses in Figure 5.2 are prioritized in the order shown in the bars in Figure 5.2, top to bottom. If an individual was in a sanction status in a month but then became no longer JOBS-mandatory in the middle of that same month, for example, the individual is shown as no longer JOBS-mandatory and not as sanctioned in that particular month. Similarly, if an individual was participating in a JOBS activity in a month and then became employed in the middle of the month and remained JOBS-mandatory, the individual is shown as employed and not as participating in a JOBS activity in that particular month.

"This is in contrast to a SWIM figure (Figure 7.2 in Hamilton, 1988), which looks similar to Figure 5.2, but in which me denominator for each bar in the figure consists of individuals in a calendar month who were eligible for the SWIM program *that month*. In the SWIM figure, the denominator for the percentages shown in the bars changes for each bar, representing different individuals as well as the ebb and flow of the SWIM monthly caseload.

Figure 5.2

AFDC and JOBS Statuses Within a Two-Year Follow-Up Period, by Follow-Up Month and Site

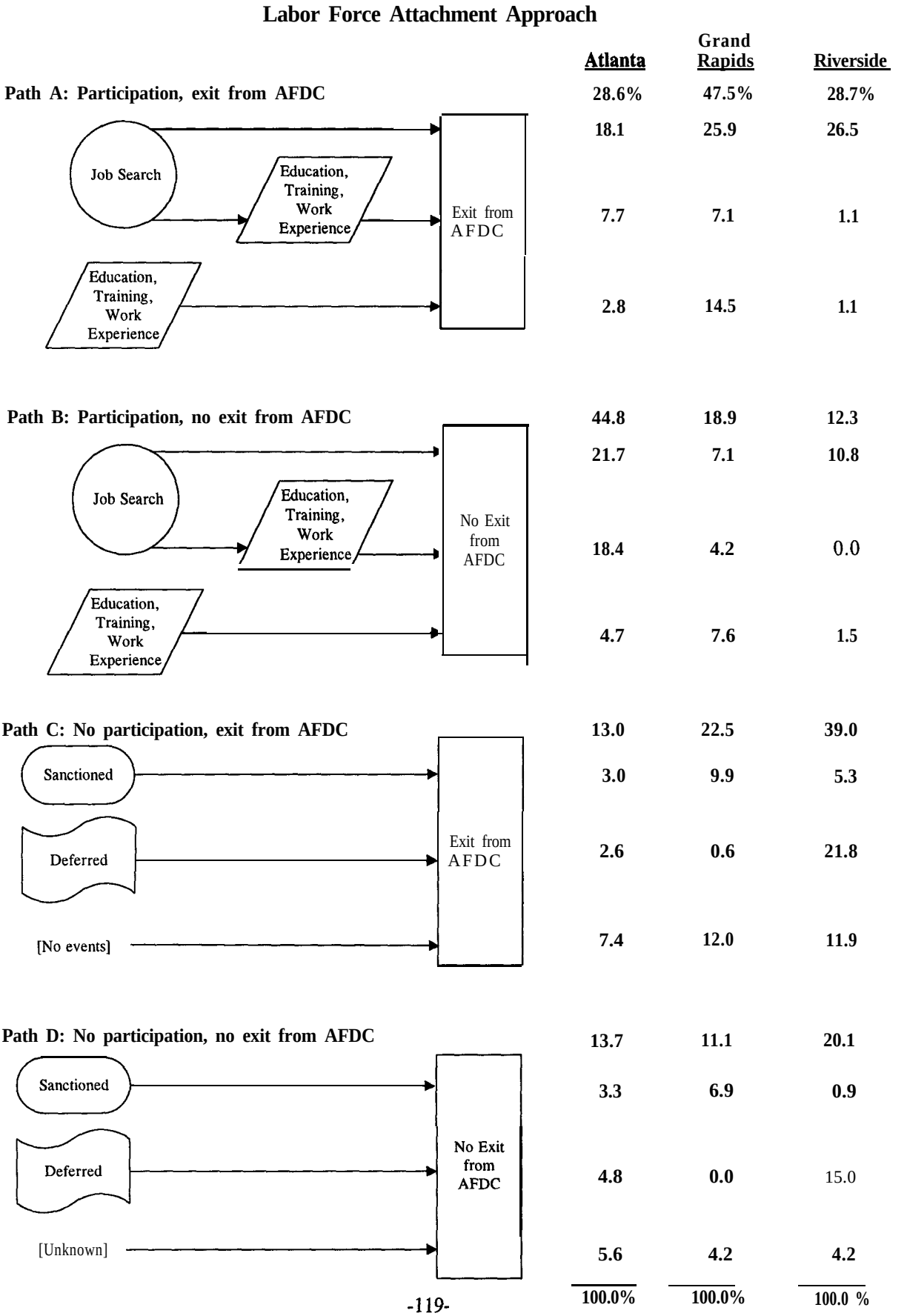
Labor Force Attachment Approach



SOURCE: See Table 5.3.

Figure 5.3
Distribution of Sample Members by Descriptive-Not Causal-Activity Sequences Within a Two-Year Follow-Up Period, by Site

Labor Force Attachment Approach



	Atlanta	Grand Rapids	Riverside
Path A: Participation, exit from AFDC	28.6%	47.5%	28.7%
Job Search → Exit from AFDC	18.1	25.9	26.5
Job Search → Education, Training, Work Experience → Exit from AFDC	7.7	7.1	1.1
Education, Training, Work Experience → Exit from AFDC	2.8	14.5	1.1
Path B: Participation, no exit from AFDC	44.8	18.9	12.3
Job Search → No Exit from AFDC	21.7	7.1	10.8
Job Search → Education, Training, Work Experience → No Exit from AFDC	18.4	4.2	0.0
Education, Training, Work Experience → No Exit from AFDC	4.7	7.6	1.5
Path C: No participation, exit from AFDC	13.0	22.5	39.0
Sanctioned → Exit from AFDC	3.0	9.9	5.3
Deferred → Exit from AFDC	2.6	0.6	21.8
[No events] → Exit from AFDC	7.4	12.0	11.9
Path D: No participation, no exit from AFDC	13.7	11.1	20.1
Sanctioned → No Exit from AFDC	3.3	6.9	0.9
Deferred → No Exit from AFDC	4.8	0.0	15.0
[Unknown] → No Exit from AFDC	5.6	4.2	4.2
	100.0%	100.0%	100.0 %

Figure 5.3, in contrast to Figure 5.2, examines the order in which individuals moved from one status to another in three LFA programs and indicates the percentages of individuals who followed each of four paths during a two-year follow-up period. The figure shows four major LFA paths: Path A, in which there was participation in a JOBS activity and an exit from AFDC; Path B, in which there was participation in a JOBS activity but no exit from AFDC; Path C, in which there was no participation in a JOBS activity but an exit from AFDC; and Path D, in which there was no participation in a JOBS activity and no exit from AFDC. Combined, these four paths can account for *all* LFA sample members. In addition, subpaths are also shown within each of these four major paths.[16]

Figure 5.3 gives the percentage of all LFAs in each site who followed each of the designated paths, showing which sequences of activities were most common. First, as shown under Path A, only about one-quarter of the LFAs in any site followed the "expected" path for an LFA program: participation in job search, followed by an exit from AFDC. Second, also shown under Path A, LFAs in Atlanta and Grand Rapids were much more likely than the LFAs in Riverside to participate in a non-job search activity, either following job search or initially (instead of job search), prior to exiting AFDC. In Grand Rapids, this pattern reflected, in part, the large proportion of LFAs who were already participating in a self-initiated education or training activity as of random assignment.

As evident in Path B, some individuals who initially participated in job search did not eventually exit from AFDC, even after subsequent participation in training, work experience, or education. The percentage of LFAs in Path B was higher in Atlanta than in the other sites, perhaps reflecting the more "disadvantaged" characteristics of Atlanta's LFAs.

An examination of both Paths A and B shows that LFAs in Atlanta and Grand Rapids (but not in Riverside) participated in much more than job search as part of these programs. In these two sites, about one-third of the LFAs participated in education, training, or work experience subsequent to job search, or participated in these non-job search activities instead of or prior to job search.

Most notable in Path C is that some LFAs exited AFDC without participating in any program activity or being sanctioned, reflecting normal AFDC dynamics or, perhaps, avoidance of 'a welfare-to-work participation requirement. In addition, some nonparticipants who exited AFDC were sanctioned for their lack of participation in JOBS, prior to their AFDC exit. The percentage of LFAs in this particular subpath is highest in Grand Rapids, reflecting the fact that a high proportion

[16]Figure 5.3 focuses on exits from AFDC; part-time or full-time employment is not taken into account. Exits from AFDC were defined as two consecutive months with no AFDC grant received. Also, the paths stop with the first exit from AFDC; JOBS activity that occurred after this first exit for individuals who returned to the AFDC rolls is not taken into account. In addition, for individuals who participated in a JOBS activity during the two-year follow-up period, the figure examines the first three "events" during the follow-up period, where events are defined as participation in different types of JOBS activities or exits from AFDC; other and subsequent events are not reflected in the figure. For individuals with no participation in a JOBS activity during the follow-up period, the first three events in the follow-up period are also examined. For these individuals, however, events are defined as sanctions, deferrals, or exits from AFDC.

of individuals in this site were sanctioned. Finally, the middle subpath in Path C illustrates that many Riverside LFAs were deferred from the participation requirement prior to exiting AFDC. Since slightly over two-fifths of *all* Riverside's deferrals were due to part-time employment, it is likely that some of these deferred individuals had part-time jobs which eventually led to full-time jobs and thus an exit from AFDC.

Path D indicates that only a small proportion of LFAs in each site neither participated in a JOBS activity nor exited from AFDC during the two-year follow-up period: 14 percent in Atlanta, 11 percent in Grand Rapids, and 20 percent in Riverside. The majority of these individuals in Grand Rapids were sanctioned at some point during the follow-up period; the majority of these individuals in Riverside were deferred at some point, many for part-time employment; and these individuals in Atlanta represented a mixture of situations.

VIII. Coverage with a Welfare-to-Work Program Obligation

The previously discussed statistics alone do not indicate the extent to which individuals were "covered" by a program obligation in every month they received AFDC. To examine this issue, several factors need to be taken into account simultaneously, on a person-by-person basis: the length of time individuals remained on AFDC during the two-year follow-up period; the length of time they remained JOBS-mandatory; and the length of time they were *either* participating in a program activity, employed while JOBS-mandatory, or sanctioned for nonparticipation.

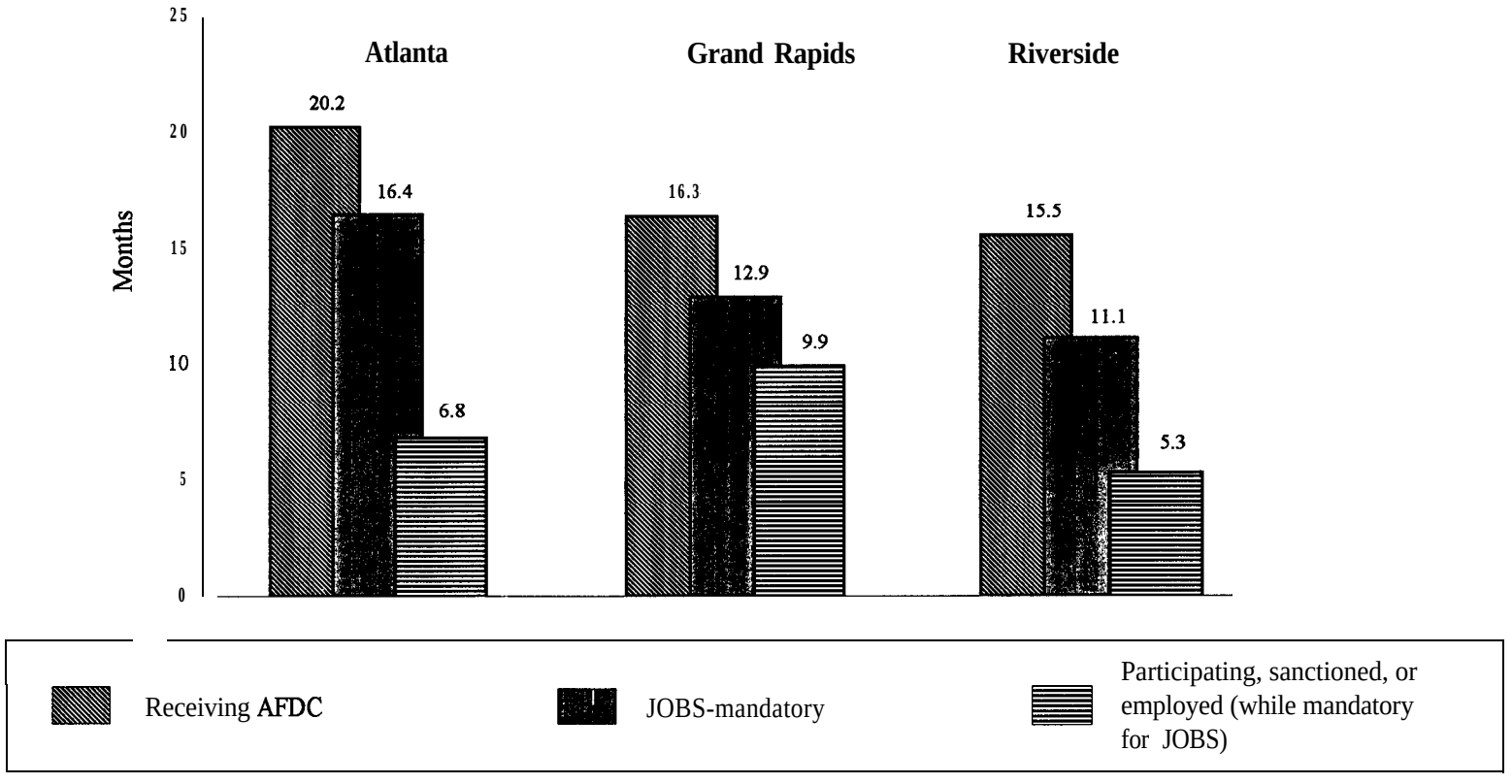
Figure 5.4 shows several of these aspects of coverage. For each site, the figure indicates the average number of months in the two-year follow-up period that individuals were receiving AFDC, were JOBS-mandatory, and were either participating in a JOBS activity, employed while JOBS-mandatory, or actually sanctioned. A comparison of the lefthand bars in each set shows, as suggested earlier, that LFAs in Atlanta spent more months during the two-year follow-up period receiving AFDC than LFAs in Grand Rapids and Riverside. The middle bars in each set show the average number of months in the two-year follow-up period that individuals were JOBS-mandatory. These bars indicate that LFAs in Atlanta also spent more months during the follow-up period as JOBS-mandatory AFDC recipients than LFAs in Grand Rapids and Riverside. Thus, since LFAs in Atlanta remained JOBS-mandatory for a longer period of time, Atlanta staff faced a bigger challenge than staff in the other two sites in trying to implement a quid pro quo, or ongoing participation requirement.

Figure 5.5 shows the number of months individuals fulfilled a quid pro quo—by either participating in a JOBS activity, being employed while JOBS-mandatory, or being actually sanctioned-as *a proportion of the months in which LFAs were JOBS-mandatory* during the follow-up period. As shown in the figure, coverage was highest, by far, in Grand Rapids. If the shaded areas in each circle are added together, the percentage of JOBS-mandatory months in which LFAs were fulfilling a quid pro quo was 68 percent in Grand Rapids and 41 percent in both Atlanta and Riverside. The disparity between the figures in Grand Rapids and the other two sites reflects several factors: many LFAs in Grand Rapids met a quid pro quo because they were sanctioned; few LFAs in Atlanta, given Georgia's relatively low AFDC grant level, could meet the participation requirement through unsubsidized employment while receiving AFDC, since most jobs would

Figure 5.4

Average Number of Months Receiving AFDC, JOBS-Mandatory, and Participating in a JOBS Activity, Sanctioned, or Employed Within a Two-Year Follow-Up Period, by Site

Labor Force Attachment Approach

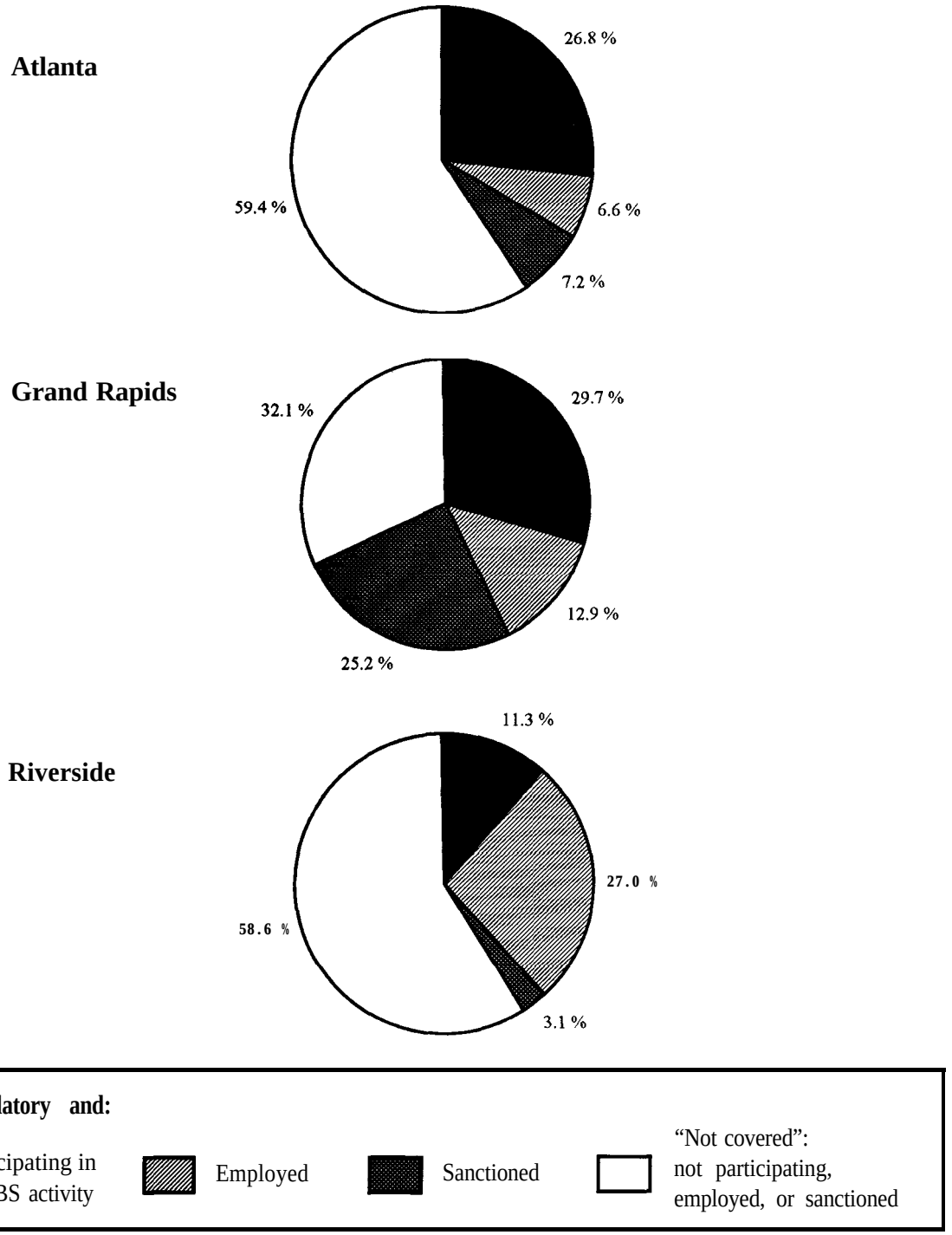


SOURCE: See Table 5.3.

Figure 5.5

Proportion of JOBS-Mandatory Months in Various JOBS Statuses Within a Two-Year Follow-Up Period, by Site

Labor Force Attachment Approach



SOURCE: See Table 5.3.

make an individual ineligible for AFDC; and a substantial number of LFAs in Riverside were deferred from program participation, some for fairly long periods of time.

Individuals could be JOBS-mandatory in a month but not participating, employed, or sanctioned during the month for a variety of reasons. Some nonparticipation reflects a lack of welfare-to-work program resources. To achieve high coverage there must be enough program staff to quickly assign individuals to JOBS activities, closely monitor their participation and progress, and react in a timely manner to their noncompliance with program requirements. In addition, activities (for example, job clubs) and support services (for example, child care) must be provided. In these three sites, during a typical month in the follow-up period, about one-fifth of those who were still JOBS-mandatory in the month were not affected by a welfare-to-work program quid pro quo for reasons that appeared to result from resource shortages: between 1 and 9 percent (depending on the site) were not active because of child care or transportation issues; and staff had temporarily "lost track" of or had not swiftly followed up on or begun the sanctioning process for another 9 to 22 percent.[17] This suggests that, in some cases, staff caseloads had become too large or client tracking systems were faulty.

Some nonparticipation in a month was not the result of limited program funds. During a typical month in the follow-up period, a sizable share of those who were still JOBS-mandatory in the month (12 to 21 percent, depending on the site) would not have been able to participate, even with additional program funding or program procedure changes: depending on the site, 6 to 10 percent did not participate in a given month because they or family members were ill or incapacitated during the month, approximately 4 percent had been assigned to a JOBS activity, but were waiting for it to begin; and other individuals were in a variety of situations, including awaiting a JOBS activity assignment fi-om their caseworker.[18]

IX. Participation Among LFAs in Employment-Related Activities Outside JOBS

The findings presented so far have focused on the activities of LFA research group members while they were in the JOBS LFA programs, based on information collected from JOBS case files. Many LFAs, however, also participated in education or training activities outside JOBS during the two-year follow-up period. Most commonly, this participation occurred after they left the AFDC or JOBS-mandatory rolls; less commonly, they might have participated in a self-initiated activity-while they were still JOBS-mandatory-that JOBS case managers could not approve as a JOBS activity, because the type or intensity of the activity did not meet the program's standards.[19] To obtain information on participation in education or training programs outside JOBS, data from the JOBS Two-Year Client Survey were analyzed. Unlike the JOBS case file data, the survey captures participation in activities that might have occurred outside JOBS as well as within JOBS. These data, however, represent retrospective self-reports by survey respondents, in some cases requiring the remembrance of short-term participation that might have occurred as much as two

[17]See Hamilton, 1995. Note that these percentages are for LFAs and HCDs combined.
[18]See Hamilton, 1995. Again, note that these percentages are for LFAs and HCDs combined.
[19]In the cost analysis in Chapters 7 and 8, activities outside JOBS are called "non-JOBS" activities.

years earlier. The survey data, though more inclusive in the spells of participation captured, are subject to recall error, and participation rates based on survey data will not match the JOBS case file-based participation rates presented thus far in the chapter?'

Table 5.4 indicates the extent of LFAs' education and training participation that occurred during the two-year follow-up period, but outside JOBS. As shown, a sizable proportion of LFAs participated, or continued to participate, in employment-related activities outside the JOBS program and/or AFDC. As would be expected in an LFA program, LFAs in all three sites who participated in structured job search were much more likely to have done so as part of JOBS than outside JOBS. In Atlanta, most participation in any type of employment-related activities took place as part of JOBS. Outside JOBS, Atlanta LFAs most commonly participated in basic education programs. In Grand Rapids and Riverside, individuals were almost as likely, or more likely, to participate in basic education or college outside JOBS as they were as part of JOBS. Outside JOBS, Grand Rapids LFAs most commonly enrolled in college courses or basic education programs. In Riverside, LFAs most commonly enrolled in college courses outside JOBS.

X. A Comparison of LF'A Participation Levels with What Would Have Happened in the Absence of the Program

The preceding participation-related findings focused exclusively on the individuals randomly assigned to the LFA research group, covering their activities as part of the JOBS program as well as (briefly) their activities outside JOBS and/or the AFDC rolls during the two-year follow-up period. It is important, however, to determine the extent to which LFAs participated in employment-related activities incrementally more than control group members, and the types of activities in which participation levels increased the most, since these differences are key to determining which aspects of the LFA treatment are causing the LFA impacts on AFDC, employment, and earnings (discussed in Chapter 9). Control group members' levels of self-initiated activity represent what would have happened if LFAs had had no exposure to JOBS. To make comparisons between the activity levels of LFAs and control group members, data from the JOBS Two-Year Client Survey, which collected participation information for both LFAs and controls, are used.[21] All individuals surveyed, whether or not their JOBS case files were reviewed as part of the participation analysis, are included in the samples analyzed in this section.

The results indicate that the LFA programs in the three sites all increased participation in employment-related activities beyond what would have happened in the absence of the programs. In all sites, the LFA programs most dramatically increased the likelihood that individuals would participate in job search. In Atlanta, the LFA program also incrementally increased the likelihood that individuals would participate in basic education and work experience. In addition, if only those

[20]Some statistical adjustments were made in Table 5.4, based on information found in the JOBS case files, to take recall error into account.

[21]As was the case in Table 5.4, some statistical adjustments were made to the client survey participation data discussed in this section, based on information found in the JOBS case files, in order to take recall error in the client survey into account. Appendix Table C.2 presents the estimated impacts of the LFA approach on participation using the survey data alone, rather than adjusting for recall error.

Table 5.4

Participation in Job Search, Education, Training, and Work Experience, Within a Two-Year Follow-Up Period, by Whether Participation Was Part of JOBS or Outside JOBS and by Site

Labor Force Attachment Approach

Outcome	Participation as Part of JOBS	Participation Outside JOBS	Total
Atlanta			
Percent participated in:			
Job search	62.0	3.3	65.3
Basic education	14.0	8.6	21.8
College	9.3	3.2	4.5
Vocational training	14.4	5.6	14.9
Work experience or on-the-job training		1.5	15.9
Sample size	393	393	393
Grand Rapids			
Percent participated in:			
Job search	46.9	8.9	53.8
Basic education	11.7	15.8	26.2
College	16.5	[illegible]	28.2
Vocational training	9.4	16.1	14.0
Work experience or on-the-job training	8.8	5.7	11.6
Sample size	294	2.8	294
Riverside			
Percent participated in:			
Job search	45.0	5.9	48.8
Basic education	2.4	7.2	8.4
College	0.0	11.0	13.4
Vocational training	[illegible]	7.6	7.6
Work experience or on-the-job training	1.7	0.0	1.7
Sample size	393	393	393

SOURCES: MDRC calculations from the Two-Year Client Survey data, adjusted using MDRC-collected JOBS case file data.

NOTE: The samples in this table consist of all of those for whom Two-Year Client Survey data are available.

LFAs and controls who participated in basic education are considered, the LFA programs in Atlanta and Riverside increased the number of hours that individuals spent in this type of employment-related activity. The following paragraphs present, in detail and by site, the LFA-control group differences in employment-related participation during the follow-up period.'*

In Atlanta, as shown in Table 5.5, a sizable proportion of control group members reported participating in an employment-related activity at some point during the two-year follow-up period. Vocational training was the most common activity for controls (10 percent participated), followed by basic education, job search, and college (5 to 6 percent participated in each). Relative to the control group activity levels, the Atlanta LFA program increased the incidence of participation most notably in job search and basic education: job search participation was increased by 60 percentage points (65 percent of LFAs participated) and basic education participation was increased by 16 percentage points (22 percent of LFAs participated). If all sample members are considered, LFAs spent a total of 92 more hours in basic education programs than did control group members. If only those individuals who participated at all in basic education programs (a nonexperimental comparison, since LFA participants may have different characteristics than control group participants) are considered, LFA basic education participants spent 193 more hours in this type of program than did basic education participants in the control group.

In Grand Rapids, the client survey data indicate that control group activity levels during the two-year follow-up period were very high, relative to levels in Atlanta and Riverside, but roughly in the range of control group activity levels that have been measured in studies of previous welfare-to-work programs.[23] (See Table 5.5.) The fact that many AFDC recipients in Grand Rapids enroll on their own (that is, in the absence of a welfare-to-work program) in employment-related activities was apparent as of random assignment: about 34 percent of those in the Grand Rapids research sample reported that they were already enrolled in an education or training program at the point that they were randomly assigned to a research group. There are several possible explanations for this high level of self-initiated activity measured among Grand Rapids welfare recipients as of baseline. One is that the Grand Rapids welfare-to-work programs developed, over the last decade, a reputation for being prescriptive and mandatory, which encouraged ***all*** AFDC clients to find and

[22]It is unclear why between 4 and 7 percent of the control group members in any site reported, on the client survey, that they had experienced a sanction. Periodic reviews of control group members' case files indicated that controls were not exposed to JOBS' services or its mandates. The client survey question read: "Since [the random assignment date], was your welfare check ever reduced because you did not attend an education, training or employment program?' Some controls may have experienced AFDC grant reductions as a result of failure to report income-related information to their AFDC workers and mistakenly answered "yes" to this question or some may have mistakenly reported on sanctions that took place prior to random assignment.

[23]In Grand Rapids, as shown in Table 5.5, 14 percent of the control group members participated in a vocational activity within a two-year follow-up period, 24 percent participated in college; and 19 percent participated in basic education. In an evaluation of California's GAIN program, client survey data indicated that between 29 and 32 percent of the control group members in Riverside and San Diego counties participated in vocational training or college within a similar follow-up period. In addition, between 4 and 5 percent of the controls in these two counties participated in ABE or GED programs and between 3 and 4 percent participated in ESL programs. (See Riccio et al., 1994, p. 39.) An unduplicated count of participants in all of these education and training activities combined is not available for the JOBS LFAs or for GAIN, but it is very likely that these figures, if calculated, would indicate roughly similar percentages of education and training participants among control group members in the Grand Rapids National Evaluation of Welfare-to-Work Strategies site and in these two sites in the GAIN Evaluation.

Table 5.5

Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Labor Force Attachment Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Atlanta									
Participated in:									
Job search	65.3	5.8	59.5	110.4	5.6	104.8	169.1	97.8	71.3
Basic education	21.8	5.9	15.8	111.1	18.8	92.3	***510.5***	***317.4***	***193.1***
College	4.5	5.4	-0.8	30.0	36.4	-6.5	664.5	680.6	-16.1
Vocational training	14.9	10.3	4.6	90.8	61.9	29.0	607.9	599.2	8.7
Work experience or on-the-job training	15.9	1.4	14.5	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	16.0	4.9	11.2	n/a	n/a		*n/a*	*n/a*	
Sample size	393	454		393	454		*(varies)*	*(varies)*	
Grand Rapids									
Participated in:									
Job search	53.8	7.6	46.2	74.6	5.1	69.6	138.7	66.5	72.1
Basic education	26.2	19.4	6.8	109.8	112.6	-2.8	419.0	581.1	***-162.2***
College	***28.2***	***23.8***	***4.4***	***188.9***	***174.6***	***14.3***	***668.7***	***733.8***	***-65.0***
Vocational training	14.0	14.4	-0.4	84.1	97.8	-13.8	598.8	678.7	-79.9
Work experience or on-the-job training	11.6	1.6	10.0	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	35.1	6.7	28.4	n/a	n/a		*n/a*	*n/a*	
Sample size	294	272		294	272		*(varies)*	*(varies)*	

(continued)

Table 5.5 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Riverside									
Participated in:									
Job search	48.8	7.0	41.9	57.8	10.2	47.6	118.3	146.3	-28.0
Basic education	8.4	11.1	-2.7	35.6	35.1	0.5	425.9	316.8	109.0
College	13.4	11.2	2.2	103.7	78.6	25.1	771.2	699.5	71.8
vocational training	7.6	9.2	-1.7	42.7	57.2	-14.5	564.3	620.0	-55.7
Work experience or on-the-job training	1.7	2.0	-0.3	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	15.2	3.9	11.2	n/a	n/a		n/a	n/a	
Sample sire	393	758		393	758		(varies)	(varies)	

SOURCE: MDRC calculations from the Two-Year Client Survey, adjusted using MRDC-collected JOBS case file data.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Numbers may not add up to 100% because of rounding.

Sample sires for individual measures vary because of missing values.

[a]Sanctioned between date of random assignment and date of survey interview.

N/a = not available or applicable.

enroll in programs on their own initiative. It is also possible that the baseline participation statistics reflect education and training providers in Grand Rapids that were more aggressive than those in the other sites in their outreach efforts.[24]

In Grand Rapids, LFAs' participation in job search (and, to a much lesser degree, participation in work experience) accounts for nearly all of the LFA-control participation differential. (See Table 5.5.) According to the survey, 54 percent of the LFAs participated in job search compared with 8 percent of the controls, resulting in a 46 percentage point increase in the use of job search. Almost 12 percent of the LFAs were active in work experience compared with 2 percent of the controls, producing a 10 percentage point difference in work experience participation. Other activities in which control group members participated were college (24 percent of controls participated), basic education (19 percent), and vocational training (14 percent). In terms of these activities, the Grand Rapids LFA program did not increase the incidence of participation beyond what would have happened in the absence of the program, as measured by the control group. It is interesting to note, however, that among those who participated in college, basic education, or vocational training, length of stay was *shorter* for LFAs than for control group members, although this difference was not statistically significant.

In Riverside, college and basic education were the most common activities among controls (11 percent participated in each type of activity), followed by vocational training (9 percent) and job search (7 percent). (See Table 5.5.) Riverside's LFA program increased the incidence of participation particularly in job search-by 42 percentage points (49 percent of LFAs participated). In addition, as was the case in Atlanta, among those who participated in basic education (a nonexperimental comparison), LFA basic education participants spent 109 more hours in this type of program than did basic education participants in the control group.

Incremental participation was also examined for education subgroups (those with or without a high school diploma or GED) of LFAs and control group members. (See Appendix Tables C.3 and C.4.) The results do not indicate much of a difference in the type of incremental participation produced by the LFA approach for these two subgroups. Among individuals with a high school diploma or GED, the LFA approach substantially increased job search participation in all three sites and in Atlanta increased participation in work experience as well. Among individuals without these education credentials, the LFA approach similarly substantially increased job search participation in all three sites and in Atlanta also greatly increased basic education participation.

[24]It is very unlikely that the high degree of "baseline" participation in education or training activities in Grand Rapids was the result of receiving a JOBS-referral letter and quickly enrolling in an education or training program to avoid a possible assignment to job search or another activity. At random assignment, 39 percent of the Grand Rapids sample reported that they had participated in an employment-related activity in the 12 months *prior* to random assignment; this same figure was 13 percent in Atlanta and 19 percent in Riverside. Thus, employment and training activity levels appear to have been higher in Grand Rapids than in the other two sites even prior to individuals receiving the letter instructing them to attend a program orientation.

CHAPTER 6

PARTICIPATION PATTERNS IN THE HUMAN CAPITAL DEVELOPMENT (HCD) PROGRAMS

This chapter examines HCDs' patterns of participation in employment-related activities in Atlanta, Grand Rapids, and Riverside during the two years following their random assignment to a research group. The chapter also compares HCDs' activity levels with those of control group members and with LFAs' activity levels.

As discussed in Chapter 5, participation patterns reflect the sequence and emphasis of provided services and are key to defining welfare-to-work program interventions. In this chapter, which parallels the LFA participation patterns chapter, four main sets of research questions are addressed: First, did case managers in the three sites implement the HCD program model as it was intended? To what types of program activities were HCDs assigned? Second, to what extent did HCDs actually participate in various types of employment-related activities? What were the major sequences of activities that HCDs followed prior to exiting AFDC? Third, to what extent was an ongoing participation requirement put into effect for HCDs? In what proportion of HCDs' months on AFDC were they either participating in an employment-related activity, employed, or sanctioned owing to nonparticipation for no good reason? Fourth, to what extent was the incidence and number of hours of participation in employment-related activities increased among HCDs compared with what would have happened in the absence of the HCD program (indicated by the experiences of control group members)?

The chapter is organized similarly to Chapter 5. It begins with a brief explanation of the types of participation measures used in the report and an overview of the chapter's findings. The bulk of the chapter addresses the questions above, in the order they are listed.

Throughout the chapter, comparisons between the HCD participation findings and the LFA participation findings presented in Chapter 5 are made. These comparisons provide a context for discussion and illustrate some key LFA and HCD program differences. In addition, site differences in HCD participation patterns are highlighted. When evaluating HCD site differences, however, it is important to keep in mind (as explained fully in Chapter 2) that the Riverside HCD sample consists only of individuals without a high school diploma or GED while the HCD samples in Atlanta and Grand Rapids contain individuals with and without these educational credentials.

I. Participation Measures and AFDC Dynamics

As discussed in Chapter 5, there are many ways to define and measure participation in welfare-to-work programs. This chapter examines participation longitudinally: that is, it uses measures that focus on a cohort of individuals who were identified as mandatory for JOBS and

traces their program experiences for two years. The measures thus indicate individuals' "chances" of ever participating in program activities after having been identified as mandatory for JOBS, regardless of how long they remained on AFDC or remained mandatory. As such, longitudinal measures are the best participation measures to use to explain impact findings.

The longitudinal participation measures used in this chapter differ substantially, by definition, from the point-in-time participation measures contained in the 1996 welfare reform bill, found in the federal regulations for the JOBS program, and employed in the 1995 National Evaluation of Welfare-to-Work Strategies participation report.' Thus, results from the two different types of participation measures are likely to differ in magnitude.

In interpreting welfare-to-work participation rates, one must keep in mind the importance of welfare caseload dynamics: Some individuals are likely to leave welfare for various reasons or become exempt from program requirements owing to part-time employment before they enter their first program activity, which lowers a site's overall longitudinal participation rate. At the same time, longitudinal participation rates can reflect the impacts of the program if, for example, individuals find employment or leave welfare sooner than they otherwise would have in order to avoid a participation mandate. Given welfare dynamics, as well as the possible effects of a welfare-to-work program's intervention, participation rates should not be expected to reach 100 percent. (See Chapter 5 for more detail on this issue.)

II. An Overview of HCD Participation Patterns and Comparisons with LFA Patterns

The participation analysis indicates that program staff in the three sites implemented the HCD program model's sequence and emphasis of services as intended in the evaluation design. A large majority of the HCDs in any of the three sites were assigned to, or allowed to continue in, basic education or, to a lesser extent, vocational training as their first activity following random assignment. In terms of actual participation, basic education and, in Atlanta and Grand Rapids, vocational training were the most common activities in which individuals participated as part of HCD programs, with about half of the HCDs participating in these activities during the two-year follow-up period. The HCD assignment and participation patterns contrast sharply with those of the LFA programs in the three sites, in which a large majority of LFAs were initially assigned to job search. In addition, job search was, by far, the most common activity in which LFAs participated: only 8 to 3 1 percent of the LFAs, depending on the site, participated in education or training. Finally, reflecting the fact that the HCD programs emphasized education and training, while the LFA programs emphasized short-term job search and quick entry into the labor market, HCD participants were active in some type of JOBS activity, on average, for about three months longer than the LFA participants during the follow-up period.

As was the case with the LFAs, HCDs followed no predominant "path" (that is, sequence of activities) through these programs. Between 15 and 27 percent of the HCDs in any site

'Hamilton, 1995.

followed what might be considered the "expected" path through an HCD program: participation in education or vocational training, followed by an exit from AFDC. Interestingly, few HCDs in the three programs participated in job search as part of JOBS between participation in an education or training program and their exit from AFDC, probably because many education and training providers in the three sites offered job search assistance as part of their programs. The path results also indicate that the majority of the HCDs who participated in a program activity but did not exit welfare during the two-year follow-up period participated in only one activity. It is likely that for some of these participants, length of stay in their initial activity was quite long.

The results also indicate that the three HCD programs were quite mandatory. Sanctioning rates were high: About 41 percent of the HCDs in Atlanta, 38 percent in Grand Rapids, and 15 in Riverside had their AFDC grants reduced as a result of noncooperation with the HCD program at some point within the two-year follow-up period. In addition, sanctions were quite long: about one-quarter of the HCDs sanctioned in Atlanta and Riverside and about one-third of those sanctioned in Grand Rapids were sanctioned for more than 12 months during the two-year follow-up period. Finally, compared with the corresponding LFAs in each site, a much higher proportion of HCDs in Atlanta and a slightly higher proportion of HCDs in Riverside appear to have been sanctioned, while a slightly lower proportion of HCDs in Grand Rapids were sanctioned.

Like the LFA programs, the HCD programs appeared to implement a welfare quid pro quo (that is, an ongoing participation requirement) for many HCDs. "Coverage" rates (that is, the number of months in the two-year follow-up period in which HCDs either participated in a JOBS activity, were employed, or were sanctioned for nonparticipation, as a proportion of the months in which HCDs were receiving AFDC and were required to participate in JOBS) were 61 percent in Grand Rapids, 54 percent in Atlanta, and 43 percent in Riverside. As was the case with the LFAs, the disparity between the sites' statistics reflects several factors: many welfare recipients in Atlanta and Grand Rapids met a quid pro quo because they were sanctioned; few welfare recipients in Atlanta, given Georgia's relatively low AFDC grant level, could meet the participation requirement through unsubsidized employment while receiving AFDC, since most jobs would make an individual ineligible for AFDC; and a substantial number of AFDC recipients in Riverside were deferred from program participation. HCD coverage was higher than LFA coverage in Atlanta, primarily owing to more sanctioning in its HCD program than in its LFA program, but also owing to longer participation spells in the HCD program. HCD coverage was slightly lower than LFA coverage in Grand Rapids, generally as a result of less sanctioning in its HCD program than in its LFA program. And HCD and LFA coverage in Riverside for individuals without a high school diploma or GED was similar, but HCDs were more apt than LFAs to be covered through participation, while LFAs were more apt than HCDs to be covered through part-time employment.

A comparison of HCDs' levels of participation in employment-related activities with those of control group members indicates that the HCD programs in all three sites increased participation in such activities beyond what would have happened in the absence of the programs. This was a notable achievement, in that in all three sites, but especially in Grand

Rapids, a sizable proportion of control group members participated in activities on their own initiative (mostly basic education, vocational training, or college) during the two-year follow-up period.

Relative to the control group activity levels, the HCD programs in Atlanta and Grand Rapids (which served individuals with and without a high school diploma or GED) most dramatically increased the likelihood that individuals would participate in basic education or, to a lesser extent, in vocational training programs. In both sites, participation in job search increased as well, and in Atlanta, levels of participation in work experience also increased. In addition, in Atlanta, if only those HCDs and controls who participated in basic education (a nonexperimental comparison) are considered, the Atlanta HCD program increased the number of hours that individuals spent in this type of activity. Finally, in Grand Rapids, length of stay among HCD participants in education or training activities was ***shorter*** than among control group members who participated in these activities (again, a nonexperimental comparison). This might be the result of some education and training participants being diverted into job search, some leaving AFDC more quickly, or some being sanctioned for spotty attendance in their education or training activity (and subsequently dropping out of the activity).

In Riverside, where the HCD program served only individuals without a high school diploma or GED, the HCD program substantially increased participation in basic education and increased job search participation as well. Moreover, similar to the situation in Atlanta, Riverside HCD basic education participants stayed longer than their control group counterparts in such programs.

A comparison of the three sites' LFA and HCD participation "impacts" (that is, levels of activity in relation to those of the controls) shows that all three HCD programs had larger effects on basic education and vocational training participation levels and smaller effects on job search activity than their respective LFA programs. In addition, while both the LFA and HCD programs in Atlanta increased length of stay in basic education among participants in this type of activity (a nonexperimental comparison), Atlanta HCD basic education participants spend almost twice the number of hours in class than did Atlanta LFA basic education participants. An impact on hours of participation among basic education participants was also found for LFAs and HCDs in Riverside, but the magnitude of the increase was similar for the two groups. Finally, for individuals who participated in education or training in Grand Rapids, both the LFA and HCD programs decreased length of stay in such activities,

These findings are detailed in the remainder of this chapter.

III. Assignment Patterns

As mentioned in Chapter 5, in theory, HCD and LFA program approaches should differ in terms of the types and sequences of employment-related activities to which program eligibles are assigned, if staff are, in fact, implementing employment preparation strategies with different

emphases. This section examines activity assignment patterns, and thus sheds light on whether or not the HCD programs in these three sites were implemented as was intended by the evaluation research design.

Figure 6.1 shows assignment patterns at two points in the HCD programs in Atlanta, Grand Rapids, and Riverside. The upper set of circles indicates the activities to which individuals were initially assigned (or allowed to continue in) directly following random assignment. As shown in the figure, the most common first assignment for HCDs in all three sites was basic education: 40 percent of HCDs in Atlanta and 36 percent of HCDs in Grand Rapids were assigned to (or allowed to continue in) basic education. In Riverside, where only those without a high school diploma or GED were included in the HCD group, 57 percent of HCDs were assigned to basic education. In both Atlanta and Grand Rapids the second most common activity initially assigned was vocational training, while in Riverside only 3 percent of HCDs were initially assigned to vocational training.

Together, basic education and vocational training constituted a large majority of first assignments for those HCDs assigned to an activity in all three programs (with some HCDs enrolled in college in Atlanta and Grand Rapids). These HCD assignment patterns reflect the HCD program focus on education and training and contrast sharply with the LFA program assignment patterns, which show the vast majority of LFAs in all three sites first assigned to job search.

As was the case with the LFAs, about one-quarter of the HCDs in Riverside were never given an activity assignment. About one-half of these individuals in Riverside were deferred from participation following their JOBS orientation and appraisal.

The lower set of circles in Figure 6.1 indicates activity assignments for individuals who completed their initial education or training activity without finding a job, which ranged from 12 percent of all HCDs in Atlanta to 38 percent of all HCDs in Riverside (illustrated by the different sizes of the lower set of circles in Figure 6.1). In all three programs, the most common next assignments for HCD education and training program completers were job search or vocational training. Other HCDs were assigned to basic education, college, or work experience.

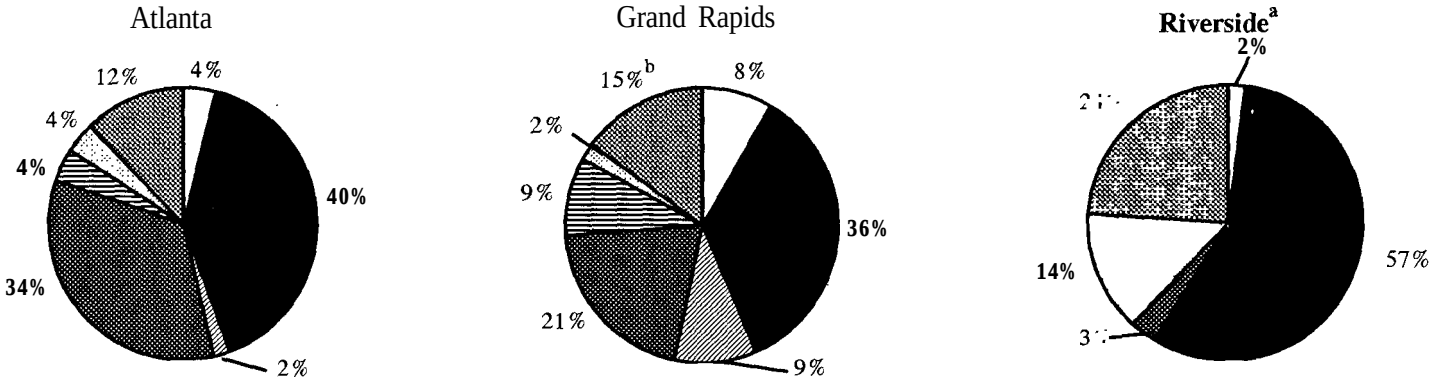
Assignment patterns differed according to whether or not HCDs had a high school diploma or GED as of random assignment (not illustrated in Figure 6.1). In Atlanta, those with a high school diploma or GED were nearly always first assigned to vocational training; those without these credentials were nearly always assigned to basic education. In Grand Rapids, those with a high school diploma or GED were most commonly first assigned to vocational training, but many were also assigned to or allowed to continue in basic education and college, probably reflecting self-initiated activities that were approved and thus allowed to continue as the individual's JOBS obligation. As in Atlanta, those HCDs in Grand Rapids without a high school diploma or GED were nearly always first assigned to basic education. As previously mentioned, all HCDs in Riverside had no high school diploma or GED and were most commonly assigned to basic education.

Figure 6.1

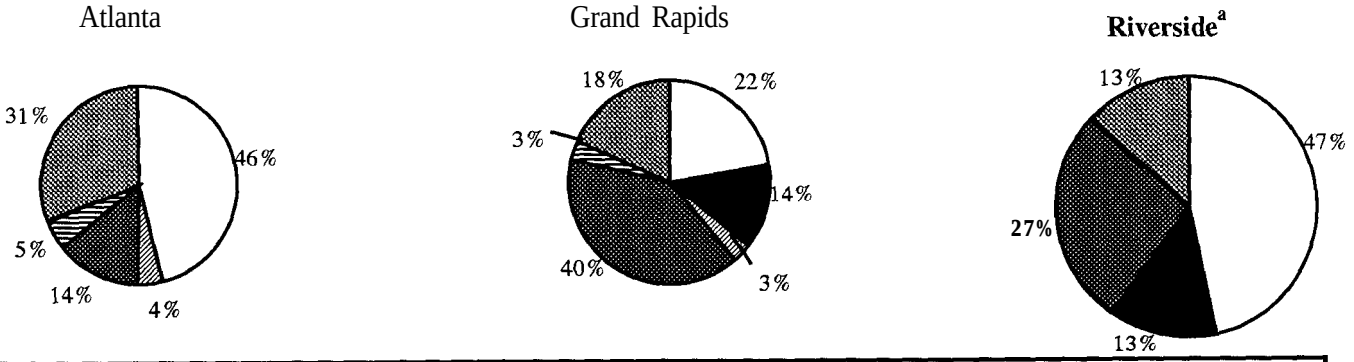
Assignment Patterns Within a Two-Year Follow-Up Period, by Site

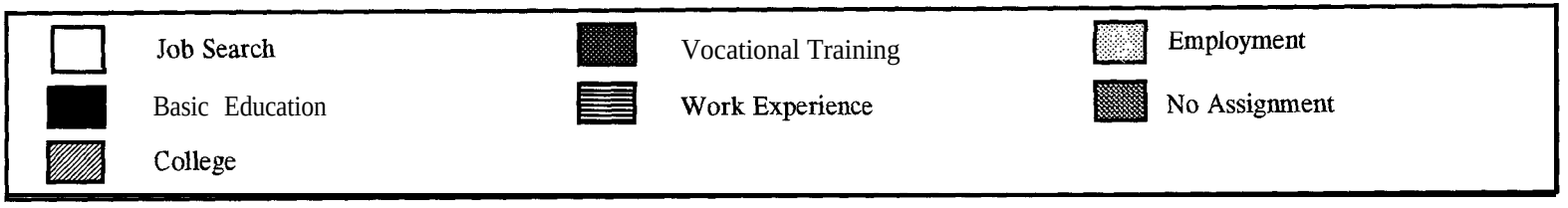
Human Capital Development Approach

Activities to which individuals were initially assigned or in which they were allowed to continue:



Next assignments for those who had completed their initial education or training activity and had not found a job:





SOURCE: See Table 6.3.

NOTES: [a]Includes only individuals without a high school diploma or GED.

[b] Includes many individuals initially assigned to a formal assessment who received no further assignments.

IV. Participation Rates and Length of Stay in Activities

While assignment patterns indicate the types of activities program staff deem appropriate, participation rates and estimates of length of stay in various types of activities indicate the extent to which AFDC recipients actually received JOBS services, particularly services in line with the HCD approach.

As shown in Table 6.1, 51 to 67 percent (depending on the site) of the HCDs in each site participated in job search, education, training, or work experience for at least one day (but usually much longer) during the two years following program orientation. (Employment is not considered to be participation in this measure.)* This range of participation rates is similar to that in the LFA programs, but examining the HCD and LFA rates by site yields some contrasts. In Atlanta, the HCD participation rate was lower than the LFA rate (61 percent and 74 percent, respectively). In Grand Rapids, the participation rates were approximately the same (an HCD rate of 67 percent and an LFA rate of 69 percent). Among sample members in Riverside without a high school diploma or GED (for whom LFA-HCD comparisons can be made), the HCD and LFA participation rates were almost identical.

As was the case with the LFA participation rates, the HCD longitudinal participation rates appear to be in line with or, in some cases, higher than the range reported in MDRC's studies of other mandatory welfare-to-work initiatives in the 1980s and early 1990s. Within a one-year follow-up period (the length of follow-up generally available in prior studies), HCD participation rates were only slightly lower than the two-year HCD rates stated above: between 49 and 66 percent of the HCD orientation attenders, depending on the site, participated at all in the above activities within a one-year follow-up period. In the prior studies, 38 to 70 percent of the orientation attenders in those programs took part in at least one activity within follow-up periods that were approximately one year.[3]

During the two-year follow-up period, individuals most commonly participated in education or training as part of the HCD programs, with education or training participation rates ranging from 47 to 58 percent of the HCDs in each site. This result is in line with what would be expected in an HCD program. Participation by HCDs in job search was much less common: Over the two-year follow-up period, between 12 and 18 percent of the HCDs in each site participated in some type of structured job search activity as part of JOBS. In contrast, in the LFA programs,

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[2]As mentioned in Chapter 5, monthly *point-in-time* participation rates for these same three sites, measured for two months in 1992, were lower than these longitudinal participation rates, as would be expected. In a typical month, the following percentages of HCDs who were JOBS-mandatory in the month and had already attended a program orientation actually participated in a JOBS activity at all (not for a certain number of hours per week) in that same month: 46 percent in Atlanta, 49 percent in Grand Rapids, and 34 percent in Riverside. (See Hamilton, 1995.)

[3]See Friedlander et al., 1985a; Friedlander et al., 1985b; Friedlander et al., 1987; Goldman, Friedlander, and Long, 1986; Riccio et al., 1986; and Hamilton and Friedlander, 1989; for summaries of participation levels in programs in Arkansas, Baltimore, Cook County (Illinois), San Diego, and Virginia in the 1980s; Riccio and Friedlander, 1992, for participation data relating to California's JOBS program; and Kemple and Haimson, 1994, for participation rates in Florida's JOBS program.

Table 6.1

Summary of Rates of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Human Capital Development Approach

	Atlanta			Grand Rapids			Riverside
Activity Measure	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	No High School Diploma or GED
Participated in any activity (%)	61.3	59.3	63.6	66.8	67.1	66.3	51.1
Participated in job search (%)	12.1	16.5	7.1	13.7	15.1	11.9	18.1
Participated in any education or training (%)	57.0	53.9	60.6	57.9	54.3	62.7	46.8
Basic education	35.3	14.3	59.6	31.8	12.8	56.3	44.7
College	1.8	3.3	0.0	11.5	17.7	3.5	0.0
Vocational training	27.2	42.9	9.1	23.4	29.6	15.5	10.6
Participated in work experience (%)	8.5	13.2	3.0	10.8	13.1	7.8	0.0
Sample size	190	91	99	215	104	111	94

SOURCE: MDRC calculations from MDRC-collected JOBS case file data.

where job search was, by far, the most common activity, only 8 to 31 percent of the LFAs participated in education or training as part of the LFA programs. (See Appendix Table D.l for a breakdown of the types of activities in which HCDs participated, subsumed under the broad categories of job search, education and training, and work experience.)

For both of the education-based subgroups, education and training remained the most common HCD activities during the two-year follow-up period, but the type of education or training differed: HCDs with a high school diploma or GED (in Atlanta and Grand Rapids only) participated most commonly in vocational training (with nearly an additional one-fifth of those with a high school diploma or GED in Grand Rapids participating in college). Those without these credentials most commonly participated in basic education. Another important distinction lies in the subgroup differences in the categories other than education or training: in Atlanta and Grand Rapids HCDs with a high school diploma or GED were more likely to participate in job search and work experience than those without such credentials.[4] This seems logical, since HCD programs are designed to ensure that participants receive education credentials prior to seeking employment. (See Table 6.1 for more detail.)

The statistics above indicate the likelihood that an HCD sample member would have participated at all in an employment-directed activity as part of an HCD program. An examination of the dosage of program activities that these sample members received, based on how long they remained in activities, is also valuable. As mentioned in Chapter 5, when examining length of stay, it is important to realize that the goal of welfare-to-work programs is to enable individuals to leave welfare and/or get a job. As a result, one would hope that individuals had *not* been participating in program activities during every month in the follow-up period, since it would mean that they had never left AFDC and/or found employment during the period. In addition, as discussed in Chapter 3, one would expect somewhat longer participation in HCD programs than in LFA programs, given the differing program emphases: HCD programs tended to emphasize longer-term education and training, while LFA programs emphasized job search and quick entry into the labor market.

As shown in Table 6.2, within the two-year follow-up period, HCDs received AFDC for an average of 21 .O months in Atlanta, 18.2 months in Grand Rapids, and 17.2 months in Riverside. During some of these months, HCDs were receiving AFDC but had become JOBS-exempt: that is, they were no longer required to participate in JOBS activities.[5] Taking this into account, HCDs were JOBS-mandatory, and thus available for JOBS activity participation, for an average of 17.3 months in Atlanta, 15.0 months in Grand Rapids, and 11.2 months in Riverside during the two-year follow-up period. Among all HCDs, the average length of time during the follow-up period in which there was participation in any activity was 5.8 months in Atlanta, 5.5

[4]Note that a higher percentage of HCDs in Riverside (who all lacked a high school diploma or GED), participated in job search (18 percent) than in the other two sites, regardless of high school diploma or GED status. This is consonant with Riverside's emphasis on job search, even within the HCD program.

[5]As shown at the bottom of Appendix Table D.l, a large percentage of HCDs in each site became no longer mandatory for JOBS at some point in the two-year follow-up period-42 percent of all HCDs in Atlanta, 49 percent in Grand Rapids, and 72 percent in Riverside-owing to an AFDC exit, full-time employment, or other reasons.

Table 6.2

Length of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Human Capital Development Approach

	Atlanta			Grand Rapids			Riverside
Activity Measure	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	No High School Diploma or GED
For all sample members for whom case files were reviewed							
Average number of months receiving AFDC	21.0	20.3	21.8	18.2	18.1	18.5	17.2
Average number of months in which individuals were JOBS-mandatory	17.3	17.1	17.5	15.0	15.2	14.9	11.2
Average number of months in which individuals participated in a JOBS activity	5.8	4.9	6.8	5.5	5.9	5.0	2.9
Sample size	190	91	99	215	104	111	94
For participants only							
Average number of months in which individuals participated in a JOBS activity	9.4	8.2	10.6	8.3	8.8	7.5	5.7
Number of months in which there was participation (%)							
1	7.9	9.3	6.4	7.1	7.4	6.6	20.8
2	11.5	14.8	7.9	9.7	8.8	10.9	14.6
3	6.9	7.4	6.4	5.7	6.9	4.2	12.5
4-6	13.0	14.8	11.1	22.9	17.7	29.8	16.7
7-12	33.1	31.5	34.9	34.6	35.3	33.6	27.1
13-18	13.8	14.8	12.7	12.9	13.3	12.5	6.3
19 or more	13.8	7.4	20.6	7.1	10.8	2.4	2.1
In any activity at the end of the follow-up period (%)	9.9	7.4	12.7	8.4	9.8	6.6	4.2
Sample size	117	54	63	144	70	74	48

SOURCE: MDRC calculations from MDRC-collected JOBS case file data and Georgia, Michigan, and Riverside County AFDC records.

months in Grand Rapids, and 2.9 months in Riverside. The average number of months with participation in program activities for HCDs is similar to rates found for other recent mandatory welfare-to-work initiatives studied by MDRC.[6]

As the "for participants only" section of Table 6.2 illustrates, among HCD participants, the average length of time in which participants were active in some type of JOBS activity was 9.4 months in Atlanta, 8.3 months in Grand Rapids, and 5.7 months in Riverside. By focusing on participants only, this measure clearly illustrates a difference between the HCD and LFA programs: in each site, the HCD participants were active in some type of JOBS activity, on average, for about 3 months more than the LFA participants. Again, this finding reflects the emphases of the LFA and HCD approaches to welfare-to-work programs.

As was true for LFAs, length of stay for HCDs in JOBS activities was short for some participants, reflecting the fact that some HCDs quickly found jobs and/or left the AFDC rolls, but length of stay was long for others. For example, some participants in all three sites were active during at least 19 months (that is, for cumulatively over one and a half years) during the two-year follow-up period: 14 percent of the Atlanta HCD participants, 7 percent of the Grand Rapids participants, and 2 percent of the Riverside participants. In Atlanta and Grand Rapids, the percentages of HCD participants who were active for this length of time are at least double the corresponding percentages for the LFAs. Overall, less than 10 percent of all HCD participants in any site were still active as of the end of the two-year follow-up period.

An examination of dosage for the HCD sample by high school diploma or GED status did not reveal striking, consistent differences between the two subgroups.

V. Part-time Employment While JOBS-Mandatory

The three sites varied in the extent to which individuals mixed employment with AFDC receipt and were able, according to site JOBS procedures, to have their employment count as their participation obligation. As discussed in Chapter 5, in general, states that had high AFDC grant levels or generous income disregards tended to have higher proportions of individuals who were employed while JOBS-mandatory.

As shown near the bottom of Appendix Table D.1, the following percentages of HCDs were employed for at least 15 hours per week while mandatory for JOBS at some point during

[6]Within a one-year follow-up period, HCDs participated for an average of 4.3 months in Atlanta, 4.2 months in Grand Rapids, and 2.3 months in Riverside. In comparison, in Florida's Project Independence program, those who attended program orientations participated for an average of 2.0 months during a one-year follow-up period (Kemple and Haimson, 1994); in California's GAIN program, statistics available for four of the six studied counties indicated that orientation attenders participated in program activities for between 2.4 months (in Butte County) and 4.2 months (in Tulare County) during an 1 l-month follow-up period (Riccio and Friedlander, 1992).

the two-year follow-up period: 10 percent in Atlanta, 23 percent in Grand Rapids: and 34 percent in Riverside.

In Atlanta and Grand Rapids, the percentage of HCDs employed at least 15 hours per week while JOBS-mandatory was roughly similar to the percentage of LFAs in this situation at some point during the follow-up period. In Riverside, however, when the Riverside LFA sample is narrowed down to only those individuals without a high school diploma or GED, in order to match the educational backgrounds of the Riverside HCD sample, a much higher percentage of LFAs than HCDs were employed part time (52 percent and 34 percent, respectively). This difference is likely to reflect the Riverside HCD and LFA programs' differing emphases on the value of seeking and taking any type of job quickly.

The extent to which individuals were employed while mandatory for JOBS differed by high school diploma/GED status in Atlanta but not in Grand Rapids. In-Atlanta, 18 percent of those with a high school diploma or GED were employed at least 15 hours per week while JOBS-mandatory at some point in the follow-up period compared with only 2 percent of those without these credentials. In Grand Rapids, 24 percent of those with a high school diploma were employed part time while JOBS-mandatory at some point compared with 22 percent of those without these credentials.

VI. Sanctioning

The frequency of welfare-to-work program sanctions provides a good indication of the extent to which a mandatory participation requirement was enforced. An examination of sanctioning rates in these three HCD programs indicates that sanctions were imposed much more frequently in Atlanta, Grand Rapids, and Riverside than in the mandatory welfare-to-work programs studied by MDRC in the 1980s and early 1990s.

At some point during the two-year follow-up period, staff in the three sites referred for sanction (that is, requested income maintenance staff to impose sanctions on) 28 to 45 percent of the HCD clients who had attended program orientations, depending on the site. (See Table 6.3.) In welfare-to-work programs, however, the number of clients on whom sanctions are actually imposed is generally less than the number of clients referred for sanction, since some individuals agree to participate and the sanction request is withdrawn, and others leave welfare or are found to be no longer program-mandatory before the sanction actually takes effect. Within the two-year follow-up period, 41 percent of the HCDs in Atlanta, 38 percent in Grand Rapids, and 15 percent in Riverside

[7]Note that sample members were not eligible for Michigan policy begun in late 1992, which increased work incentives for welfare recipients by increasing income disregards in the calculation of AFDC grants.

Table 6.3

Summary of Sanction Activity Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Human Capital Development Approach

Activity Measure	Atlanta			Grand Rapids			Riverside
	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	No High School Diploma or GED
For all sample members for whom case files were reviewed							
Referred for sanction (%)	45.2	40.7	50.5	40.6	35.2	47.6	27.7
Sanction imposed (%)	40.6	37.4	44.4	37.6	31.2	45.9	14.9
In sanction at the end of the follow-up period (%)	17.6	15.4	20.2	18.9	18.1	19.9	5.3
Sample size	190	91	99	215	104	111	94
For sanctioned individuals only							
Average number of months in which a sanction was in effect	8.9	9.1	8.7	9.8	10.3	9.3	8.3
Number of months in sanction (%)							
1	8.1	11.8	4.6	10.1	3.2	16.3	7.1
2	7.0	11.8	2.3	6.3	5.2	7.3	0.0
3	11.6	11.8	11.4	6.1	8.4	4.1	28.6
4	17.3	11.8	22.7	21.8	22.2	21.5	7.1
7-12	29.7	20.6	38.6	21.3	23.1	19.8	35.1
13-18	10.7	14.7	6.8	16.6	22.2	11.6	14.3
19 or more	15.6	17.7	13.6	17.8	15.8	19.5	7.1
In sanction at the end of the follow-up period (%)	43.3	41.2	45.5	50.1	57.9	43.3	35.7
Sample size	78	34	44	84	33	51	14

SOURCE: MDRC calculations from MDRC-collected case file data.

had their AFDC grants reduced as a result of noncooperation with the JOBS program.'

The HCD rates of sanction referral and sanction imposition differed from LFA rates, but not in a consistent direction. In Atlanta, a much higher percentage of HCDs than LFAs were referred to sanction and actually sanctioned (41 percent of HCDs and 19 percent of LFAs). In Grand Rapids, however, slightly fewer HCDs than LFAs were referred to sanction and actually sanctioned (38 percent of HCDs and 42 percent of LFAs). Among Riverside HCDs without a high school diploma or GED, the same percentage of HCDs and LFAs were referred to sanction, but slightly more HCDs than LFAs were actually sanctioned (15 and 11 percent, respectively).

As pointed out in Chapter 5, JOBS sanction regulations differed from those in prior welfare-to-work programs, which resulted in relatively long sanctions in all three sites in this study. As shown in Table 6.3, among those sanctioned, the following percentages of HCDs were sanctioned for more than 12 months during the two-year follow-up period: 26 percent in Atlanta, 34 percent in Grand Rapids, and 21 percent in Riverside. A comparison of the lengths of sanctions for LFAs and HCDs—among those individuals in each research group who were sanctioned-did not reveal any striking or consistent differences.

In Atlanta and Grand Rapids, of the two education-based subgroups (those with and without a high school diploma or GED), HCDs without such education credentials were more likely to have been referred for sanction and were also more likely to have been actually sanctioned than their credentialed counterparts.

VII. An Overview of "Paths" Through the HCD Programs

While the previously discussed participation measures and indicators help define the treatment received by HCDs in the three evaluation sites, these measures and indicators do not show the timing and frequency of various activity sequences in the three HCD programs. Figures 6.2 and 6.3 provide some of this information.

Figure 6.2 presents a monthly breakdown, at six-month intervals, of AFDC status and various JOBS statuses for HCDs throughout the two-year follow-up period. The sections of each bar in the figure represent mutually exclusive categories.' In addition, Figure 6.2 follows the same

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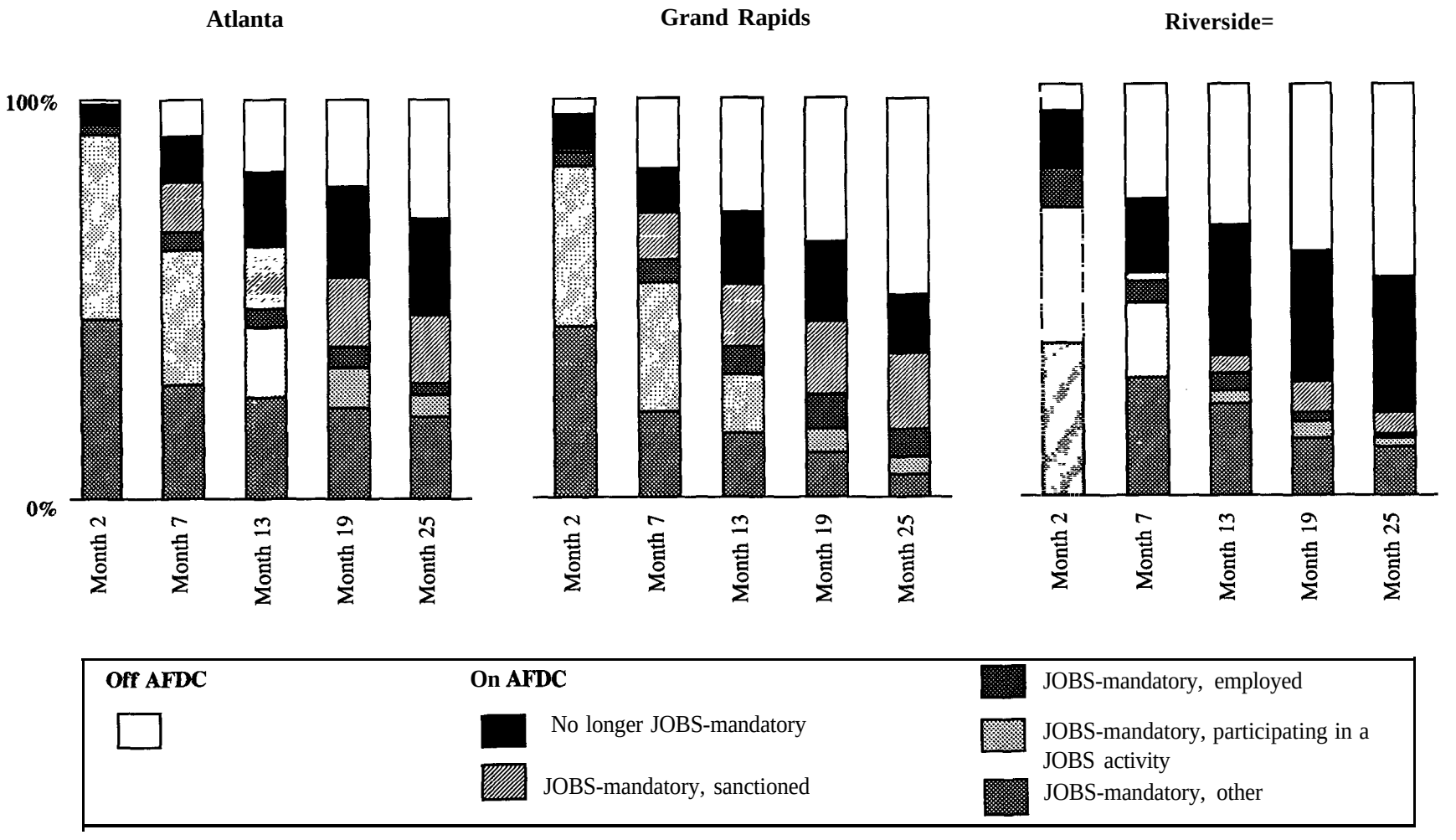
'Within a one-year follow-up period, the length of follow-up generally available in previous studies, sanctions were requested for 39 percent and imposed on 29 percent of the HCDs in Atlanta; requested for 31 percent and imposed on 29 percent in Grand Rapids; and requested for 27 percent and imposed on 11 percent in Riverside. If one compares these statistics with those calculated in previous studies (discussed in Chapter 5), it is clear that sanctioning rates were much higher in the HCD programs in the three JOBS Evaluation sites.

[9]To take into account multiple statuses during a month, statuses in Figure 6.2 are prioritized in the order shown in the bars in Figure 6.2, top to bottom. If an individual was in a sanction status in a month but then became no longer JOBS-mandatory in the middle of that same month, for example, the individual is shown as no longer JOBS-mandatory and not as sanctioned in that particular month.

Figure 6.2

AFDC and JOBS Statuses Within a Two-Year Follow-Up Period, by Follow-Up Month and Site

Human Capital Development Approach

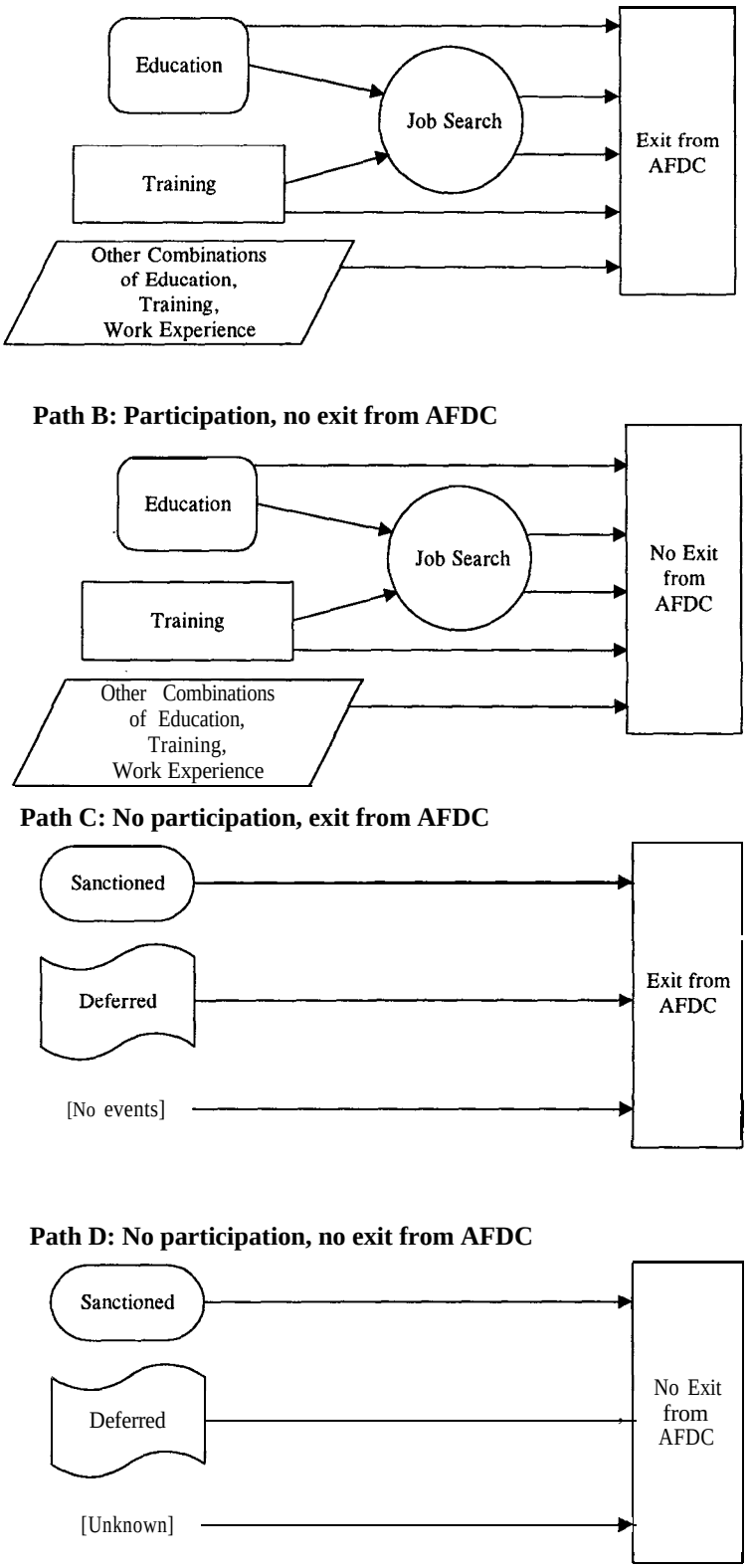


SOURCE: See Table 6.3.

NOTE: [a]Includes only individuals without a high school diploma or GED.

Figure 6.3
Distribution of Sample Members by Descriptive-Not Causal-Activity Sequences Within a Two-Year Follow-Up Period, by Site

Human Capital Development Approach



	Atlanta	Grand Rapids	Riverside[a]
Path A: Participation, exit from AFDC	21.8%	31.8%	19.2%
Education	7.7	17.0	13.8
Job Search	0.0	1.2	1.1
Training	0.6	2.4	0.0
	8.8	6.1	0.0
Other Combinations of Education, Training, Work Experience	4.7	5.1	4.3
Path B: Participation, no exit from AFDC	39.2	32.4	28.8
Education	19.9	10.9	14.9
Job Search	1.4	2.5	11.7
Training	3.0	0.6	0.0
	5.4	5.2	1.1
Other Combinations of Education, Training, Work Experience	9.5	13.2	1.1
Path C: No participation, exit from AFDC	17.7	25.4	30.9
Sanctioned	6.5	6.1	3.2
Deferred	2.9	1.5	16.0
[No events]	8.3	17.8	11.7
Path D: No participation, no exit from AFDC	21.3	10.5	21.3
Sanctioned	11.0	5.7	5.3
Deferred	4.4	0.6	11.7
[Unknown]	5.9	4.2	4.3
	100.0%	100.0%	100.0 %

NOTE: [a]Includes only individuals without a high school diploma or GED.

cohort of HCDs throughout the two-year follow-up period and, as a result, the denominator for the percentages shown in the bars is identical for each bar.

Figure 6.2 indicates that, similar to the LFAs, at least one-half of the HCDs in any site were not subject to a JOBS participation mandate by follow-up month 25, because either they were not receiving AFDC or they were exempt from JOBS. The percentage of HCDs not receiving AFDC increased gradually over the follow-up period, as individuals found jobs or left AFDC for other reasons. The percentage of HCDs receiving AFDC but in an exempt-from-JOBS status increased gradually over time in Atlanta and Riverside, but increased only through month 19 in Grand Rapids.

As would be expected, given the sanctioning findings discussed above, the proportion of individuals in a sanction status at various points in the follow-up period in both Atlanta and Grand Rapids was large and fairly constant. In Riverside, the percentage of HCDs in a sanction status, while smaller than in the other two sites, increased over time until month 19, and then decreased.

The proportion of HCDs employed, generally part time, while JOBS-mandatory remained fairly steady over the follow-up period in Atlanta and Grand Rapids, but decreased over time in Riverside. As discussed above, the percentage of HCDs working at least 15 hours a week while in JOBS was lowest in Atlanta and highest in Riverside. Figure 6.2 also shows that the percentage of HCDs participating in JOBS activities was highest early in the follow-up period and then decreased throughout the rest of the follow-up period.

Finally, the figure indicates that in Atlanta and Riverside, a substantial percentage of HCDs were JOBS-mandatory but were not participating in a JOBS activity, employed part time, or sanctioned during most months in the follow-up period; fewer but still significant percentages of HCDs were in this situation during the follow-up period in Grand Rapids.

Figure 6.3, in contrast to Figure 6.2, examines the order in which individuals moved from one to another in the three HCD programs and indicates the percentages of individuals who followed each of four paths during a two-year follow-up period. The figure shows four major HCD paths: Path A, in which there was participation in a JOBS activity and an exit from AFDC; Path B, in which there was participation in a JOBS activity but no exit from AFDC; Path C, in which there was no participation in a JOBS activity but an exit from AFDC; and Path D, in which there was no participation in a JOBS activity and no exit from AFDC. Combined, these four paths can account for *all* HCD sample members. In addition, "subpaths" are also shown within each of these four major paths."

[10]As described in detail in Chapter 5, this figure focuses on exits from AFDC; part-time or full-time employment is not taken into account. Exits from AFDC were defined as two consecutive months with no AFDC grant received. Also, the paths stop with the first exit from AFDC; JOBS activity that occurred after this first exit for individuals who returned to the AFDC rolls is not taken into account. Finally, Paths A and B examine "events" during the two-year follow-up period, which include participation in different types of JOBS activities and exits from AFDC; in contrast, Paths C and D examine events that include sanctions, deferrals, and exits from AFDC.

The statistics in Figure 6.3, which indicate the percentage of all HCDs in each site who followed each of the designated paths, show what sequences of activities were most common in the three HCD programs. First, as shown under Path A, only 15 to 27 percent of HCDs in any site followed the "expected" path for an HCD program: participation in education or training, followed by an exit from AFDC (shown as the subpaths not including job search). This relatively low percentage is similar to the percentage of LFAs who followed the expected LFA path (job search, followed by an exit from AFDC). Across the three sites, very few HCDs participated in job search (as part of the JOBS program) between education or training and their exit from AFDC, probably because many education and training providers in the three sites offered job search assistance as part of their programs.

As evident in Path B, some individuals who initially participated in education, training, or work experience did not exit from AFDC within the two-year follow-up period. The percentage of HCDs in Path B ranged from 29 percent in Riverside to 39 percent in Atlanta.

Most notable in Path C is that some HCDs exited AFDC without participating in any program activity or being sanctioned, reflecting normal AFDC dynamics or, perhaps, avoidance of a welfare-to-work participation requirement. In addition, some nonparticipants who exited AFDC were sanctioned for their lack of participation in JOBS, prior to their AFDC exit, The percentage of HCDs in this particular subpath is higher in Atlanta and Grand Rapids than in Riverside. Finally, the middle subpath in Path C illustrates that a small percentage of HCDs in Atlanta and Grand Rapids and a higher percentage in Riverside were deferred, primarily because of part-time employment, from the participation requirement prior to exiting AFDC.

Path D indicates that 11 to 21 percent of HCDs (depending on the site) did not participate in a program activity or exit AFDC during the two-year follow-up period. The majority of these individuals in Atlanta and Grand Rapids were sanctioned at some point during the follow-up period; the majority of these individuals in Riverside were deferred at some point, many probably because of part-time employment.

VIII. Coverage with a Welfare-to-Work Program Obligation

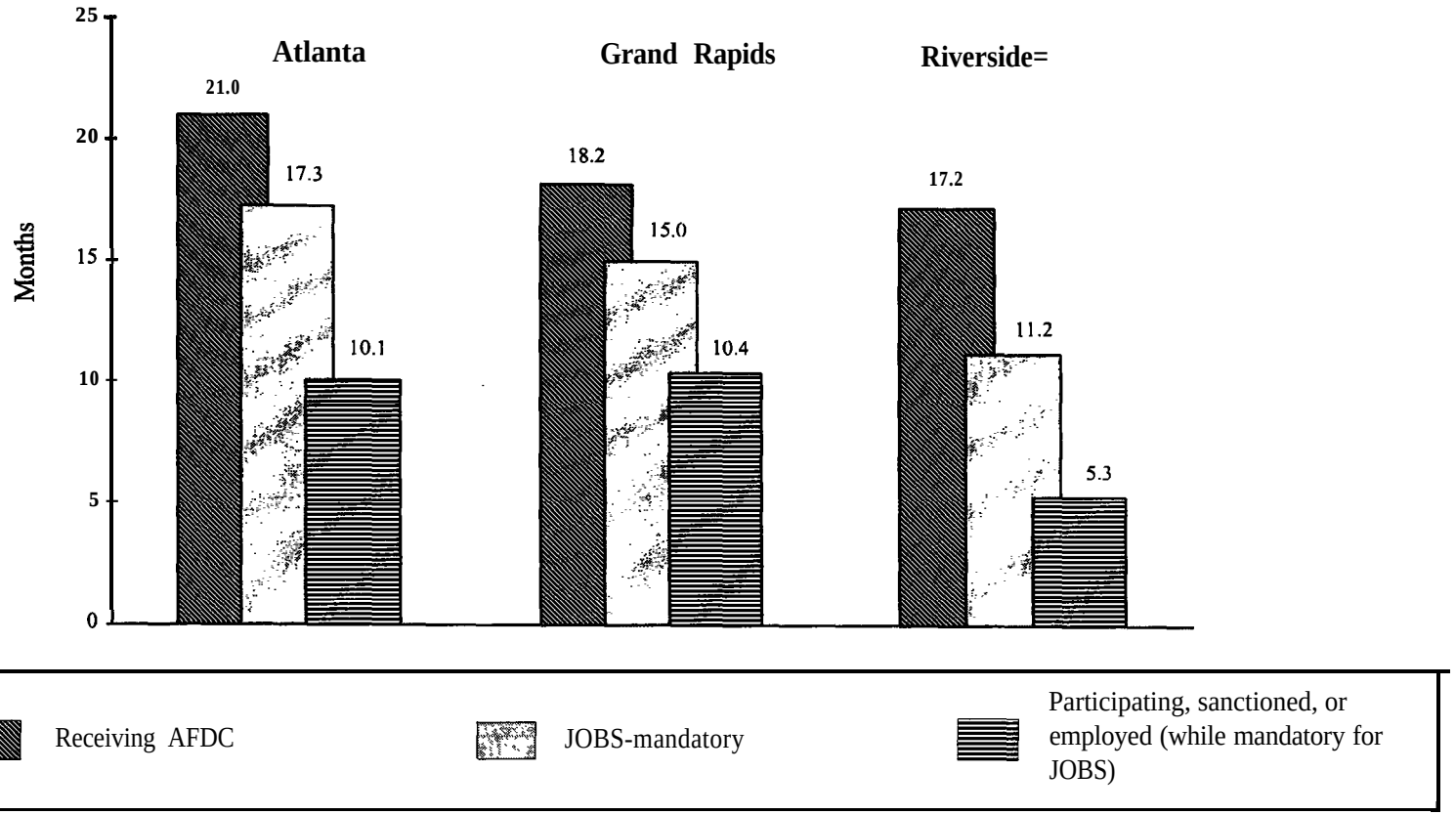
The previously discussed statistics alone do not indicate the extent to which the HCD programs in these three sites "covered" their JOBS-mandatory caseloads with a welfare quid pro quo (that is, an ongoing participation requirement). To examine this issue, several factors need to be taken into account simultaneously, on a person-by-person basis: the length of time individuals remained on AFDC during the two-year follow-up period; the length of time they remained JOBS-mandatory; and the length of time they were either participating in a program activity, employed while JOBS-mandatory, or sanctioned.

Figure 6.4 shows several of these aspects of coverage. A comparison of the lefthand bars in each set, showing the average number of months in the two-year follow-up period that individuals were receiving AFDC, indicates that HCDs in Atlanta spent more months receiving AFDC than HCDs in Grand Rapids and Riverside. The middle bars in each set show the average

Figure 6.4

Average Number of Months Receiving AFDC, JOBS-Mandatory, and Participating in a JOBS Activity, Sanctioned, or Employed Within a Two-Year Follow-Up Period, by Site

Human Capital Development Approach



SOURCE: See Table 6.3.

NOTE: [a]Includes only individuals without a high school diploma or GED.

number of months that individuals were JOBS-mandatory. As was the case with the LFAs, HCDs in Atlanta remained JOBS-mandatory for a longer period of time than HCDs in the other two sites, providing staff in Atlanta's HCD program with a bigger challenge than staff in the other two sites in trying to implement an ongoing participation requirement.

Figure 6.5 shows the number of months individuals fulfilled a quid pro quo-by either participating in a JOBS activity, being employed while JOBS-mandatory, or being actually sanctioned-as *a proportion of the months in which HCDs were JOBS-mandatory* during the follow-up period. If the shaded areas in each circle are added together, the percentage of JOBS-mandatory months in which HCDs were fulfilling a quid pro quo was 61 percent in Grand Rapids, 54 percent in Atlanta, and 43 percent in Riverside.

As was the case with the LFAs, the disparity in statistics reflects several factors: many welfare recipients in Atlanta and Grand Rapids met a quid pro quo because they were sanctioned; few welfare recipients in Atlanta, given Georgia's relatively low AFDC grant level, could meet the participation requirement through unsubsidized employment while receiving AFDC, since most jobs would make an individual ineligible for AFDC; and a substantial number of AFDC recipients in Riverside were deferred from program participation, some for fairly long periods of time.

A comparison of LFAs and HCDs shows that HCD coverage was higher than LFA coverage in Atlanta, primarily because of more sanctioning in its HCD program than its LFA program, and secondarily because of longer participation spells in the HCD program. HCD coverage was slightly lower than LFA coverage in Grand Rapids, generally as a result of less sanctioning in its HCD program than its LFA program. And HCD and LFA coverage in Riverside for individuals without a high school diploma or GED was similar, but HCDs were more likely than LFAs to be covered through participation, while LFAs were more likely than HCDs to be covered through part-time employment.

Individuals could be JOBS-mandatory in a month but not participating, employed, or sanctioned during the month for a variety of reasons. As discussed in detail in Chapter 5, some nonparticipation reflects a lack of welfare-to-work program resources, which are required to pay for enough program staff to assign, monitor, and "case manage" program-eligible individuals. In addition, program activities (for example, job clubs) and support services (for example, child care) must be provided. Prior research has indicated that in these same three sites, during a typical month in the follow-up period about one-fifth of those who were still JOBS-mandatory in a month were not affected by a welfare-to-work program quid pro quo during that particular month for reasons that appeared to result from resource shortages."

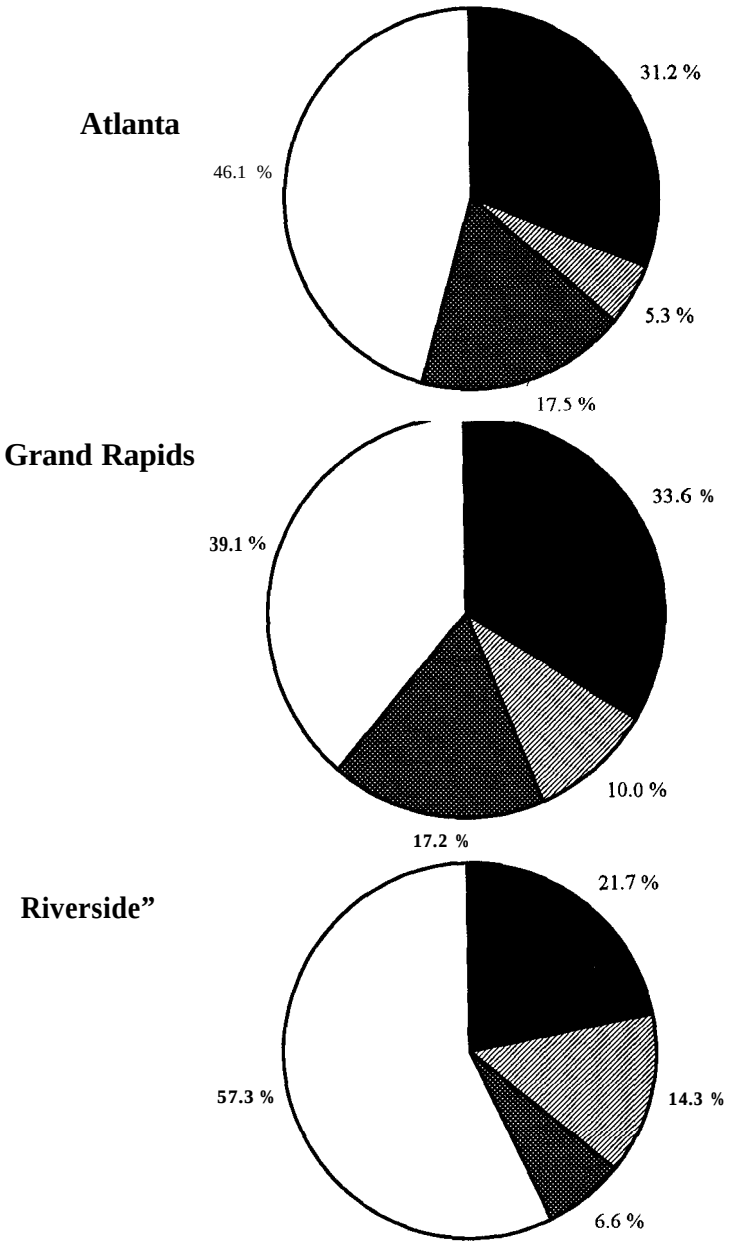
Some nonparticipation in a month was not the result of limited program funds. During a typical month in the follow-up period, up to one-fifth of those who were still JOBS-mandatory in the month would not have been able to participate, even with additional program funding or

"See Hamilton, 1995. Note that these percentages are for LFAs and HCDs combined.

Figure 6.5

Proportion of JOBS-Mandatory Months in Various JOBS Statuses Within a Two-Year Follow-Up Period, by Site

Human Capital Development Approach



JOBS-mandatory and:

- Participating in a JOBS activity
- Employed
- Sanctioned
- **"Not covered":** not participating, employed, or sanctioned

SOURCE: See Table 6.3.

NOTE: [a]Includes only individuals without a high school diploma or GED.

program procedure changes, because they or family members were ill or incapacitated during the month, they had been assigned to a JOBS activity but were waiting for it to begin, they were awaiting a JOBS activity assignment from their caseworker, or they were in other types of fairly uncorrectable situations.[12]

IX. Participation Among HCDs in Employment-Related Activities Outside JOBS

The findings presented so far have focused on the activities of HCD research group members while they were in the JOBS HCD programs, based on information collected from JOBS case files. Many HCDs, however, also participated in education or training activities outside JOBS during the two-year follow-up period. Most commonly, this participation occurred after they left the AFDC or JOBS-mandatory rolls; less commonly, they might have participated in a self-initiated activity-while they were still JOBS-mandatory-that JOBS case managers could not approve as a JOBS activity, because the type or intensity of the activity did not meet the program's standards. To obtain information on participation in education or training programs outside JOBS, data from the JOBS Two-Year Client Survey were analyzed. Unlike the JOBS case file data, the survey captures participation in activities that might have occurred outside JOBS as well as within JOBS. These data, however, represent retrospective self-reports by survey respondents; as a result, the survey data are subject to recall error.[13] Given these differences between the two data sources, participation rates based on survey data will not match the JOBS case file-based participation rates presented so far in the chapter.

Table 6.4 indicates the extent of HCDs' education and training participation that occurred during the two-year follow-up period outside JOBS. As shown, a sizable proportion of HCDs participated, or continued to participate, in employment-related activities outside the JOBS program and/or after leaving AFDC, particularly in Grand Rapids. In Atlanta, most participation in any type of employment-related activities (except college) took place as part of JOBS. In Grand Rapids, while substantial proportions of HCDs participated in basic education or college outside JOBS, they were more likely to participate in these activities as part of JOBS than outside it; among Grand Rapids vocational training participants, however, HCDs were almost as likely to participate in such training outside JOBS as they were as part of JOBS. In Riverside, where all HCDs lacked a high school diploma or GED, HCDs who were active outside JOBS were most likely to participate in basic education. The vast majority of basic education participants in Riverside's HCD group, however, were active in basic education as part of JOBS.

'*See Hamilton, 1995. Again, note that these percentages are for LFAs and HCDs combined.

[13]Some statistical adjustments were made in Table 6.4, based on information found in the JOBS case files, to take recall error into account.

Table 6.4

Participation in Job Search, Education, Training, and Work Experience, Within a Two-Year Follow-Up Period, by Whether Participation Was Part of JOBS or Outside JOBS and by Site

Human Capital Development Approach

Outcome	Participation as Part of JOBS	Participation Outside JOBS	Total
Atlanta			
Percent participated in:			
Job search	13.0	4.9	17.9
Basic education	33.1	6.2	38.6
College	1.2	5.2	6.4
Vocational training	24.6	4.7	29.3
Work experience or on-the-job training	7.0	0.9	7.9
Sample size	542	542	542
Grand Rapids			
Percent participated in:			
Job search	16.7	2.2	17.8
Basic education	29.7	20.2	47.1
College	21.4	13.3	30.0
Vocational training	16.1	15.5	29.3
Work experience or on-the-job training	12.0	2.7	14.7
Sample size	266	266	266
Riverside			
Percent participated in:			
Job search	33.6	6.8	37.0
Basic education	54.8	22.6	74.6
College	0.0	7.1	7.1
Vocational training	4.3	4.0	8.4
Work experience or on-the-job training	0.0	2.1	2.1
Sample size	435	435	435

SOURCES: MDRC calculations from the Two-Year Client Survey data, adjusted using MDRC-collected JOBS case file data,

NOTE: The samples in this table consist of all of those for whom Two-Year Client Survey data are available.

X. A Comparison of HCD Participation Levels with What Would Have Happened in the Absence of the Program

The preceding participation-related findings focused exclusively on the individuals randomly assigned to the HCD research group, covering their activities as part of the JOBS program as well as (briefly) their activities outside JOBS and/or after leaving the AFDC rolls during the two-year follow-up period. It is important, however, to determine the extent to which HCDs participated in employment-related activities more than control group members, and the types of activities in which participation levels increased the most, since these differences are key to determining which aspects of the HCD treatment caused the HCD impacts on AFDC, employment, and earnings (discussed in Chapter 10). To make comparisons between the activity levels of HCDs and control group members, data from the JOBS Two-Year Client Survey, which collected participation information for both HCDs and controls, are used.[14] All individuals surveyed, whether or not their JOBS case files were reviewed as part of the participation analysis, are included in the samples analyzed in this section.

The results indicate that the HCD programs in Atlanta and Grand Rapids (which served individuals with a high school diploma or GED as well as those without these educational credentials) increased participation in employment-related activities much beyond what would have happened in the absence of the programs. As shown in Table 6.5, the HCD programs most dramatically increased the likelihood that individuals would participate in basic education or, to a lesser extent, in vocational training programs. In both sites, participation in job search and work experience increased. In addition, in Atlanta, if only those HCDs and controls who participated in basic education are considered, the HCD program increased the number of hours that individuals spent in this type of activity. In Riverside, where the HCD program served only individuals without a high school diploma or GED, it substantially increased participation in basic education and increased job search participation as well. Moreover, similar to the situation in Atlanta, Riverside HCD basic education participants stayed longer than their control group counterparts in such programs,

The following paragraphs present, in detail and by site, the HCD-control group differences in employment-related participation during the follow-up period, as well as comparisons between HCD and LFA participation impacts. Full-sample results are shown in Table 6.5 for Atlanta and Grand Rapids. Results for Riverside HCD sample members (who all lacked a high school diploma or GED as of study entry) are shown with the other sites' subgroup results in Appendix Table D.4.

In Atlanta, as shown in Table 6.5, a sizable proportion of control group members reported participating in an employment-related activity at some point during the two-year follow-up period. Vocational training was the most common activity for controls (10 percent participated),

[14]As was the case in Table 6.4, some statistical adjustments were made to the client survey participation data discussed in this section, based on information found in the JOBS case files, in order to take recall error in the client survey into account. Appendix Table D.2 presents the estimated impacts of the HCD approach on participation using the survey data alone, rather than adjusting for recall error.

Table 6.5

Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Human Capital Development Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Atlanta									
Participated in:									
Job search	17.9	5.8	12.2	24.7	5.6	19.1	137.9	97.8	40.1
Basic education	38.6	5.9	32.7	274.3	18.8	255.5	710.4	317.4	393.0
College	6.4	5.4	1.0	35.9	36.4	-0.5	563.3	680.6	-117.2
Vocational training	29.3	10.3	19.0	197.7	61.9	135.8	674.2	599.2	75.0
Work experience or on-the-job training	7.9	1.4	6.5	n/a	n/a		n/a	n/a	
Sanctioned (A)”	24.3	4.9	19.4	n/a	n/a		n/a	n/a	
Sample size	542	454		542	454		(varies)	(varies)	

(continued)

Table 6.5 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Grand Rapids									
Participated in:									
Job search	17.8	7.6	10.2	32.3	5.1	27.3	181.3	66.5	114.8
Basic education	47.1	19.4	27.7	246.7	112.6	134.1	524.2	581.1	-57.0
College	30.0	23.8	6.2	205.3	174.6	30.7	484.9	733.8	-48.9
Vocational training	29.3	14.4	14.9	151.0	97.8	53.1	514.5	678.7	-164.2
Work experience or on-the-job training	14.7	1.6	13.1	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	32.3	6.7	25.6	n/a	n/a		n/a	n/a	
Sample size	266	272		266	272		(varies)	(varies)	

SOURCE: MDRC calculations from the Two-Year Client Survey, adjusted using MDRC-collected JOBS case file data.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assigmnent characteristics of sample members. Numbers may not add up to 100% because of rounding.

Sample sizes for individual measures vary because of missing values.

[a]Sanctioned between date of random assignment and date of survey interview.

N/a = not available or applicable.

followed by basic education, job search, and college (5 to 6 percent participated in each).[15] Relative to the control group activity level, the Atlanta HCD program most notably increased the incidence of participation in basic education-by 33 percentage points (39 percent of the HCDs participated). In addition, vocational training participation was increased by 19 percentage points (29 percent of the HCDs participated), job search participation was increased by 12 percentage points (18 percent of the HCDs participated), and work experience participation was increased by 7 percentage points (8 percent of the HCDs reported participating). If all sample members are considered, HCDs in Atlanta spent 256 more hours in basic education than their control group counterparts, and, primarily because of the increased number of participants in vocational training, 136 more hours in vocational training. (See the second set of columns in Table 6.5.) If only those individuals who participated at all in these programs (a nonexperimental comparison, since HCD participants may have different characteristics than control group participants) are considered, the results indicate that, in addition to having a greater likelihood of participating in basic education programs, HCD basic education participants stayed longer in such programs as well: basic education participants spent 393 more hours in this type of program than did participants in the control group. (See the third set of columns in Table 6.5.)

A comparison of Atlanta's LFA and HCD participation "impacts" (that is, levels of activity in relation to those of the controls) shows that its HCD program had larger effects on basic education and vocational training participation levels and smaller effects on job search and work experience activity than its LFA program. Atlanta's LFA program had much larger effects on job search and work experience participation levels and smaller effects on basic education participation rates than its HCD program. In addition, although a nonexperimental comparison, Atlanta's HCD program resulted in basic education participants receiving a much larger dosage of basic education than its LFA program.

In Grand Rapids, as discussed in Chapter 5, the client survey data indicate that control group activity levels during the two-year follow-up period were very high, relative to levels in Atlanta and Riverside, but roughly in the range of control group activity levels that have been measured in studies of prior welfare-to-work evaluations. (See Table 6.5.) It is notable that about one-third of those in the Grand Rapids research sample reported that they were already enrolled in an education or training program at the point that they were randomly assigned to a research group.[16]

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[15]As noted in Chapter 5, it is not clear why some control group members in each site reported on the client survey that they had experienced a sanction. Periodic reviews of control group members' case files indicated that controls were not exposed to JOBS' services or its mandates.

[16]It is very unlikely that the high degree of participation in education or training activities as of random assignment in Grand Rapids was evaluation-induced, as discussed in Chapter 5. It is possible that the Grand Rapids welfare-to-work programs developed, over the last decade, a reputation for being prescriptive and mandatory, which encouraged *all* AFDC clients to find and enroll in programs on their own initiative. It is also possible that the baseline participation levels reflected education and training providers in Grand Rapids that were more aggressive in their outreach efforts than those in the other sites.

Participation by Grand Rapids HCDs in basic education (and, to a lesser degree, participation in vocational training and job search) accounts for nearly all of the HCD-control participation differential. (See Table 6.5.) According to the client survey data, 47 percent of the HCDs participated in basic education compared with 19 percent of the controls, resulting in a 28 percentage point increase in the use of basic education. HCDs also participated more in vocational training: 29 percent of the HCDs were active in vocational training compared with 14 percent of the controls, producing a 15 percentage point difference. The HCD program in Grand Rapids also increased participation in job search-by 10 percentage points within the two-year follow-up. If all sample members are considered, HCDs in Grand Rapids spent 134 more hours in basic education, because of the increased number of participants in the HCD group in basic education, than their control group counterparts. As was the case with the LFA program in Grand Rapids, however, if only individuals are considered who participated in vocational training, basic education, or college (a nonexperimental analysis), length of stay in these activities was shorter for HCD participants than for control group participants, although these differences were not statistically significant. It is probable that a combination of factors led to this result. Its HCD program may have shortened length of stay among participants in education or training activities by diverting these individuals into job search, by facilitating quicker exits from AFDC, or by sanctioning participants with spotty attendance.

In Grand Rapids, HCD participation impacts, compared with LFA participation impacts, suggest that the HCD program increased basic education and vocational training participation levels, had a much smaller effect on job search participation, and similarly increased work experience participation levels. The LFA program, compared with the HCD program, substantially increased job search participation and similarly increased work experience participation. It is also notable that for individuals who participated in education or training in Grand Rapids, both the LFA and HCD programs decreased length of stay, or dosage, in such ‘activities.

For the two education-based subgroups (those who did and did not possess a high school diploma or GED), the HCD results, in contrast to the LFA results, indicate very different patterns in the types of incremental participation produced by the HCD programs. (See Appendix Tables D.3 and D.4.) Participation impacts are discussed separately for these two subgroups in the following paragraphs.

Among HCDs with a high school diploma or GED (included in the Atlanta and Grand Rapids HCD samples but not in the Riverside HCD sample), the Atlanta HCD program most substantially increased vocational training participation (by 32 percentage points) and job search and basic education participation (by 15 percentage points each), while the Grand Rapids HCD program increased these same three activities almost equally (by 13 to 15 percentage points each). Following patterns exhibited in the full HCD samples in these two sites, in Atlanta length of stay for those who participated in basic education greatly increased-by 473 hours-among those with a high school diploma or GED, while in Grand Rapids it decreased among those with these education credentials.

Among HCDs without a high school diploma or GED (included in the HCD samples in all three sites), the HCD programs dramatically and consistently increased participation in basic education-by 56 percentage points in Atlanta, 43 percentage points in Grand Rapids, and 57 percentage points in Riverside. In addition, for this subgroup, vocational training participation levels were increased in Grand Rapids (by 22 percentage points) and job search participation levels were sizably increased in Riverside (by 29 percentage points) and slightly increased in Atlanta and Grand Rapids (by 6 to 9 percentage points). Finally, the results indicate that, in addition to having a greater likelihood of participating in basic education programs, Atlanta and Riverside HCD basic education participants who lacked a high school diploma or GED stayed longer in such programs: Atlanta basic education participants in this subgroup spent 365 more hours in these programs than did participants in the control group; Riverside basic education participants in this subgroup spent 194 more hours in these programs than their corresponding control group members. (See the second and third sets of columns in Appendix Table D.4 for these statistics.)

In Riverside, among individuals without a high school diploma or GED, the HCD program had a much larger effect on basic education participation levels and a smaller effect on job search participation levels than its LFA program. In contrast, Riverside's LFA program greatly increased job search participation levels and did not increase participation levels in any other types of activities. Notably, both the LFA and HCD programs in Riverside increased length of stay in basic education among those individuals who participated in this type of activity.

CHAPTER 7

LABOR FORCE ATTACHMENT COSTS

Chapter 5 examined the participation in employment-related activities by sample members assigned to the Labor Force Attachment (LFA) group and to the control group, within the two years following their entry into the research sample. This chapter estimates the costs of this participation and of support services that sample members received during this period.

The cost analysis presented here includes estimates of how much the government spent on activities and support services for LFA group members and control group members. This chapter provides information that will help program administrators answer the following questions: What was the cost of a JOBS LFA program? How were JOBS expenses shared by the welfare department and non-welfare agencies? Which JOBS activities were the most expensive and which were the least expensive? How did child care and other support service costs contribute to the overall cost? How much more was spent on LFAs than on control group members; that is, what was the net cost of the LFA program? In addition, this analysis includes the differences in costs across the sites, explained by differences in the welfare administrators' goals, the availability of funding, the access to and cost of community services, and the demographic characteristics of the AFDC population.

The estimates presented in Chapters 7 and 8 represent the first installment of the National Evaluation of Welfare-to-Work Strategy cost analyses. Upcoming reports will present two-year cost estimates of the remaining four sites in the evaluation (Columbus, Detroit, Oklahoma City, and Portland). The final JOBS report will present a five-year benefit-cost analysis, to determine whether the economic gains (that is, the net benefits) to the government were greater or less than the economic losses (that is, the net costs) after five years. (The final report will also compare the economic gains and losses to the welfare recipient, the taxpayer, and society as a whole.) It is premature to present a two-year benefit-cost analysis in this report, because the total return on the investment may be evident only after several years.

This chapter begins with an overview of the major components of the cost analysis, followed by a brief summary of the findings, answering the questions above. It then discusses the cost estimates in detail for sample members assigned to the LFA group and the control group. Finally, it presents cost estimates for LFA and control group members who had a high school diploma or GED certificate at random assignment and those who did not.

I. Major Components of the Cost Analysis

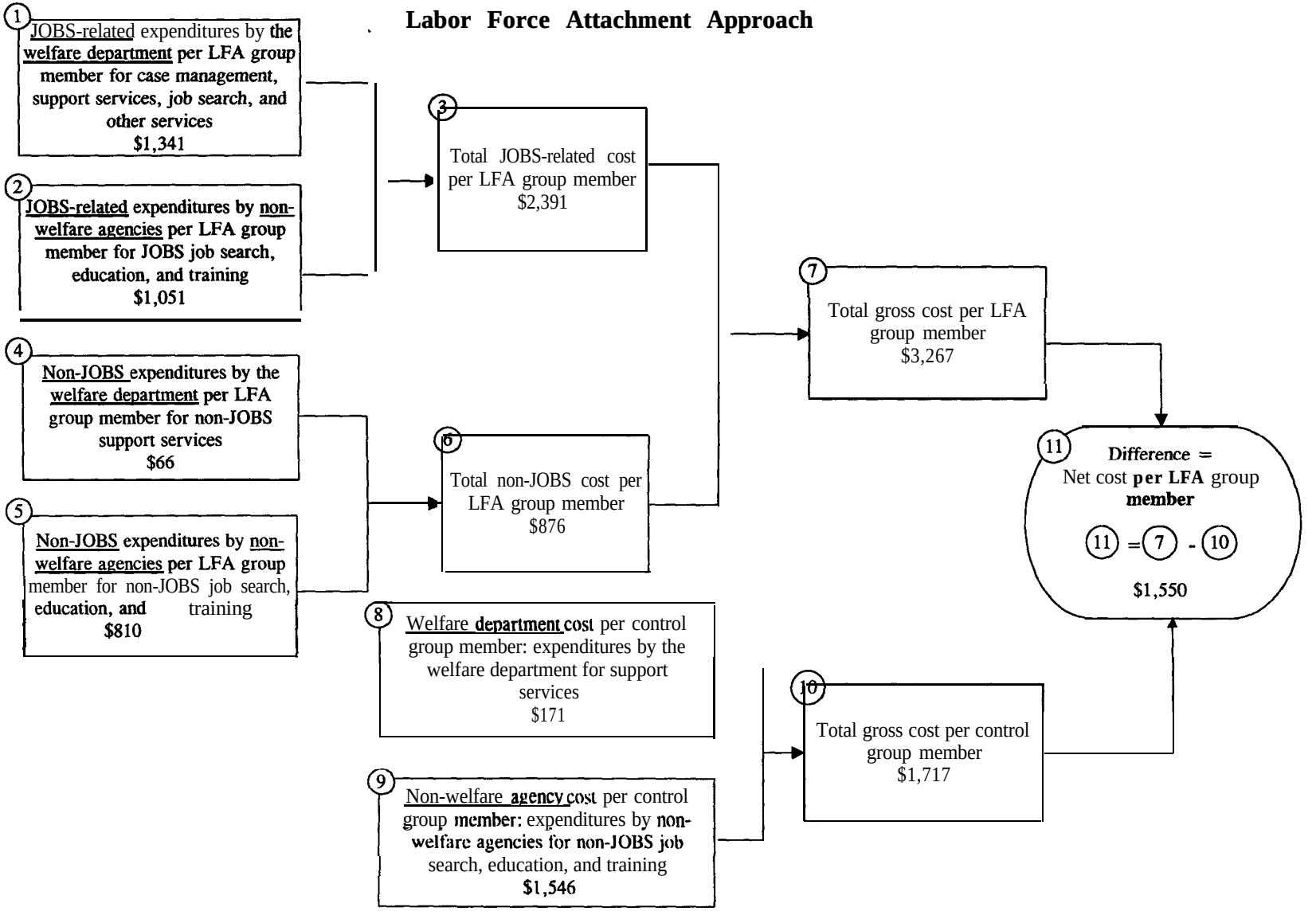
A. The Cost per LFA Group Member

Figure 7.1 illustrates the cost components for the LFA program group and the control group. Costs were initially calculated for four components, contingent on whether or not an activity or support service was provided to meet JOBS requirements or not and whether the welfare department or an outside agency paid for the activity or service.

Figure 7.1

Major Components of Gross and Net Costs

Labor Force Attachment Approach



SOURCES: See Table 7.1.

NOTE: Costs presented in each box are the costs per LFA group member averaged across the three sites.

For the LFA group, Figure 7.1 shows that the JOBS-related costs (box 3) consist of those expenditures incurred by the welfare department to operate the program (box 1) plus the expenditures incurred by non-welfare agencies, such as local adult schools, community colleges, and vocational training institutes (box 2). The total JOBS-related cost averaged $2,391 per LFA.'

The non-JOBS costs (box 6) were determined by adding the costs of child care services that LFAs received from welfare department programs other than JOBS, such as transitional child care, at-risk child care, and low-income child care (box 4), to the costs of services that LFAs received on their own, generally after leaving the JOBS program (box 5).[2] The total non-JOBS cost was $876 per LFA, averaged across the three sites.

Within each of these components, costs can be broken down further into activities and types of support services (to be discussed in further detail below).

Similarly (but not shown on Figure 7.1), the total cost per LFA paid by the welfare department can be calculated by adding together the JOBS-related welfare department cost (box 1) and the non-JOBS welfare department cost (box 4). This cost averaged $1,407. The total cost per LFA paid by non-welfare agencies was $ I,86 1.

The gross cost per LFA consists of all costs paid by the welfare department and non-welfare agencies for JOBS-related and non-JOBS services. This gross cost per LFA averaged $3,267 across the three sites.[3]

B. The Cost per Control Group Member

The gross cost per control group member (box 10) includes two cost components: the welfare department cost (box 8) and the non-welfare agency cost (box 9). The welfare department cost consists of support service payments made to controls by the welfare department for self-initiated participation in education and training activities and for other types of child care assistance, funded from Title IV-A, Child Care Development Block Grant, Title XX, and state and local programs. This average welfare department cost was $171. The average non-welfare agency cost, $1,546, represents the costs spent on education and training activities that controls pursued on their own.[4] The gross cost per control group averaged $1,7 17 (box 10) across the three sites.

'Averages are included in Figure 7.1 to help illustrate the relationship between the cost components. It is important to note that costs varied widely across the three sites. This variation will be discussed in more detail in the sections below.

'Some LFAs who were mandatory for JOBS pursued activities that were not approved by JOBS staff. The costs of these activities are included in the non-JOBS cost component.

[3]The AFDC payments made to program group and control group members, which are costs to the welfare department, are discussed in Chapters 9 and 10. The cost analysis focuses on expenses more directly related to participation and support services.

[4]Controls also participated in job search and work experience activities, but to a lesser extent than in education and training.

C. The Net Cost per LFA Group Member

The net cost per LFA (box 11) is the gross cost per LFA (box 7) minus the gross cost per control (box 10). The net cost thus represents the level of expenditures per person over and above what would have been spent in the absence of a JOBS LFA program. The average net cost was $1,550.

II. A Summary of LFA Cost Findings

The cost analysis was conducted to provide answers to the following questions:

- How were JOBS LFA expenses shared by the welfare department and non-welfare agencies?

Welfare departments relied on non-welfare agencies to provide services to JOBS participants, who were entitled to the services by virtue of their residency in the state, county, or school district, or who were able to obtain Pell Grants or other financial aid that would pay for these services. In effect, then, this allowed welfare departments to leverage resources from other agencies. For the three sites, the welfare department spent $1,341 for JOBS-related services, on average, and the non-welfare agencies spent another $1,051 (JOBS costs only). This means that for every dollar the welfare department spent, it was able to secure another 78 cents worth of services from non-welfare agencies.

However, these estimates varied widely across the three sites. For every dollar the Atlanta and Riverside welfare departments spent, they were able to secure less than 50 cents worth of services. In contrast, the Grand Rapids welfare department was able to obtain $2.29 worth of services from non-welfare agencies. The higher leverage of resources from outside agencies can be explained by the fact that Grand Rapids non-welfare agencies picked up the cost of job search services (in Atlanta and Riverside, the welfare departments paid for these services). Also, Grand Rapids program group members participated in education and training, activities that were provided by the non-welfare agencies, to a greater extent than the other sites.

- Which JOBS activities were the most expensive and which were the least expensive?

As explained above, the two-year cost of JOBS, the sum of welfare department and non-welfare agency costs, was $2,391 per LFA. Of this total, $706 was spent on job search and $1,092 was spent on education and training activities. The job search costs varied little across the three sites (varying at most by only $52). However, there was substantial variation across sites in the amount spent on education and training activities. Riverside spent $235 on education and training, while Atlanta spent $1,022 and Grand Rapids spent $2,020.

This variation can be explained by differences in the implementation of the JOBS program in each site as well as differences in the availability of education and training services offered in the community. As discussed in Chapter 3, Atlanta LFA case managers indicated that they thought

some clients would benefit more from education than job club and short-term activities and seemed more willing to assign LFAs to education or training than staff in the other two sites. Riverside case managers, on the other hand, stressed the need for clients to get into the labor market quickly. Thus, Riverside staff were less likely to assign skills-building activities to LFAs. Grand Rapids education and training costs are the highest primarily owing to the extensive network of schools in the community, resulting in a high percentage of LFAs who entered the JOBS program having already started an education program. In this case, LFAs were allowed to continue their participation in their self-initiated activities.

- How did child care and other support service costs contribute to the overall cost?

The Family Support Act required states to reimburse and pay for child care, transportation, and other work-related expenses (for example, uniforms, tools, equipment, books, and registration or licensing fees). The welfare department spent $499 (on average) on support services. This amount varied substantially across the three sites. Atlanta paid quite generously for child care, transportation, and ancillary services ($967), while Riverside spent very little ($137), owing to very low JOBS child care costs.

As will be discussed below, site staff were instrumental in directing program group members into particular types of child care. In addition, the variation in the length of time participants in each site stayed active in the program also accounted for the variation in support service costs.

- How much more was spent on LFAs than on control group members?

The net cost is an estimate of what was spent on LFAs (JOBS and non-JOBS costs), subtracting what the government would have spent on them in the absence of the JOBS program (as measured by the cost per control). As mentioned above, the net cost per LFA was $1,550, averaged across the three sites. The net cost ranged from $1,108 in Grand Rapids to $2,277 in Atlanta.

The net-cost-to-gross-cost ratio gives the percentage of spending on LFAs that occurred as a result of the JOBS program. The average net cost as a percentage of average gross cost was 47 percent. That is, for every dollar spent on LFAs, about 47 cents was new spending, while 53 cents would have been spent regardless, without a JOBS LFA program. Again, there was substantial variation across sites. For every dollar spent on LFAs in Atlanta and Riverside, over 60 cents was new spending; while in Grand Rapids; only 25 cents was new spending, owing to the high level of participation by control group members.

III. The JOBS-Related Cost per LFA Group Member (Figure 7.1, Box 3)

This section examines in more detail the expenditures made by the welfare department and non-welfare agencies to serve LFAs participating in approved JOBS activities and receiving JOBS-related support services.

A. JOBS-Related Costs Incurred by the Welfare Department (Figure 7.1, Box 1)

The welfare department costs consisted of the program operating costs paid by the welfare department and the support services that LFAs received so that they could participate in JOBS.

Operating Costs

The welfare department covered the expenditures for the day-to-day operations of the program, including expenses for case management services, orientations, assessments, job club services, and job development.

The analysis sought to obtain cost measures that consistently captured all of the costs of each JOBS-related activity, starting at the time program group members attended orientation.[5] This was complicated by the fact that each state's welfare department maintained a different accounting system and used a different basis for allocating costs to JOBS.[6] Expenditure data were collected from the county and state to cover a "steady-state" period, a period of relatively stable program operations, after the initial phase of the evaluation, when many of the sample members were receiving services.' Salaries and overhead costs were allocated to activities based on an approximation of the time that case managers spent with clients assigned to each activity.[8] Efforts were made to exclude all research-related expenses, that is, the extra expenses incurred to accommodate research requirements and requests, particularly the costs of staff time administering surveys and achievement tests that were used for MDRC research purposes only.

The costs incurred by the welfare department for operating the JOBS program were allocated across seven JOBS activities. These are:

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[5]The costs by income maintenance staff referring clients to the JOBS program are not included in this analysis.

[6]For example, the California Department of Social Services (CDSS) Riverside office administered detailed monthly time studies to staff which were used to allocate Riverside County expenditures to JOBS by activity. The Michigan Department of Social Services (MDSS) administered a time study in a random week in the fiscal year quarter to workers across the state to estimate JOBS operating and administrative costs for the state, but not by county or JOBS activity. The Georgia Department of Human Resources allocated costs to the Fulton County JOBS program based on the proportion of total direct staff that were JOBS staff.

'The steady-state periods were July 1992 to June 1993 for Atlanta, October 1992 to September 1993 for Grand Rapids, and July 1991 to June 1993 for Riverside.

[8]For Atlanta and Grand Rapids, overhead rates capturing county and state administrative costs were calculated and applied to worker salaries. The marked-up salaries were allocated to activities based on the proportion of each staffs monthly cases assigned to each activity (an adjustment was made in Atlanta to reflect the fact that more time was spent in a given month with clients enrolled in job search than with clients enrolled in education or training). In Riverside, the county allocated salaries and overhead costs to JOBS activities, based on the county-administered time study.

- **Orientation and appraisal.** Orientation, generally the first activity that program members participated in, was a group activity during which JOBS program benefits, requirements, and nonparticipation consequences were explained to clients. Individual appraisals between the clients and case managers followed orientation to determine the appropriate program assignment and to assess support service needs. Subsequent orientations took place only in Riverside.

- **Formal assessment.** Assessment and testing lasted several days and was used extensively only in Grand Rapids primarily for HCDs. Assessments occurred after orientation and included a personal interview and in-depth testing to determine the program group member's skills level and vocational interest.

- **Job search.** Job search encompassed job club activities, which included classroom training and phone room, individual job search, and life skills management.

- **Basic education.** Basic education included programs in Adult Basic Education (ABE), General Educational Development (GED), High School Diploma, High School Completion, English as a Second Language (ESL), and Basic Skills Upgrade (for individuals with a high school diploma or GED).

- College. College included enrollment in a two-year community college or a four-year college program.

- **Vocational training.** Vocational training included programs that emphasized specific job skills training.

- **Work experience.** Work experience activities were designed to provide individuals with hands-on training experience. These activities included on-the-job training (OJT), unpaid work experience (nonpaid job training experience at a public or nonprofit agency), and paid work (college work study or part-time employment that was considered to be part of a client's JOBS participation).

The payments made by the welfare department to outside organizations that were contracted to provide services are also included. For example, in Grand Rapids, the welfare department contracted out assessment and work experience services to the local public school district; Riverside made payments to basic education providers to supply the county with detailed attendance information on JOBS students that they were not otherwise funded to collect and report; and Atlanta contracted with a community action agency, which provided the site with job club facilitators.

The cost per LFA for each activity was determined by three factors: the unit cost, which is

the cost of serving one person in the JOBS activity for a specific unit of time (for example, one month); the length of time participants spent in the activity (measured in the same time units as the unit cost) once they began; and the participation rate for each activity. Multiplying the three factors together yields the average cost incurred per LFA member.

The welfare department unit costs by activity were generally calculated by dividing activity expenditures by the total number of "participant-months" for the activity.' The number of participant-months was obtained by summing, across all months in the steady-state period, the monthly number of participants in the activity. For example, if the total cost spent on job search during a one-year period was $10,000, and during this year 10 clients participated in job search each month, the job search unit cost is:

$$\frac{\$10{,}000}{(10 \text{ clients x } 12 \text{ months})} = \$83.33 \text{ per participant-month}$$

The unit cost included the cost of staff time following up on nonparticipants, contacting them, encouraging them to attend, and initiating sanctions against them. This cost is applied to those who do show up. In the example above, if 15 clients were assigned to job search each month, but only 10 showed up, then the cost of time spent with the 5 "no-shows" is included in the numerator. However, the denominator includes only the 10 participants. Therefore, in this example, the unit cost reflects the fact that for every 10 persons who attended job search, the welfare department incurred the expenses of having staff work with another 5 who failed to attend.

Table 7.1 (first and second columns) shows the welfare department unit costs for the seven activities. Unit costs varied by activity and site, from a low of $66 per month of participation for college in Atlanta to a high of $682 per month for job search in Riverside. Job search monthly costs per participant tended to be higher than the education and training unit costs because the welfare department typically paid for job search services as well as case management costs for clients enrolled in these activities. (The exception was in Grand Rapids where job search services were provided and paid for by the local community education center.) The education and training unit cost estimates reflect case management costs only (non-welfare agencies paid for the education and training services).

The magnitude of the estimates were influenced by many factors, including staff-to-client ratios, staff salaries, overhead costs, special staff positions, and special expenditures made by the site. For example, Riverside welfare department unit costs exceeded the other sites' unit costs, in part, because it had relatively high overhead costs, had job developers on staff who canvassed the local job market for employment opportunities for participants, and made incentive payments to

'Orientation unit costs for all sites and the assessment unit cost for Riverside were calculated by dividing activity costs by the number of participant-sessions attended.

Table 7.1

Estimated Unit Costs for Employment-Related Activities (in 1993 Dollars)

Labor Force Attachment Approach

	Program Group			Control Group	
	Welfare Department Unit Cost		Non-Welfare Agency Unit Cost	Non-Welfare Agency Unit Cost	
Site and Activity	Average per Month of Participation ($)	Average per Session ($)	Average per Hour ($)	Average per Month of Participation ($)	Average per Hour ($)
Atlanta					
Orientation and appraisal	n/a	65	n/a	n/a	n/a
Formal assessment	n/a	n/a	n/a	n/a	n/a
Job search	374	n/a	n/a	55	n/a
Basic education	104	n/a	2.86	n/a	2.87
College	66	n/a	8.12	n/a	7.59
Vocational training	138	n/a	6.57	n/a	6.18
Work experience	150	n/a	n/a	166	n/a
Grand Rapids					
Orientation and appraisal	n/a	16	n/a	n/a	n/a
Formal assessment	355	n/a	n/a	n/a	n/a
Job search	233	n/a	n/a	n/a	n/a
Basic education	119	n/a	5.73	n/a	5.74
College	88	n/a	8.36	n/a	8.42
Vocational training	99	n/a	7.03	n/a	7.17
Work experience	216	n/a	n/a	216	n/a
Riverside					
Orientation and appraisal	n/a	79	n/a	n/a	n/a
Formal assessment	n/a	535	n/a	n/a	n/a
Job search	682	n/a	n/a	228	n/a
Basic education	229	n/a	4.00	n/a	3.68
College	110	n/a	5.73	n/a	5.74
Vocational training	110	n/a	4.96	n/a	5.31
Work experience	514	n/a	n/a	514	n/a

SOURCES: MDRC calculations based on fiscal and participation data from the following: Atlanta - the Fulton County Department of Family and Children Services, the Georgia Department of Human Resources, the Georgia Department of Technical and Adult Education, the Board of Regents University System of Georgia; Grand Rapids - the Michigan Department of Social Services, the Michigan Department of Education Office of Extended Learning Services, the Grand Rapids Community College, the Wyoming Community Education Center; Riverside - the California Department of Social Services, the California Department of Education, the Chancellor's Office of California Community Colleges; in all three sites - information collected on tuition charged at proprietary schools attended by sample members, and information from MDRC-collected JOBS case file data and the MDRC Two-Year Client Survey.

NOTES: The estimated unit cost of job search to Grand Rapids non-welfare agencies was $921 per participant.

The average cost per hour is a cost per scheduled hour, calculated by taking a weighted average of adult school, community college, vocational institute, and proprietary school costs per hour, based on participation by sample members. Unit costs expressed in terms of attended hours were converted to costs per scheduled hour, using adjustment factors calculated from MDRC-collected JOBS case file data for the months of October and November 1992.

Work experience unit costs for program and control group members receiving services from non-welfare agencies were assumed to be equal to the welfare department JOBS unit cost. Atlanta's unit cost for controls was the average of the LFA and HCD welfare department unit costs.

N/a = not applicable.

basic education providers." Another factor could include a difference in regional wage rates, which was not examined.

The welfare department cost per program group member by JOBS activity was generally calculated by multiplying the activity's unit cost by the average number of months that participants spent in the corresponding JOBS activity," which is then multiplied by the percentage of program group members who participated in the JOBS activity.[12] The last calculation converts the cost per participant to a cost per program group member. Hence, a zero cost is assigned to those not participating in the activity and averaged in with the cost of participants.

Table 7.2 (first column) shows the JOBS welfare department operating cost per LFA, which ranged from a low of $648 in Grand Rapids to a high of $1,154 in Atlanta. If the Grand Rapids welfare department had paid for job search services, as did the other sites, the cost estimates would be similar across all three sites.[13] Interestingly, the Riverside welfare department did not spend more than Atlanta, even though it had higher unit costs, owing to the fact that Riverside LFAs spent considerably less time in JOBS (Riverside LFAs spent 1.3 months in JOBS activities compared with Atlanta LFAs who spent 4.5 months and Grand Rapids LFAs who spent 3.3 months).

Support Service Costs

The welfare department paid for child care, transportation, and ancillary services (for example, uniforms, tools, equipment, books, and registration or licensing fees) to help sample members participate in JOBS. Data on individual support service expenditures were collected from the welfare department, covering different periods, based on the availability of data.[14]

Table 7.3 (final column) presents estimated JOBS-related support service costs per LFA, consisting of child care, transportation, and ancillary support services. JOBS-related support service costs ranged from a high of $882 in Atlanta to a low of $122 in Riverside; Grand Rapids JOBS-

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"Overhead costs were allocated to all activities; job development costs were allocated across all activities, except orientation; and basic education incentive payments were included in the basic education unit cost only.

"Orientation costs in all three sites were calculated by multiplying the average cost per session by the number of sessions attended per LFA. All LFAs attended at least one orientation (LFAs in Riverside sometimes attended more than one orientation). Formal assessment costs in Riverside were calculated by multiplying the average cost per session by the number of sessions that participants attended and the percentage who attended formal assessment.

[12]As explained in Chapter 5, participation in activities by program and control group members was identified through a combination of MDRC-collected case file data and the Two-Year Client Survey data. Statstical adjustments were made to the client survey participation data based on information found in the case tiles in order to take recall error in the client survey into account.

[13]Adding the Grand Rapids non-welfare agency cost for job search to the welfare department operating cost results in a cost of $1,080.

[14]Approximately 1.3 months of Grand Rapids child care data had to be imputed to estimate 25-month costs. Grand Rapids ancillary and transportation costs paid at the site were estimated based on records of 330 sample members; Grand Rapids transportation payments distributed by the schools, but reimbursed by the welfare department, were estimated based on 6 months of transportation logs. For Atlanta, 25 months of JOBS support service costs were collected for all sample members. For Riverside, the sample was restricted to those randomly assigned between January 1992 through December 1992, for whom 25 months of data were obtained.

Table 7.2

Estimated JOBS Cost Within Two Years After Orientation, by Agency (in 1993 Dollars)

Labor Force Attachment Approach

Site and Activity	JOBS Cost per LFA Member: Welfare Department cost ($)	JOBS Cost per LFA Member: Non-Welfare Agency Cost ($)	JOBS Cost per LFA Member: Total JOBS cost ($)	Non-JOBS Cost: Welfare epartment cost ($)	Non-JOBS Cost: Non-Welfare Agency Cost ($)	Total Gross Cost per LFA Member ($)
Atlanta						
Orientation and appraisal	65	0	65	0	0	65
Formal assessment	0	0	0	0	0	0
Job search	728	0	728	0	5	733
Basic education	114	246	360	0	96	456
College	15	156	171	0	89	260
Vocational training	91	400	491	0	185	675
Work experience	142	0	142	0	14	156
Subtotal (operating)	1,154	802	1,956	0	389	2,345
Child care	709	0	709	85	0	794
Other support services	174	0	174	0	0	174
Total	2,036	802	2,838	85	389	3,312
Grand Rapids						
Orientation and appraisal	16	0	16	0	0	16
Formal assessment	8	0	8	0	0	8
Job search	244	432	676	0	64	740
Basic education	75	326	401	0	336	736
College	153	993	1,145	0	601	1,747
Vocational training	61	413	474	0	182	656
Work experience	92	0	92	0	18	110
Subtotal (operating)	648	2,164	2,812	0	1,201	4,013
Child care	270	0	270	97	0	366
Other support services	27	0	27	0	0	27
Total	945	2,164	3,109	97	1,201	4,406
Riverside						
Orientation and appraisal	100	0	100	0	0	100
Formal assessment	6	0	6	0	0	6
Job search	715	0	715	0	73	788
Basic education	14	31	45	0	109	155
College	34	155	190	0	445	635
Vocational training	0	0	0	0	213	213
Work experience	50	0	50	0	0	50
Subtotal (operating)	919	187	1,105	0	840	1,945
Child care	73	0	73	15	0	88
Other support services	49	0	49	0	0	49
Total	1,041	187	1,227	15	840	2,082

SOURCES: See Table 7.1. MDRC child care calculations from Fulton County, Michigan, and Riverside County payment data. Other support service data from county records.

NOTE: Rounding may cause slight discrepancies in calculating sums.

Table 7.3

Estimated Support Service Cost Within Two Years After Orientation (in 1993 Dollars)

Labor Force Attachment Approach

Site and Activity	Per LFA Who Received Service: Average Monthly Payment ($)	Average Months of Payments	Cost Per LFA Who Received Service ($)	Percent of LFAs Who Received Service	cost per LFA ($)
Atlanta					
JOBS child care	255	9	2,254	31	709
Transportation	38	3	126	53	67
Ancillary services	36	3	113	94	106
Subtotal (JOBS)					882
Non-JOBS child care	185	7	1,241	7	85
Total					967
Grand Rapids					
JOBS child care	214	7	1,415	19	270
Transportation	n/a	n/a	n/a	n/a	26
Ancillary services	n/a	n/a	n/a	n/a	1
Subtotal (JOBS)					297
Non-JOBS child care	264	16	4,156	2	97
Total					393
Riverside					
JOBS child care	143	3	435	17	73
Transportation	24	3	65	54	35
Ancillary services	72	1	105	13	14
Subtotal (JOBS)					122
Non-JOBS child care	n/a	n/a	n/a	n/a	15
Total					137

SOURCES: See Table 7.2.

NOTES: Rounding may cause slight discrepancies in calculating sums.
N/a = not available.

related support service costs were $297.[15] As Table 7.3 shows, the wide variation in support service costs can be explained by three estimates: the average cost of a month of service, the average number of months of support services, and the percentage of LFAs who ever received the support services. For JOBS child care, which was the bulk of the support service cost, each of these three measurements was highest in Atlanta and lowest in Riverside.

The type of child care that participants received and the age of the children for whom care was provided determined the average monthly JOBS child care payment. Child care provided by licensed child care centers tends to be the most expensive type of care, followed by family day care, and finally by care typically provided by friends or relatives. Also, across all types of care, infant and toddler child care tends to be more expensive than care for older children.

Site staff played an active role in directing participants into one type of care over another, based on the goals of the JOBS program. Atlanta staff encouraged JOBS participants to use licensed home care or established day care centers and, in fact, offered it as an inducement for their participation in JOBS. Riverside, on the other hand, encouraged clients to rely on less formal child care arrangements with friends or relatives, hoping to steer them to low-cost care that they would be able to afford, on their own, after leaving welfare. Initially, Grand Rapids had no particular emphasis, although in mid- 1992 the state required all child care providers to be licensed, registered, or enrolled by the state (friends or relatives could be enrolled).

Atlanta's sample at baseline had older children (two-thirds of the Atlanta sample had children over age 5 compared with one-third of Grand Rapids sample members and over two-fifths of Riverside sample members). As mentioned above, child care costs tend to be lower for older children. However, as Table 7.3 shows, Atlanta made the highest monthly payments to JOBS child care recipients, presumably because a higher proportion of LFAs in Atlanta used licensed child care than those in the other sites.[16] Somewhat surprisingly, the Grand Rapids average monthly cost was not significantly high, even though 44 percent of sample members had a child aged 2 or under. (AFDC recipients with children as young as age 1 were mandatory for JOBS in Grand Rapids,' whereas the requirement typically extended only to AFDC recipients with children at least 3 years old in Atlanta and Riverside.)

The average number of months of child care receipt also contributed significantly to the overall cost. In Atlanta, where LFAs who participated in JOBS tended to participate for longer periods of time than in Grand Rapids and Riverside, child care recipients received payments for the longest period-9 months, on average. Similarly, Riverside's short period of child care receipt probably reflects the shorter period of time that Riverside LFAs participated in JOBS-related activities.

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[15]The Atlanta and Riverside support service estimates are based primarily on county data, while Grand Rapids child care estimates are based on state data. Therefore, estimates do not reflect noncounty support service costs of sample members in Atlanta and Riverside who move to other counties, enroll in JOBS, and receive support service payments. (Control group members who moved were also eligible for JOBS services in their new communities; the costs of services that they received from other counties also are not included.)

[16]Possible benefits could arise from the extensive use of center-based child care. Research that will be conducted on the JOBS sample may reveal beneficial effects on children who attended licensed child care centers. This report does not examine this link between child care costs and benefits.

The proportion of LFAs who received JOBS child care influenced the costs also. A higher percentage of LFAs in Atlanta received child care through JOBS than those in the other sites. Riverside LFAs who enrolled in education or training activities on their own were typically deferred from JOBS and did not receive support services, which may explain Riverside's limited usage. In addition, Riverside's overall participation rate in JOBS activities was lower than in the other sites.[17]

JOBS-related transportation and ancillary service costs were highest in Atlanta and lowest in Grand Rapids. Atlanta staff reimbursed individuals generously for support services by distributing monthly transportation passes, daily meal vouchers, stipends for orientation attendance, and reimbursement for education and work-related expenses. In contrast, most Grand Rapids LFAs received no ancillary support services, although many did receive transportation assistance.'* Riverside had a less extensive public transportation system, and therefore more LFAs relied on their cars for transportation. Thus, a sizable percentage of the transportation costs consisted of reimbursement for mileage to and from the site or school. Riverside LFAs who lived in remote areas, and had problems finding transportation, could be deferred from participation.

Total JOBS-Related Costs Incurred by the Welfare Department

To summarize, the welfare department paid $2,036 per LFA in Atlanta, $945 in Grand Rapids, and $1,041 in Riverside for JOBS services. Atlanta's higher JOBS-related welfare costs were due to higher than average operating costs and support service costs. Grand Rapids costs were lower than the other two sites because, in part, non-welfare agencies picked up the costs of running job clubs.

B. JOBS-Related Costs Incurred by Non-Welfare Agencies (Figure 7.1, Box 2)

The non-welfare agencies incurred the majority of the education and training expenses and, in Grand Rapids, job search costs.[19] Non-welfare agency costs per scheduled hour were estimated separately for basic education, vocational training, and college and were calculated from cost and participation data collected from adult schools, vocational training institutes, business and trade schools, and community colleges-the primary types of institutions attended by sample members. Separate unit costs per activity were calculated for each research group based on the percentage of participants in each activity attending each type of institution.[20]

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[17]However, this is only part of the explanation. An analysis was conducted of the percentage of JOBS participants *in a given month* who received JOBS child care. It was 72 percent in Atlanta, 29 percent in Grand Rapids, and 21 percent in Riverside. Even after controlling for different rates of participation in JOBS, LFAs in Atlanta received more JOBS child care than those in the other sites.

"Program group members in Grand Rapids generally received reimbursement for transportation expenses from the school district or community college. The education or training providers then could charge the welfare department for these expenses incurred on behalf of AFDC recipients (although some service providers did not). The costs reported here reflect only the expenses that were reimbursed by the welfare department. Unreimbursed costs are presumably included in the non-welfare agency activity costs.

[19]The Grand Rapids' job search unit cost was calculated as the cost per participant.

[20]Some costs, generally adult school costs, were based on actual, not scheduled, hours of attendance. To calculate activity unit costs, these adult school costs were converted to costs per scheduled hour, using adjustment factors

(continued)

Table 7.1 (third column) presents the unit cost estimates for basic education, vocational training, and college. Unit cost estimates ranged from $2.86 per hour for basic education in Atlanta to $8.36 per hour for college in Grand Rapids. Atlanta's basic education unit cost was low because Atlanta adult schools, which were the main providers of basic education services, had fairly low overhead and salary costs (they used instructors who were paid hourly and did not receive fringe benefits). In all sites, basic education was the least expensive activity, followed by vocational training and then by college.

To estimate how much non-welfare agencies spent on each JOBS activity per person in the LFA group, the non-welfare unit cost (the cost per scheduled hour) was first multiplied by the number of hours participants were scheduled to attend each JOBS activity. This cost per participant was then multiplied by the percentage of LFAs who participated in the corresponding JOBS activity. The product is the cost per LFA per activity.

Table 7.2 (second column) presents the JOBS non-welfare agency costs. The cost was $802 per LFA in Atlanta, $2,164 in Grand Rapids, and $187 in Riverside. The low costs in Riverside reflect the fact that Riverside staff referred few LFAs to education and training activities and did not often approve self-initiated activities (as discussed earlier, individuals who were enrolled in education and training activities at the time of orientation were typically placed in deferral status). The Grand Rapids costs were high, in part, because the Grand Rapids sample members had access to considerable education and training opportunities within the community. This is demonstrated by the percentage of Grand Rapids sample members who entered JOBS having participated during the previous 12 months (39 percent in Grand Rapids compared with 13 percent in Atlanta and 19 percent in Riverside). Also, the Grand Rapids unit costs were higher than the other sites' non-welfare agency costs. Finally, job search services were provided by non-welfare agencies in Grand Rapids.

C. Total JOBS-Related Costs (Figure 7.1. Box 3)

Table 7.2 (third column) shows the total JOBS-related cost per LFA, which was $2,838 in Atlanta, $3,109 in Grand Rapids, and $1,227 in Riverside.

Figure 7.2 depicts the distribution of JOBS LFA costs across activities and support services for each site. Riverside spent a substantially greater portion of its JOBS-related resources on job search than did the other sites: 58 percent compared with 26 percent in Atlanta and 22 percent in Grand Rapids. Atlanta allocated a much higher portion of its costs to support services (31 percent) than the other sites, while Grand Rapids allocated most of its JOBS-related costs to education and training (65 percent), partly because of high self-initiated participation by LFAs.

If support service costs are excluded, Atlanta spent 37 percent of its JOBS-related operating costs on job search and 52 percent on education and training; Grand Rapids spent 24 percent on job search and 72 percent on education and training; and Riverside spent 65 percent on job search and 21 percent on education and training. This illustrates the degree to which the Atlanta and Grand

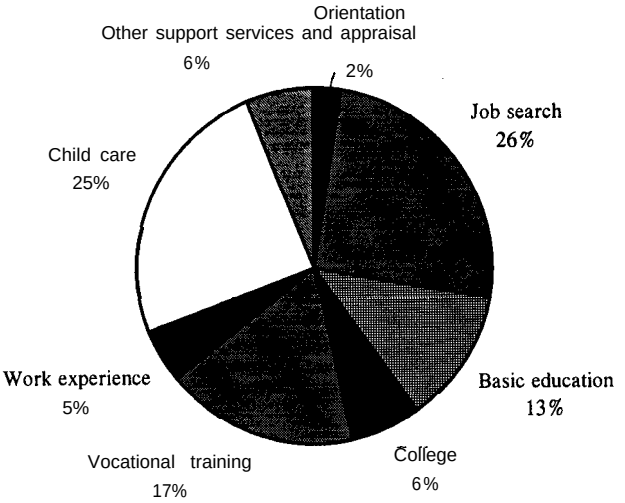
(...continued)
estimated from the case file participation data.

Figure 7.2

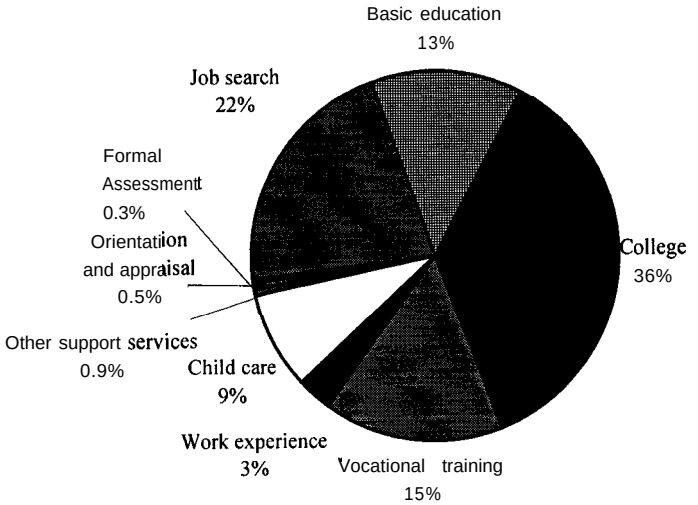
Percentage Distribution of Two-Year JOBS Program-Related Costs per Sample Member, by Activity

Labor Force Attachment Approach

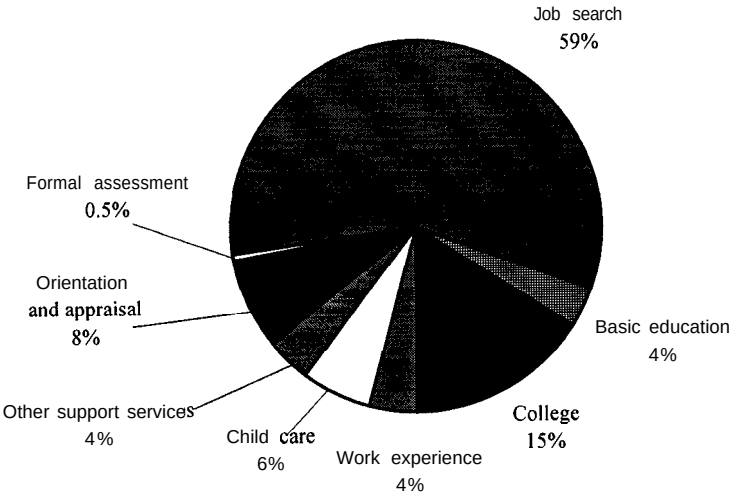
Atlanta



Grand Rapids



Riverside



SOURCES: See Table 7.2.
NOTE: Distributions may not sum to 100 percent because of rounding.

Rapids LFA approaches included education and training in their programs, while Riverside focused primarily on job search.

IV. The Non-JOBS Cost per LFA Group Member (Figure 7.1, Box 6)

As discussed in Chapter 5, some LFAs entered education and training activities on their own after leaving the JOBS program or participated in activities, unapproved by JOBS staff, while enrolled in JOBS. While these services are not considered JOBS services, they have the potential to increase LFAs' longer-term earnings and reduce their use of welfare. In addition, the non-JOBS costs should be included in the gross cost estimate before making any comparisons with the cost per control group member. The costs are divided into those financed by the welfare department and those financed by non-welfare agencies.

A. Non-JOBS Costs Incurred bv the Welfare Department (Figure 7.1, Box 4)

Occasionally, the welfare department made child care payments to sample members after they had left JOBS and were working or were enrolled in non-JOBS programs. Title IV of the Social Security Act, in addition to authorizing funds for JOBS child care, authorized funds for transitional child care services, which guaranteed child care assistance to working families for 12 months after leaving AFDC. Title IV also authorized at-risk child care monies, which provided child care services for low-income families who were not receiving AFDC, but were at risk of becoming eligible for welfare if child care were not provided. The Child Care Development Block Grant, a federal block grant to the state, can be used to provide child care services to low-income families and for children who need protective services. Title XX of the Social Security Act authorized grants to states for providing social services, which can be used for child care services. The costs of child care services provided by these resources, in addition to other state and local funds, are included in the non-JOBS related child care category.[21]

The non-JOBS child care cost per LFA was $85 in Atlanta, $97 in Grand Rapids and $15 in Riverside (see Table 7.2, fourth column). In Atlanta, child care payments were distributed between transitional child care, child care paid from the Child Care Development Block Grant, and child care paid through the Private Industry Council. In Grand Rapids, almost all LFAs who received non-JOBS child care received child care for employment. The few Riverside LFAs who received non-JOBS child care used it to meet a variety of needs, including employment, education, and child protection services.

It is important to note that the cost analysis does not include the cost to the welfare department for child care disregards given to AFDC recipients who were working. As discussed in Chapter 4, in Grand Rapids and Riverside, clients who combined welfare and work were allowed to

[21]Approximately 1.3 months of Grand Rapids child care data had to be imputed to estimate 25-month costs. To calculate non-JOBS costs for Atlanta, the sample was limited to those who were randomly assigned from July 1992 through December 1992, to limit the number of payments that were imputed (the child care payments were automated starting in January 1993. Riverside transitional child care costs were based on data collected for the period from June 1991 through February 1993; all other months were imputed. Other Riverside non-JOBS child care payments were based on data collected for the period from July 1992 through June 1994.

disregard certain child care expenses from their earned income, before their AFDC grant amount was determined. This disregard showed up in the form of increased AFDC payments. Consequently, the cost to the welfare department for child care disregards for Grand Rapids program group and control group members is captured in the average AFDC payment per LFA, presented in Chapter 9. Atlanta program group and control group members did not receive this disregard, although the few who combined work and welfare could continue to receive child care payments from the welfare department.

B. Non-JOBS Costs Incurred by Non-Welfare Agencies (Figure 7.1, Box 5)

The analysis computed the non-JOBS non-welfare agency cost per activity by multiplying the unit cost estimates (see Table **7.1,** third column) by the average number of non-JOBS hours participants were scheduled to attend and by the percentage who participated in the non-JOBS activity.

Table 7.2 (fifth column) shows that the non-JOBS, non-welfare agency cost per LFA was $389 in Atlanta, $1,201 in Grand Rapids, and $840 in Riverside. Several factors may explain the variation in non-JOBS costs including the availability of education and training services in the community, demographic characteristics of the sample, and the extent to which the JOBS office allowed LFAs to attend education and training activities as part of their JOBS requirement.

Non-JOBS costs were highest in Grand Rapids for two reasons. First, as discussed earlier, the Grand Rapids community has an extensive network of education and training providers. (In a six-month follow-up study, 52 sample members in Grand Rapids were enrolled at a total of 24 different providers.)[22] This also explains the high level of services that controls received, which is discussed below. Second, the Grand Rapids sample members were younger than Atlanta and Riverside sample members. Almost 40 percent were under age 25 compared with 8 percent in Atlanta and 16 percent in Riverside. Presumably, younger sample members were more likely to participate in education and training programs on their own than were older sample members.

In Riverside, JOBS education and training costs were higher than JOBS education and training costs. Riverside JOBS staff referred few LFAs to education and training and, perhaps as a result, LFAs were more likely to seek out the activities on their own. In addition, LFAs who were participating in an education or training activity at the time of their enrollment in JOBS were often put in deferral status, where their participation was periodically monitored, but where they were ineligible for support services. For this analysis, participation that occurred in deferral status is considered non-JOBS participation.

As discussed in Chapter 3, LFA case managers in Atlanta were more likely than those in Riverside to allow LFAs to pursue education and training activities while enrolled in JOBS, where they could receive support services for their participation. Perhaps as a consequence, Atlanta LFAs did not seek out these activities on their own, as did the LFAs in Riverside, which would explain the relatively low non-JOBS costs.

[22]Hamilton and Brock, 1994.

It is important to note that the analysis assumes that all education and training service costs were financed by non-welfare agencies (including the U.S. Department of Education, if LFAs received Pell Grants and other federal financial aid). Some LFAs and controls may have paid for a portion of their non-JOBS education and training themselves. To the degree to which this occurred, the cost analysis overestimates the true costs to non-welfare agencies per LFA and control.[23] While this has distributional implications, it does not overstate the costs of the services.

C. Total Non-JOBS Costs (Figure 7.1, Box 6)

Table 7.2 (fourth and fifth columns) shows the total non-JOBS costs. The non-JOBS cost per LFA was $474 in Atlanta, $1,298 in Grand Rapids, and $855 in Riverside.

V. The Gross Cost per LFA Grow Member (Figure 7.1. Box 7)

The gross cost per LFA was determined by adding the JOBS-related cost per LFA and the non-JOBS related cost per LFA. The gross cost was $3,312 in Atlanta, $4,406 in Grand Rapids, and $2,082 in Riverside, averaging $3,267. (See Table 7.4.)

The JOBS-related costs accounted for close to three-quarters of the gross cost per LFA, although this percentage varied by site (86 percent in Atlanta, 71 percent in Grand Rapids, and 59 percent in Riverside, implying that a relatively high percentage of Riverside sample members were participating on their own outside the JOBS program).

If gross costs are divided another way, 43 percent of the gross cost per LFA was funded by the welfare department, with the remaining 57 percent picked up by non-welfare agencies. The percentage funded by the welfare department also varied substantially by site, from 24 percent in Grand Rapids to 64 percent in Atlanta.

VI. The Gross Cost per Control Group Member (Figure 7.1, Box 10)

Many control sample members enrolled in education and training activities on their own initiative. In addition, control group members were eligible for some support services for their self-initiated activity and other child care payments that were also available to program group members (for example, transitional child care, at-risk child care, and low-income child care). Therefore, the gross cost per control includes expenditures by the welfare department and non-welfare agencies. This cost serves as a benchmark against which the gross cost per LFA is compared in order to determine the net cost per LFA.

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[23] The GAIN Evaluation of seven counties in California analyzed the registrant survey and found that fewer than 10 percent of program group and control group members may have spent their own or their family's resources on education and training. The majority who did finance a portion of their education spent less than $300. See Riccio, Friedlander, and Freedman, 1994.

Table 7.4

Estimated Total Gross Costs and Net Costs Within Two Years After Orientation (in 1993 Dollars)

Labor Force Attachment Approach

Site and Activity	Total Gross Cost per LFA ($)	Total Gross Cost per Control ($)	Net Cost per LFA ($)
Atlanta			
Orientation and appraisal	65	**0**	**65**
Formal assessment	0	**0**	**0**
Job search	733	7	**725**
Basic education	456	52	**404**
College	260	283	**-23**
Vocational training	675	398	**278**
Work experience	156	18	**137**
Subtotal (operating)	2,345	758	**1,587**
Child care	794	262	**532**
Other support services	174	15	**159**
Total	3,312	1,035	**2,277**
Grand Rapids			
Orientation and appraisal	16	**0**	16
Formal assessment	8	**0**	8
Job search	740	70	669
Basic education	736	713	24
College	1,747	1,541	206
Vocational training	656	756	-100
Work experience	110	11	99
Subtotal (operating)	4,013	3,090	922
Child care	366	207	159
Other support services	27	0	27
Total	4,406	3,298	1,108
Riverside			
Orientation and appraisal	100	0	100
Formal assessment	6	0	6
Job search	788	40	748
Basic education	155	95	60
College	635	378	257
Vocational training	213	218	-5
Work experience	50	58	-9
Subtotal (operating)	1,945	789	1,156
Child care	88	29	59
Other support services	49	0	48
Total	2,082	819	1,263

SOURCES: See Table 7.2.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

A. Welfare Department Costs

Table 7.4 shows the support service costs per control by the welfare department.[24] The Atlanta child care cost per control was $262[25] and the Grand Rapids cost was $207, substantially higher than the Riverside cost of $29. Grand Rapids controls received a high level of child care services primarily because of their high rate of participation in education and training; about two-thirds of the Grand Rapids control child care costs were paid to controls who were on AFDC and who were participating in education and training activities. Approximately 90 percent of the Atlanta control child care costs were paid to controls who were on AFDC (probably for employment and participation reasons, although data did not include the reasons for child care receipt).

B. Non-Welfare Agency Costs

The non-welfare agency cost per control was $758 in Atlanta, $3,090 in Grand Rapids, and $789 in Riverside. The substantial cost in Grand Rapids reflects the considerable availability of education and training services in the Grand Rapids community discussed earlier. In addition, there is anecdotal evidence that Grand Rapids education and training providers were aggressive in recruiting welfare recipients into their programs.

C. The Total Gross Cost per Control Group Member (Figure 7.1, Box 10)

The gross cost per control was $1,035 in Atlanta, $3,298 in Grand Rapids, and $819 in Riverside. Again, the relatively high Grand Rapids costs reflect the higher level of participation in education and training by welfare recipients in the Grand Rapids community.

VII. The Net Cost per LFA Group Member (Figure 7.1. Box 11)

Table 7.4 (third column) presents the net cost per LFA, calculated by subtracting the gross cost per control from the gross cost per LFA. The net cost per LFA averaged $1,550, representing $2,277 in Atlanta, $1,108 in Grand Rapids, and $1,263 in Riverside. Figure 7.3 shows that while Grand Rapids had the highest gross cost per LFA, it also had the highest gross cost per control, resulting in the lowest net cost of the three sites. Riverside's net cost per LFA was also relatively low because of the low participation by LFAs in education and training activities. Atlanta tended to include more education and training in its LFA program. Consequently, net costs were fairly high in Atlanta for an LFA program.

The net cost per LFA can be divided between the net cost to the welfare department and the net cost to the non-welfare agencies. The net cost per **LFA** to the welfare department was $1,844 in Atlanta, $835 in Grand Rapids, and $1,027 in Riverside. The net cost to the non-welfare agencies

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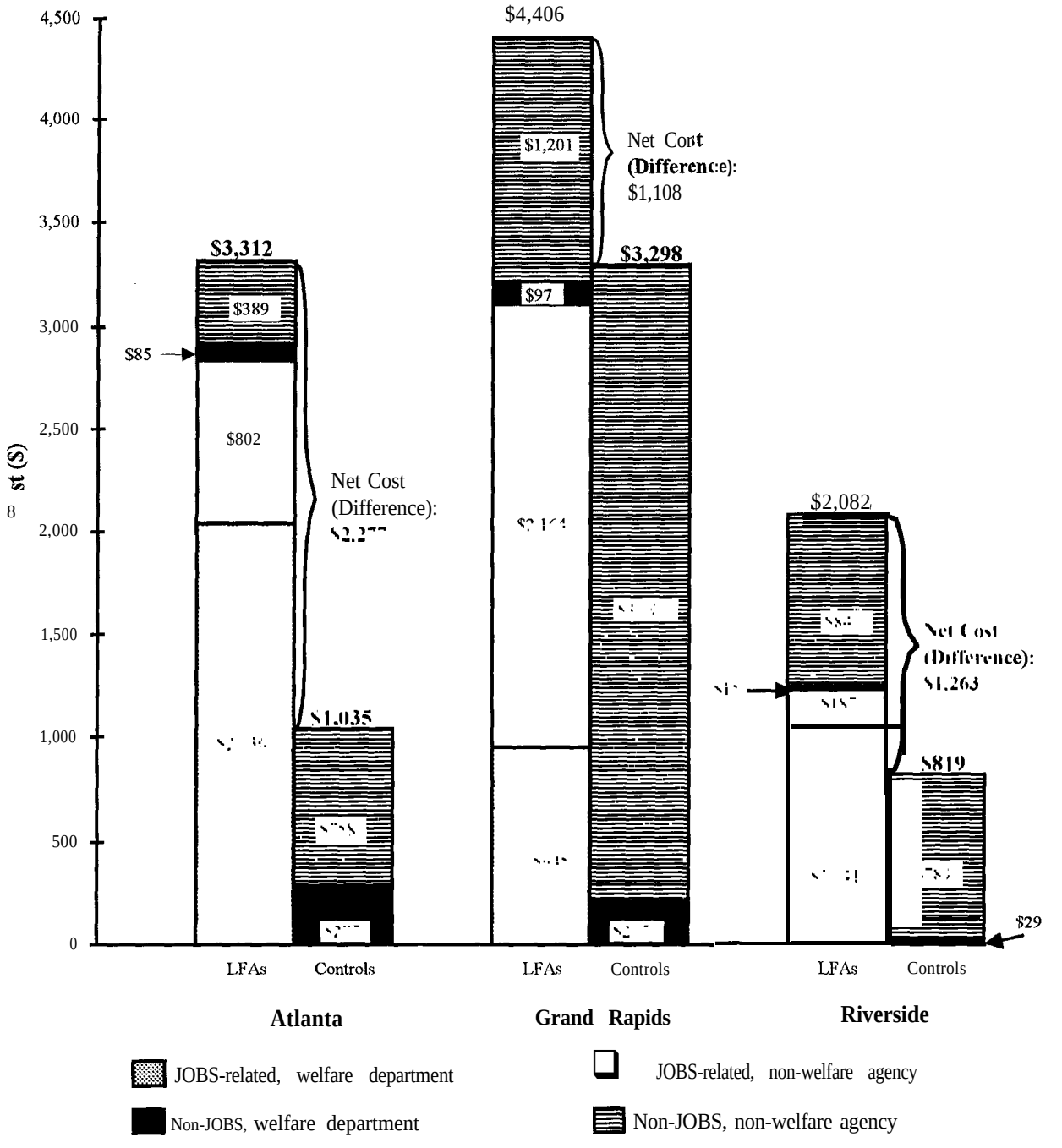
[24]Costs incurred by the welfare departments to process controls through orientation and random assignment were considered to be costs that were incurred only for research purposes and thus were not counted as service costs for controls. Hence, a zero is included in the category of "orientation and appraisal."

"Controls in Atlanta also received a $12 allowance and $3 meal voucher for attending orientation (ancillary service costs).

Figure 7.3

Distribution of Estimated Two-Year Total Gross Cost per LFA and Control Group Member, by Agency

Labor Force Attachment Approach



SOURCES: See Tables 7.2 and 7.4.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

was $433 in Atlanta, $275 in Grand Rapids, and $238 in Riverside. The net cost to the welfare department was fairly high because controls were less likely to receive case management and job search services and support service payments available to LFAs from the welfare department. On the other hand, non-welfare agencies spent only slightly more on LFAs than on controls.

VIII. Education Attainment Subgroups

Table 7.5 presents the cost estimates for the education attainment subgroups. In Atlanta and Grand Rapids, the gross costs were higher for the subgroup with a high school diploma or GED than the subgroup without a diploma or GED. Grand Rapids LFAs with a high school diploma or GED spent more time in education and training activities, on average, either in JOBS-approved activities or in activities that they found on their own. Atlanta LFAs with the high school credential spent less time in these activities, but were more likely to be enrolled in college and vocational training activities, which were substantially more expensive than basic education activities in Atlanta. Riverside gross costs were similar across both subgroups.

Interestingly, in Grand Rapids, the gross cost per control without a high school diploma or GED was greater than gross cost per LFA without this credential, resulting in a negative net cost. The LFA program in Grand Rapids possibly diverted some LFAs into job search who would have enrolled on their own initiative in education or training programs.

Table 7.5

Estimated Total Gross Costs and Net Costs Within Two Years After Orientation (iu 1993 Dollars), by Education Subgroup

Labor Force Attachment Approach

Site and Subgroup	Total Gross Cost per LFA ($)	Total Gross Cost per Control ($)	Net Cost per LFA ($)
High school diploma or GED			
Atlanta			
Operating costs	2,507	1,079	1,428
Support services	1,194	346	848
Total	3,701	1,425	2,276
Grand Rapids			
Operating costs	4,818	3,433	**1,385**
Support services	540	280	**260**
Total	5,358	3,713	**1,645**
Riverside			
Operating costs	1,916	1,116	801
Support services	161	49	112
Total	2,077	1,164	913
No **high school diploma or GED**			
Atlanta			
Operating costs	**2,176**	**322**	1,854
Support services	**683**	**186**	497
Total	**2,859**	**508**	2,351
Grand Rapids			
Operating costs	2,619	**2,750**	-130
Support services	193	101	92
Total	2,813	2,851	-38
Riverside			
Operating costs	1,985	**595**	1,390
Support services	111	15	97
Total	2.096	609	1.487

SOURCES: See Table 7.2.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

CHAPTER 8

HUMAN CAPITAL DEVELOPMENT COSTS

This chapter presents cost estimates of the Human Capital Development (HCD) approach, relying on the methodology outlined in Chapter 7. As discussed in Chapter 3, the HCD approach emphasized upfront education and training activities for program group members. HCDs who were assigned to these activities were expected to complete their assignment within two years, while LFAs who were assigned to education and training were limited to nine months in the program (and LFAs assigned to job search were generally expected to complete their assignment in five weeks or less). Consequently, more resources were needed to implement the HCD approach than to implement the LFA approach.

The substantial investment in human capital was designed to provide HCDs with education and training before they sought work so that they would have the skills necessary to obtain better jobs. The increased spending on HCDs could lead to increased welfare savings to the government if HCDs were more likely to leave welfare. A future report will present a five-year benefit-cost analysis to assess whether the impacts generated by the HCD program are large enough to justify the increased costs.

This chapter begins with a discussion of the components used in the cost analysis and a summary of the findings. Cost estimates are presented in detail for HCDs and control group members, followed by cost estimates for HCDs and control group members who had a high school diploma or GED at random assignment and for those who did not.

I. Maior Components of the Cost Analvsis

A. The Cost per HCD Group Member

As Chapter 7 explained, and Figure 8.1 illustrates, the cost analysis estimated costs for four components, which are dependent on whether or not the activity or service was provided as part of the JOBS program and whether the welfare department or non-welfare agencies financed it.

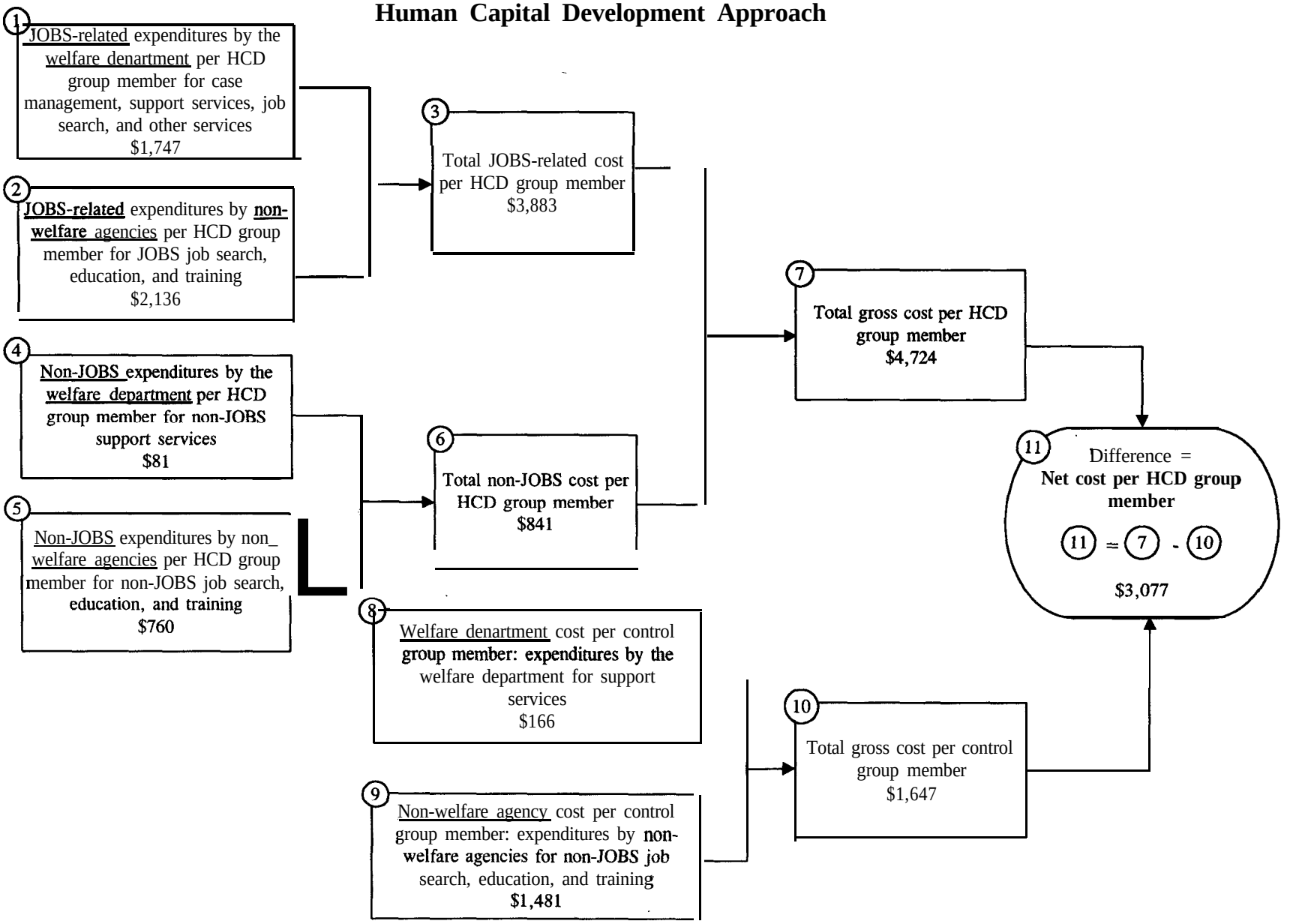
For the HCD group, Figure 8.1 shows that the JOBS-related costs (box 3) consist of those expenditures incurred by the welfare department to operate the program (box 1) plus the expenditures incurred by non-welfare agencies, such as local adult schools, community colleges, and vocational training institutes (box 2). The total JOBS-related cost averaged $3,883 per HCD.'

'Averages are included in Figure 8.1 to help illustrate the relationship between the cost components. It is important to note that costs varied widely across the three sites. This variation will be discussed in more detail in the sections below.

Figure 8.1

Major Components of Gross and Net Costs

Human Capital Development Approach



SOURCES: See Table 8.1.

NOTE: Costs presented in each box are the costs per HCD group member averaged across the three sites.

The non-JOBS costs (box 6) were determined by adding the costs of child care services that HCDs received from welfare department programs other than JOBS, such as transitional child care, at-risk child care, and low-income child care (box 4), to the costs of services that HCDs received on their own, outside the JOBS program (box 5). The total non-JOBS cost was $841 per HCD, averaged across the three sites.

Within each of these components, costs can be broken down further into activities and types of support services (to be discussed in further detail below).

Similarly (but not shown on Figure 8.1), the total cost per HCD paid by the welfare department can be calculated by adding together the JOBS-related welfare department cost (box 1) and the non-JOBS welfare department cost (box 4). This cost averaged $1,828. The total cost per HCD paid by non-welfare agencies was $2,896.

The gross cost per HCD consists of all costs, paid by the welfare department and non-welfare agencies, for JOBS-related and non-JOBS services. This gross cost per HCD averaged $4,724.

B. The Cost per Control Group Member

The gross cost per control group member (box 10) includes two cost components: the welfare department cost (box 8) and the non-welfare agency cost (box 9). The welfare department cost, which represents the amount paid by the welfare department for support service payments made to controls who enrolled in education and training activities on their own, as well as child care payments made for nonparticipation reasons (primarily for employment reasons), was $166 per control group member. The non-welfare agency cost, which averaged $1,481, represents the costs of education, training, and, to a lesser extent, job search and work experience activities for controls. Together, these costs equal $1,647, the gross cost per control. These costs differ from the costs presented in Chapter 7 for controls because the Riverside control group is composed of sample members without a high school diplomat to make the group comparable to the Riverside HCD group.

C. The Net Cost per HCD Group Member

The net cost per HCD (box 1 1), which is the gross cost per HCD (box 7) minus the gross cost per control (box 10), represents the level of expenditures per person over and above what would have been spent on program group members in the absence of a JOBS HCD program. This average net cost was $3,077.

[2]This group also included those with a high school diploma or GED who scored low on achievement tests.

II. A Summary of HCD Cost Findings

The HCD cost findings offer some answers to the following questions:

- How were JOBS HCD expenses shared by the welfare department and non-welfare agencies?

As discussed in Chapter 7, welfare departments that obtained services from non-welfare agencies (that JOBS participants were entitled to receive by virtue of their residency in the state, county, or school district) were not generally required to reimburse the other agencies for these services. For the three sites, the welfare department spent $1,747 for JOBS-related services, and the non-welfare agencies spent another $2,136 (JOBS costs only). Understandably, the HCD approach relied more on education and training services provided by other agencies than did the LFA approach. Thus, for every dollar the welfare department spent, it was able to secure another $1.22 worth of services from non-welfare agencies compared with 78 cents worth of services for the LFA approach.

These estimates varied across the three sites. The Atlanta welfare department was able to obtain $1.04 from non-welfare agencies for every dollar that it spent, Grand Rapids secured $2.13 worth of services from non-welfare agencies, and Riverside secured just 66 cents for every dollar that its welfare department spent.

- Which JOBS activities were the most expensive and which were the least expensive?

The two-year cost of JOBS, which is the sum of welfare department and non-welfare agency costs, was $3,883 per HCD. Of this total, $324 was spent on job search and $2,780 was spent on education and training activities, confirming that an HCD approach was implemented. Among the three sites, Riverside spent more on job search ($559) and less on education and training ($2,093) than the other two sites; Grand Rapids spent a substantial amount on education and training ($3,687).

- How did child care and other support service costs contribute to the overall cost?

The welfare department spent $556 on JOBS child care, transportation, and other support services that enabled HCDs to participate in JOBS, about $100 more than was spent on LFAs. This is due to the fact that HCDs spent more time in JOBS than LFAs and were more likely to require support services, on average. As was the case for LFAs, Atlanta spent more on support services ($1,020) than did Grand Rapids ($417) or Riverside ($231).

- How much more was spent on HCDs than on control group members?

The net cost, which is the gross cost per HCD minus the gross cost per control, gives an estimate of the cost over and above what would have been spent on HCDs in the absence of the JOBS program. The net cost per HCD was $3,077, averaged across the three sites, which is about

double the cost per LFA. The net cost per HCD was $3,428 in Atlanta, $2,872 in Grand Rapids, and $2,930 in Riverside.

The net-cost-to-gross-cost ratio, which gives the percentage of spending on HCDs that occurred as a result of the JOBS program, was 65 percent. That is, for every dollar spent on HCDs, about 65 cents was new spending, while 35 cents would have been spent regardless, without a JOBS HCD program. The net-cost-to-gross-cost ratio was 77 percent in Atlanta, 47 percent in Grand Rapids, and 83 percent in Riverside. The Grand Rapids percentage was relatively low because a large portion of program group members would have participated in education and training activities on their own, in the absence of JOBS.

III. The JOBS-Related Cost per HCD Group Member (Figure 8.1, Box 3)

This section examines the JOBS-related operating and support service expenditures of the welfare department and non-welfare agencies.

A. JOBS-Related Costs Incurred bv the Welfare Department (Figure 8.1, Box 1)

Operating Costs

The welfare department financed the day-to-day operations of JOBS, which included providing case management, conducting orientations and assessments, and operating job clubs.

The costs for each activity were generally determined by multiplying together three factors: the unit cost, which was the cost of serving one person in the JOBS activity for a specific unit of time; the length of time participants spent in the activity (measured in the same time units as the unit cost) once they began; and the participation rate for each activity.

As discussed in Chapter 7, the welfare department unit costs by activity were generally calculated by dividing activity expenditures by the total number of "participant-months" for the activity.[3] The number of participant-months was obtained by summing, across all months in the steady-state period, the monthly number of participants in the activity.

Table **8.1** (first and second columns) shows the welfare department unit costs for the seven activities. Unit costs varied by activity and site, from a low of $85 per month of participation for college in Atlanta to a high of $682 per month for job search in Riverside. Job search monthly costs per participant tended to be higher than the education and training unit costs because the welfare department typically paid for job search services as well as case management costs for clients enrolled in these activities. (The exception was in Grand Rapids where job search services were provided and paid for by the local community education center.) The education and training unit cost estimates reflect case management costs only (non-welfare agencies paid for the education and

[3] Orientation unit costs for all sites and the assessment unit cost for Riverside were calculated by dividing activity costs by the number of participant-sessions attended.

Table 8.1

Estimated Unit Costs for Employment-Related Activities (in 1993 Dollars)

Human Capital Development Approach

	Program Group			Control Group	
	Welfare Department Unit Cost		Non-Welfare Agency Unit Cost	Non-Welfare Agency Unit Cost	
Site and Activity	Average per Month of Participation ($)	Average per Session ($)	Average per Hour ($)	Average per Month of Participation ($)	Average per Hour ($)
Atlanta					
Orientation and appraisal	n/a	65	n/a	n/a	n/a
Formal assessment	n/a	n/a	n/a	n/a	n/a
Job search	416	n/a	n/a	55	n/a
Basic education	89	n/a	2.78	n/a	2.87
College	85	n/a	7.25	n/a	7.59
Vocational training	126	n/a	6.51	n/a	6.18
Work experience	182	n/a	n/a	166	n/a
Grand Rapids					
Orientation and appraisal	n/a	16	n/a	n/a	n/a
Formal assessment	355	n/a	n/a	n/a	n/a
Job search	233	n/a	n/a	n/a	n/a
Basic education	119	n/a	5.67	n/a	5.74
College	88	n/a	8.22	n/a	8.42
Vocational training	99	n/a	6.50	n/a	7.17
Work experience	216	n/a	n/a	216	n/a
Riverside					
Orientation and appraisal	n/a	79	n/a	n/a	n/a
Formal assessment	n/a	535	n/a	n/a	n/a
Job search	682	n/a	n/a	228	n/a
Basic education	229	n/a	3.64	n/a	3.68
College	110	n/a	5.65	n/a	5.74
Vocational training	110	n/a	4.78	n/a	5.31
Work experience	514	n/a	n/a	514	n/a

SOURCES: MDRC calculations based on fiscal and participation data from the following: Atlanta - the Fulton County Department of Family and Children Services, the Georgia Department of Human Resources, the Georgia Department of Technical and Adult Education, the Board of Regents University System of Georgia; Grand Rapids- the Michigan Department of Social Services, the Michigan Department of Education Office of Extended Learning Services, the Grand Rapids Community College, the Wyoming Community Education Center; Riverside- the California Department of Social Services, the California Department of Education, the Chancellor's Office of California Community Colleges; in all three sites - information collected on tuition charged at proprietary schools attended by sample members, and information from MDRC-collected JOBS case file data and the MDRC Two-Year Client Survey.

NOTES: The estimated unit cost of job search to Grand Rapids non-welfare agencies was $921 per participant.

The average cost per hour is a cost per scheduled hour, calculated by taking a weighted average of adult school, community college, vocational institute, and proprietary school costs per hour, based on participation by sample members. Unit costs expressed in terms of attended hours were converted to costs per scheduled hour, using adjustment factors calculated from MDRC-collected JOBS case file data for the months of October and November 1992.

Work experience unit costs for program and control group members receiving services from non-welfare agencies were assumed to be equal to the welfare department JOBS unit cost. Atlanta's unit cost for controls was the average of the LFA and HCD welfare department unit costs.

N/a = not applicable.

training services). The magnitude of the estimates were influenced by many factors, including staff-to-client ratios, staff salaries, overhead costs, special staff positions, and special expenditures made by the site.

The welfare department cost per program group member by JOBS activity was calculated by multiplying the activity's unit cost by the average number of months that participants spent in the corresponding JOBS activity: which was then multiplied by the percentage of program group members who participated in the JOBS activity.[5] The last calculation converts the cost per participant to a cost per program group member. Hence, a zero cost is assigned to those not participating in the activity and averaged in with the cost of participants.

Table 8.2 (first column) shows the JOBS welfare department operating cost per HCD, which ranged from a low of $900 in Atlanta to a high of $1,575 in Riverside. Riverside's higher-than-average welfare department costs may seem surprising, given the lower-than-average participation in JOBS by Riverside HCDs. However, HCDs in Riverside were more likely to receive job search services, which were provided by the welfare department. In addition, the Riverside welfare department unit costs (the costs per month of participation) were high relative to the other sites' welfare department unit cost estimates, partly because of high overhead costs, specialized staff devoted to job development, and Riverside's direct funding of basic education providers. Consequently, Riverside's welfare department operating costs were higher than the other sites' costs.

Support Service Costs

Table 8.3 presents JOBS-related and non-JOBS support service costs. The JOBS support service cost per HCD, which included the costs of child care, transportation, and ancillary services, ranged from $23 1 in Riverside to $1,020 in Atlanta. This wide variation in costs reflects the differences in site philosophies concerning the level and type of support services provided to program group members (discussed in Chapter 7), as well as differences in the length of time HCDs spent in activities and were receiving services.

As with the LFAs, JOBS child care costs for HCDs were substantially higher in Atlanta than in the other sites. Atlanta's high costs stemmed mainly from two factors. First, the welfare department made relatively large monthly child care payments. Second, it made 9 months of payments to JOBS HCD child care recipients, on average, compared with 7 months in Grand Rapids and 5 months in Riverside. The large monthly payment can be explained by the site's preference for licensed family day care and child care centers, over the less expensive care provided

[4]Orientation costs in all three sites were calculated by multiplying the average cost per session by the number of sessions attended per HCD. All HCDs attended at least one orientation (HCDs in Riverside sometimes attended more than one orientation). Formal assessment costs in Riverside were calculated by multiplying the average cost per session by the number of sessions that participants attended and the percentage who attended formal assessment.

[5]As explained in Chapter 5, participation in activities by program and control group members was identified through a combination of MDRC-collected case tile data and the Two-Year Client Survey data. Statistical adjustments were made to the client survey participation data based on information found in the case files in order to take recall error in the client survey into account.

Table 8.2

Estimated JOBS Cost Within Two Years After Orientation, by Agency (in 1993 Dollars)

Human Capital Development Approach

Site and Activity	JOBS Cost per HCD Member: Welfare Department Cost ($)	JOBS Cost per HCD Member: Non-Welfare Agency Cost ($)	JOBS Cost per HCD Member: Total JOBS Cost ($)	Non-JOBS Cost: Welfare Department Cost ($)	Non-JOBS Cost: Non-Welfare Agency Cost ($)	Total Gross Cost per HCD Member ($)
Atlanta: **full sample**						
Orientation and appraisal	65	0	65	0	0	65
Formal assessment	0	0	0	0	0	0
Job search	165	0	165	0	8	174
Basic education	315	737	1,052	0	83	1,135
College	10	69	79	0	191	270
Vocational training	235	1,195	1,429	0	181	1,611
Work experience	110	0	110	0	3	113
Subtotal (operating)	900	2,001	2,901	0	466	3,367
Child care	648	0	648	76	0	725
Other support services	372	0	372	0	0	372
Total	1,920	2,001	3,921	76	466	4,463
Grand Rapids: full sample						
Orientation and appraisal	16	0	16	0	0	16
Formal assessment	281	0	281	0	0	281
Job search	95	154	249	0	10	260
Basic education	349	1,229	1,578	0	277	1,855
College	175	1,326	1,501	0	407	1,908
Vocational training	93	514	608	0	476	1,083
Work experience	90	0	90	0	102	191
Subtotal (operating)	1,099	3,224	4,322	0	1,272	5,594
Child care	383	0	383	159	0	542
Other support services	34	0	34	0	0	34
Total	1,515	3,224	4,739	159	1,272	6,170
Riverside: no high school diploma or GED						
Orientation and appraisal	96	0	96	0	0	96
Formal assessment	11	0	11	0	0	11
Job search	559	0	559	0	97	655
Basic education	872	1,042	1,914	0	189	2,103
College	0	0	0	0	167	167
Vocational training	37	142	179	0	33	212
Work experience	0	0	0	0	57	57
Subtotal (operating)	1,575	1,184	2,759	0	543	3,302
Child care	157	0	157	7	0	164
Other support services	74	0	74	0	0	74
Total	1,805	1,184	2,990	7	543	3,540

SOURCES: See Table 8.1. MDRC child care calculations from Fulton County, Michigan, and Riverside County payment data. Other support service data from county records.

NOTE: Rounding may cause slight discrepancies in calculating sums.

Table 8.3

Estimated Support Service Cost Within Two Years After Orientation (in 1993 Dollars)

Human Capital Development Approach

Site and Activity	Per HCD Who Received Service: Average Monthly Payment ($)	Average Months of Payments	Cost per HCD Who Received Service ($)	Percent of HCDs Who Received Service	cost per HCD ($)
Atlanta: full sample					
JOBS child care	247	9	2,230	29	648
Transportation	44	7	325	51	165
Ancillary services	42	5	217	95	206
Subtotal (JOBS)					1,020
Non-JOBS child care	256	6	1,470	5	76
Total					1,096
Grand Rapids: full sample					
JOBS child care	218	7	1,551	25	383
Transportation	n/a	n/a	n/a	n/a	32
Ancillary services	n/a	n/a	n/a	n/a	2
Subtotal (JOBS)					416
Non-JOBS child care	318	9	2,781	6	159
Total					575
Riverside: no high school diploma or GED					
JOBS child care	143	5	648	24	157
Transportation	23	5	106	60	63
Ancillary services	22	2	36	28	10
Subtotal (JOBS)					231
Non-JOBS child care	n/a	n/a	n/a	n/a	7
Total					238

SOURCES: See Table 8.2.

NOTES: N/a = not available.
Rounding may cause slight discrepancies in calculating sums.

by friends and relatives, as discussed earlier. The number of months that payments were made to individuals receiving services reflects, in part, the longer time (9.4 months) that Atlanta HCD participants spent in JOBS compared with Grand Rapids (8.3 months) and Riverside (5.7 months) HCD participants. However, this is not the complete explanation. In a given month of participation, 46 percent of Atlanta participants were receiving JOBS child care, while only 27 percent of Grand Rapids participants and 20 percent of Riverside participants were receiving child care.

There are two explanations for Riverside's relatively low JOBS child care cost. First, the welfare department explicitly counseled JOBS participants to seek low-cost day care to reduce costs while taking the position that welfare recipients who were using low-cost day care would be able to afford this service on their own after leaving welfare. Second, Riverside HCD participants spent less time in JOBS and used fewer months of child care, on average, than the other sites.

Table 8.3 also shows that transportation and ancillary support service costs varied across sites, with Atlanta HCDs receiving higher levels of services, and Grand Rapids receiving relatively low levels of services.

Total JOBS-Related Costs Incurred by the Welfare Department

To summarize, JOBS welfare department costs varied only slightly across sites, averaging $1,747. While the Atlanta welfare department spent significant resources on support services, its operating costs were relatively low. On the other hand, the Riverside welfare department spent very little on support services, but its operating costs were on the high side, owing to its high unit costs. The Grand Rapids welfare department spent less on JOBS than did the other sites' welfare departments, although it is important to note that the local school district provided and paid for job club services.

B. JOBS-Related Costs Incurred bv Non-Welfare Agencies (Figure 8.1, Box 2)

The non-welfare agencies incurred the majority of the education and training expenses and, in Grand Rapids, job search costs. [6] Non-welfare agency costs per scheduled hour were estimated separately for basic education, vocational training, and college and were calculated from cost and participation data collected from adult schools, vocational training institutes, business and trade schools, and community colleges-the primary types of institutions attended by sample members. Separate unit costs per activity were calculated for each research group based on the percentage of participants in each activity attending each type of institution. [7]

Table 8.1 (third column) presents the unit cost estimates for basic education, vocational training, and college. Unit cost estimates ranged from $2.78 per hour for basic education in Atlanta to $8.22 per hour for college in Grand Rapids. Atlanta's basic education unit cost was low because

[6] The Grand Rapids job search unit cost was calculated as the cost per participant.

[7] Some costs, generally adult school costs, were based on actual, not scheduled, hours of attendance. To calculate activity unit costs, these adults school costs were converted to costs per scheduled hour, using adjustment factors estimated from the case file participation data.

Atlanta adult schools, which were the main providers of basic education services, had fairly low overhead rates and low salary costs (they used instructors who were paid hourly and did not receive fringe benefits). In all sites, basic education was the least expensive activity, followed by vocational training and then by college.

To estimate how much non-welfare agencies spent on each JOBS activity per person in the HCD group, the non-welfare unit cost (the cost per scheduled hour) was first multiplied by the number of hours participants were scheduled to attend each JOBS activity. This cost per participant was then multiplied by the percentage of HCDs who participated in the corresponding JOBS activity. The product is the cost per HCD per activity.

Table 8.2 (second column) presents the JOBS non-welfare agency costs. The non-welfare agencies spent a considerable amount on HCDs for JOBS services, as expected, given the focus of the HCD approach. The JOBS cost to non-welfare agencies was $2,001 in Atlanta, $3,224 in Grand Rapids, and $1,184 in Riverside, averaging $2,136, about double the average LFA cost.

Costs in Grand Rapids were relatively high for several reasons. The cost per scheduled hour of basic education was twice the Atlanta rate and over 50 percent higher than the Riverside rate, which inflated Grand Rapids' basic education costs. Also, as discussed earlier, the Grand Rapids community supported a number of schools and colleges that offered education and training services to JOBS participants. Consequently, Grand Rapids HCDs participated in JOBS activities for a significant amount of time. Finally, Grand Rapids non-welfare agencies also paid for job search services.

Riverside costs were lower primarily because HCDs were less likely to participate in education and training activities than those in the other sites. Specifically, only 47 percent of HCDs in Riverside participated in education or training compared with 57 percent in Atlanta and 58 percent in Grand Rapids. In addition, Riverside HCD participants spent less time in the activities.

C. Total JOBS-Related Costs [Figure 8.1. Box 3)

Table 8.2 (third column) shows the total JOBS-related cost per HCD, which was $3,921 in Atlanta, $4,739 in Grand Rapids, and $2,990 in Riverside, averaging $3,883, about $1,500 more than the average JOBS LFA cost.

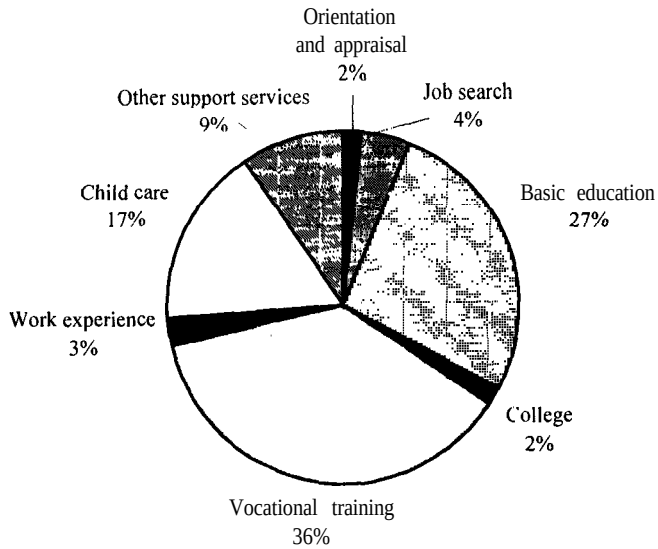
Figure 8.2 shows the percentage distribution of the JOBS-related cost per HCD. On average, over 70 percent of the expenditures were for education and training activities, verifying that sites did indeed implement an HCD approach. In fact, if support service costs are excluded, the distribution is even more striking; education and training costs made up about 83 percent of JOBS-related operating costs.

Figure 8.2

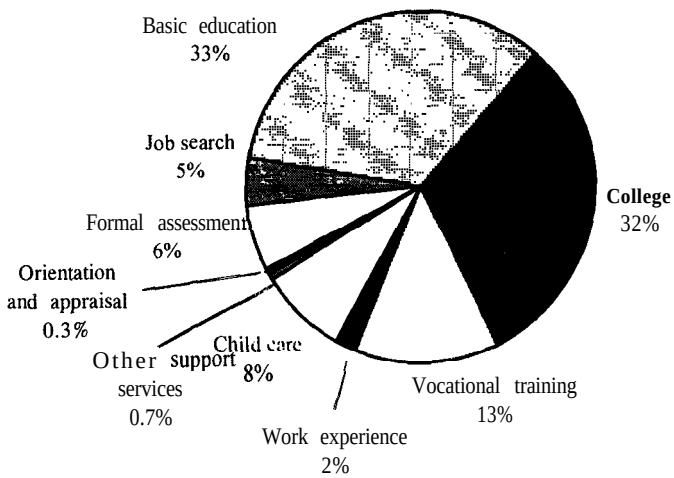
Percentage Distribution of Two-Year JOBS Program-Related Costs, by Activity

Human Capital Development Approach

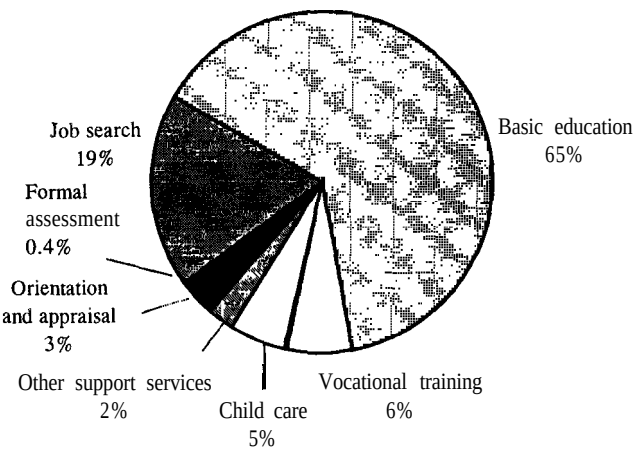
Atlanta: Full Sample



Grand Rapids: Full Sample



Riverside: No High School Diploma or GED



SOURCES: See Table 8.2.

NOTE: Distributions may not sum to 100 percent because of rounding.

IV. The Non-JOBS Cost per HCD Group Member (Figure 8.1, Box 6)

A. Non-JOBS Costs Incurred bv the Welfare Department (Figure 8.1, Box 4)

The welfare department spent $81 for child care services unrelated to the JOBS program (for example, transitional child care, at-risk child care, and low-income child care). As with the LFAs, this was a fairly low-cost component. Costs could increase after year 2, as more HCDs leave JOBS and enter employment.

B. Non-JOBS Costs Incurred bv Non-Welfare Agencies (Figure 8.1. Box 5)

The analysis computed the non-JOBS non-welfare agency cost per activity by multiplying the unit cost estimates (see Table 8.1, third column) by the average number of non-JOBS hours participants were scheduled to attend and by the percentage who participated in the non-JOBS activity.

Table 8.2 (fifth column) shows that the non-JOBS, non-welfare agency cost per HCD was $466 in Atlanta, $1,272 in Grand Rapids, and $543 in Riverside, averaging $760. Again, as in the LFA analysis, Grand Rapids HCDs tended to participate on their own to a greater degree than HCDs in the other sites. Interestingly, the Riverside HCD non-JOBS cost was less than its LFA non-JOBS cost.[8] The site was disinclined to approve education or training activities for those assigned to the LFA group, which meant that LFAs who wanted to participate in these activities had to do so on their own. HCDs were more likely to participate through the JOBS program.

C. Total Non-JOBS Costs (Figure 8.1, Box 6)

The total non-JOBS costs were $542 in Atlanta, $1,431 in Grand Rapids, and $550 in Riverside, averaging $841, which is equivalent to the LFA average non-JOBS cost.

V. The Gross Cost per HCD Group Member (Figure 8.1. Box 7)

The gross cost per HCD was determined by adding the JOBS-related cost per HCD and the non-JOBS cost per HCD. The gross cost was $4,463 in Atlanta, $6,170 in Grand Rapids, and $3,540 in Riverside (see Table 8.4), averaging $4,724. Of this total, 82 percent were JOBS-related expenditures.

If gross costs are divided another way, 39 percent of the gross cost per HCD was funded by the welfare department, with the remaining 61 percent picked up by non-welfare agencies.

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[8] This is also true when comparing the Riverside HCD non-JOBS costs with the costs of the subgroup consisting of LFAs with no high school diploma or GED.

Table 8.4

Estimated Total Gross Costs and Net Costs Within Two Years After Orientation (in 1993 Dollars)

Human Capital Development Approach

Site and Activity	Total Gross Cost per HCD ($)	Total Gross Cost per Control ($)	Net Cost per HCD ($)
Atlanta: **full sample**			
Orientation and appraisal	65	0	65
Formal assessment	0	0	0
Job search	174	7	166
Basic education	1,135	52	1,083
College	270	283	-13
Vocational training	1,611	398	1,213
Work experience	113	18	94
Subtotal (operating)	3,367	758	2,609
Child care	725	262	463
Other support services	372	15	356
Total	4,463	1,035	3,428
Grand Rapids: full **sample**			
Orientation and appraisal	16	0	16
Formal assessment	281	0	281
Job search	260	70	189
Basic education	1,855	713	1,143
College	1,908	1,541	367
Vocational training	1,083	756	327
Work experience	191	11	181
Subtotal (operating)	5,594	3,090	2,504
Child care	542	207	335
Other support services	34	0	34
Total	6,170	3,298	2,872
Riverside: no high school diploma or GED			
Orientation and appraisal	96	0	96
Formal assessment	11	0	11
Job search	655	39	616
Basic education	2,103	163	1,940
College	167	135	32
Vocational training	212	232	-20
Work experience	57	27	30
Subtotal (operating)	3,302	595	2,707
Child care	164	15	150
Other support services	74	0	74
Total	3,540	609	2,930

SOURCES: See Table 8.2.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

VI. The Gross Cost per Control Group Member (Figure 8.1, Box 10)

The gross cost per control consisted of a small amount paid by the welfare department for child care and other support services and the costs paid by non-welfare agencies for education, training, and some limited job search and work experience activities.

As Table 8.4 shows, the gross cost per control was $1,035 in Atlanta, $3,298 in Grand Rapids, and $609 in Riverside. For Atlanta and Grand Rapids, the cost per HCD control equals the cost per LFA control presented in Chapter 7. Riverside's cost per HCD control is about $200 less than the cost per LFA control owing to the differences in the sample (the HCD control sample consisted of individuals without a high school diploma or GED). Riverside controls without high school credentials spent less time in education and training activities and attended less expensive institutions than Riverside controls with credentials, which explains the lower cost.

VII. The Net Cost per HCD Group Member (Figure 8.1. Box 11)

The net cost per HCD, which is the gross cost minus the control gross cost, did not vary substantially across sites. The net cost was $3,428 for Atlanta, $2,872 for Grand Rapids, and $2,930 for Riverside, averaging $3,077. (See Table 8.4.) As in the LFA analysis, Grand Rapids had the highest gross cost per HCD, as well as the highest gross cost per control, resulting in the lowest net cost of the three sites.

Figure 8.3 presents these net cost estimates graphically, distinguishing between JOBS and non-JOBS costs, by funding source. The net cost per HCD was divided between the net cost to the welfare department and the net cost to the non-welfare agencies. The net cost per HCD to the welfare department was $1,7 19 in Atlanta, $1,467 in Grand Rapids, and $1,797 in Riverside, while the net cost to the non-welfare agencies was $1,709 in Atlanta, $1,406 in Grand Rapids, and $1,132 in Riverside.

VIII. Education Attainment Subgroups

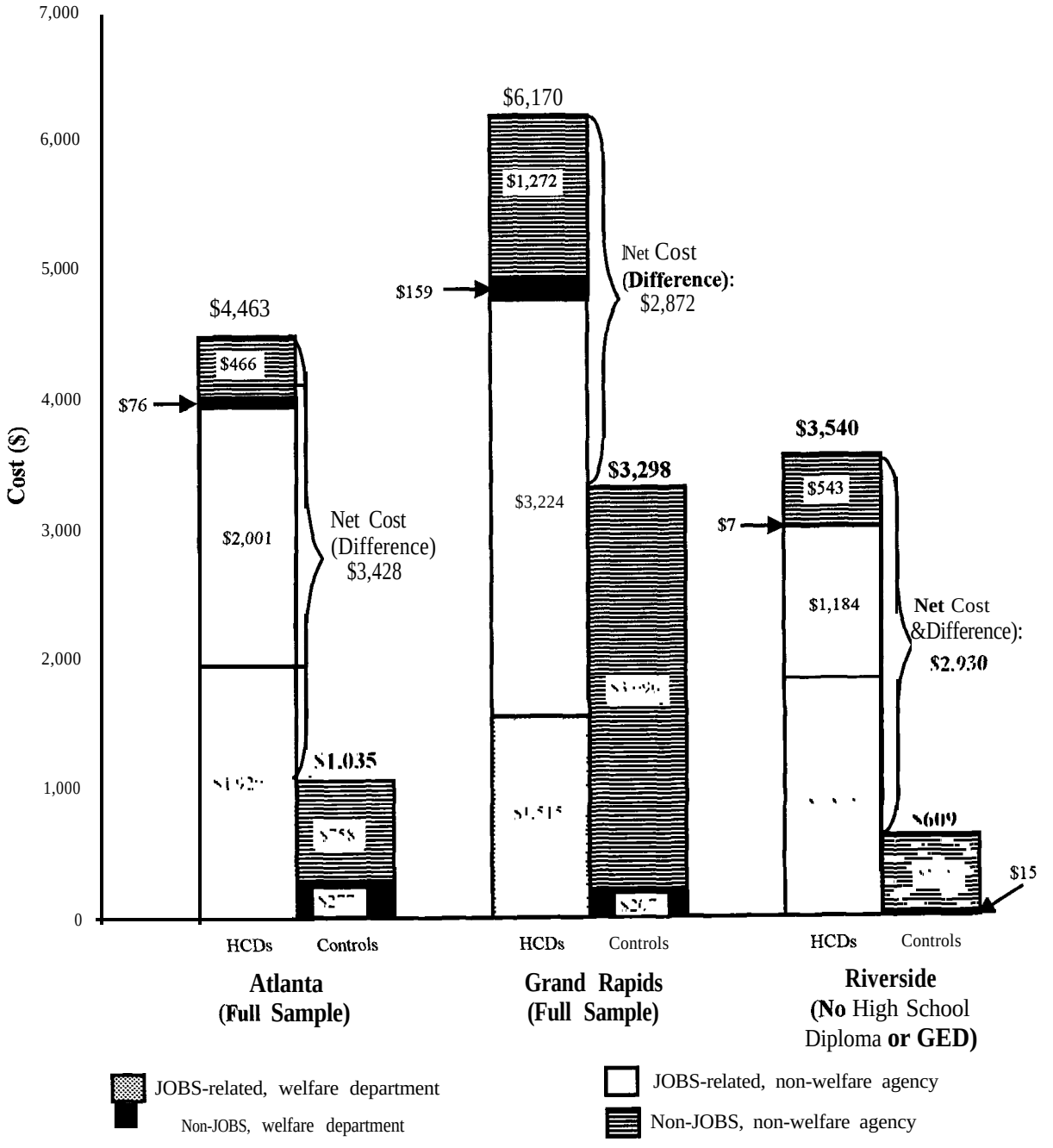
Table 8.5 shows the gross and net costs by education subgroup, As in the LFA chapter, the gross costs were higher for the subgroup with a high school diploma or GED than the subgroup without the high school credential, for Atlanta and Grand Rapids (Riverside's HCD group included only members in the no high school diploma/GED subgroup). Atlanta's HCDs with the high school credential spent less time in activities, but were more likely to participate in vocational training and college, which were more expensive activities than basic education.' Grand Rapids HCDs with the high school credential received more support service payments. In Grand Rapids, the controls with a high school diploma were more likely to attend education or training programs. Consequently, the net cost per HCD was lower for the high school diploma/GED subgroup.

'Table 8.1 shows that Atlanta's cost per scheduled hour was only $2.78 for basic education compared with $7.25 for college and $6.5 1 for vocational training.

Figure 8.3

Distribution of Estimated Two-Year Total Gross Cost per HCD and Control Group Member, by Agency

Human Capital Development Approach



SOURCES: See Tables 8.2 and 8.4.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

Table 8.5

Estimated Total Gross Costs and Net Costs Within Two Years After Orientation (in 1993 Dollars), by Education Subgroup

Human Capital Development Approach

Site and Subgroup	Total Gross Cost per **HCD** ($)	Total Gross Cost per Control ($)	Net Cost per **HCD** ($)
High school diploma or GED			
Atlanta			
Operating costs	3,884	1,079	2,805
Support services	1,155	346	809
Total	5,039	1,425	3,614
Grand Rapids			
Operating costs	5,544	3,433	2,111
Support services	811	280	532
Total	6,356	3,713	2,643
No high school diploma or GED			
Atlanta			
Operating costs	2,739	322	2,417
Support services	1,030	186	844
Total	3,769	508	3,261
Grand Rapids			
Operating costs	5,772	2,750	3,023
Support services	277	101	175
Total	6,049	2,851	3,198
Riverside			
Operating costs	3,302	595	2,707
Support services	238	15	223
Total	3,540	609	2.930

SOURCES: See Table 8.2.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

CHAPTER 9

IMPACTS OF THE LABOR FORCE ATTACHMENT APPROACH

This chapter presents impacts of the LFA approach on GED receipt, employment, earnings, AFDC receipt, and AFDC payments for Atlanta, Grand Rapids, and Riverside. Impacts will first be presented for the full sample in each site, and then for subgroups based on whether or not sample members had a high school diploma or GED and based on age of sample members' youngest child at the time of entry into JOBS. The primary employment and AFDC outcome measures are supplemented with information on employment stability, earnings on the job, two-year continuous AFDC receipt, and rates of return to AFDC within two years. Additional results, including quarterly impact estimates, are shown in Appendix E. Impact findings should be considered preliminary because in each site they pertain to an early cohort who currently have at least two years of follow-up data from automated AFDC payment and earnings records. Sample members included in these analyses make up one-half of the full impact sample in Atlanta and about two-thirds in Grand Rapids and Riverside.

I. A Summary of Short-Term LFA Impact Findings

The two-year impact findings based on administrative records suggest that the labor force attachment (LFA) model of welfare-to-work programs is a robust one that can produce immediate increases in employment and decreases in welfare receipt in different geographical and economic environments, for clients varying in their educational credentials and the presence of preschool-age children, and with staff who have different attitudes and work styles. Over two years of follow-up, earnings for LFAs were increased by more than $1,000 per sample member in each of the three sites. In Grand Rapids and Riverside, impacts on total earnings were generated solely by increases in employment, without changing the distribution of earnings among employed sample members. In Atlanta, increased earnings on the job in addition to increases in employment generated total earnings impacts. The magnitude of earnings and employment impacts in the last quarter of year 2 suggests that earnings impacts are likely to continue to accrue in year 3. Additional follow-up is necessary to determine the difference in earnings between LFAs and controls after several years. In Grand Rapids and Riverside, AFDC reductions were large relative to findings obtained from prior experimentally evaluated programs. In fact, two-year reductions in AFDC payments exceeded earnings gains in both of those sites. Statistically significant AFDC savings were also achieved in Atlanta. Most of the AFDC savings can be attributed to reductions in months of AFDC receipt. A significant portion of two-year AFDC savings, however, were accounted for by reduced payment amounts in months when LFAs were still receiving AFDC, especially in Riverside and Grand Rapids. AFDC savings are likely to continue to accumulate in year 3.

II. Analysis Issues

The LFA approach, as discussed in Chapter 3, encourages quick immersion in the labor market through upfront job search activities. Those who are unsuccessful in their job search may be assigned to work experience or short-term education or training. The theory behind this approach is that the labor market is the best place for JOBS enrollees to learn job skills and transition to self-sufficiency, The LFA approach is expected to produce employment impacts in the short term, since job seeking and employment are strongly emphasized as soon as enrollees enter the program. Therefore, as early as the first year, one should expect to see increases in the percentage of LFAs employed and the number of quarters of employment for LFAs. Earnings impacts, resulting from increases in employment, are also expected in the first year. Earnings on the job (measured here as earnings per quarter employed) are not necessarily expected to be improved and may actually be somewhat lower for LFAs than controls if LFAs are encouraged to accept low-paying jobs that they otherwise might not have accepted. It is hoped that employment and earnings impacts will continue after the first follow-up year and that the average earnings per quarter for employed LFAs will increase as they become more experienced and can command higher wages.

Outcomes are presented for two research groups: LFAs, who could receive JOBS services and were subject to a participation mandate, and controls, who were not eligible to participate in the JOBS program. Past studies have shown that a portion of the sample targeted by welfare-to-work programs can be expected to leave welfare and find employment on their own, in the absence of a program intervention. The control group outcomes represent expected outcomes in the absence of the JOBS LFA program. The impact of the LFA approach is the difference between the LFA and control group outcomes. Impact estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment differences in characteristics of sample members. Impacts are considered statistically significant if there is no more than a 10 percent probability that differences could have occurred by chance. Differences between LFA and control group outcomes that are statistically significant can be attributed with confidence to the LFA approach.

As discussed in Chapter 2, a random assignment design was implemented in each of three sites. In Atlanta and Grand Rapids, all sample members could be assigned to the LFA, HCD, or control group. In Riverside, the random assignment process was more complicated. Only those determined to be in need of basic education were eligible for the HCD group. Thus, *all* of those determined not to need basic education at baseline were assigned to either the LFA or LFA-control groups.'

'The Riverside design has implications for calculating LFA impacts. The outcomes and impacts for Atlanta and Grand Rapids sample members are unweighted. In Riverside, however, outcomes are weighted averages of the outcomes for LFAs found by program staff to be in need of basic education at baseline and LFAs who were determined not to need basic education. This weighting scheme compensates for the overrepresentation of those determined not to need basic education among the LFA and LFA-control groups.

Under the Riverside program design, impacts cannot be correctly calculated in an unweighted integrated regression model (that is, one that includes LFAs, HCDs, and controls and counts all observations with equal weight). Instead, the full sample LFA impact is calculated as $(W_{need} * B_{LFAneed})+(W_{not} * B_{LFAnot})$. In this equation, $B_{LFAneed}$ represents the (continued)

The primary goal of the Labor Force Attachment approach is to move enrollees into employment through an emphasis on job search and job club activities and, at most, *short-term* skills-building activities. Chapters 3 and 5 describe how the LFA approach was operationalized. In each site, as designed, the LFA treatment consisted mainly of increased participation in job search relative to the control group. A portion of the control group in each site participated on their own initiative in activities available in their communities. Notably, 19 and 14 percent of controls in Grand Rapids, as well as 11 and 9 percent of controls in Riverside, participated in basic education and vocational training, respectively, on their own initiative. In addition, 24 percent of controls in Grand Rapids and 11 percent of controls in Riverside enrolled in college on their own.

Increased participation in job search activities is a major contributing factor to LFA impacts, but the very existence of a program requirement to participate may itself have effects. In particular, in this evaluation, sanctioning for noncompliance was a prominent program feature that may have contributed to reducing AFDC payments to LFAs. Also, the mandate may have encouraged some individuals to find employment on their own or to leave AFDC in order to avoid participating. To capture these potential effects, impact estimates are based on the full research sample of participants and nonparticipants. Including all sample members means that impacts must be interpreted as the result of the JOBS program as a whole and not just as a result of participation in specific services. In addition, earnings and AFDC payment averages include individuals who were not employed or did not receive AFDC. These individuals are assigned zero dollar values. To the extent that the program converts nonearners into earners, or encourages AFDC recipients to leave AFDC, exclusion of zero values from both the control and LFA group estimate would lead to seriously biased underestimates of program impacts.

Outcome data are drawn from state and county AFDC payment records and state unemployment insurance (UI) earnings records for Georgia, Michigan, and California. UI earnings data are collected by calendar quarter: January through March, April through June, July through September, and October through December. For the research, these data have been reorganized so that the quarter during which a sample member is randomly assigned is always designated quarter 1, with quarter 2 following, then quarter 3, and so forth. These quarters are then grouped into "years." In forming years, quarter 1 is not included because it contains some pre-JOBS earnings, especially for sample members randomly assigned near the end of a quarter. Thus, the first follow-up year covers quarters 2 through 5, the second year covers quarters 6 through 9, and so forth. AFDC payments were reported monthly, but were grouped into quarters and years covering exactly the same time periods as earnings quarters and years.

(...continued)
impact for the "in need" LFAs and B_{LFAnot} is the impact for the "not in need" LFAs. W_{need}, the weight for the "in need" sample, equals the fraction of LFAs, HCDs, and controls who were classified by program staff as in need of basic education at baseline, and W_{not}, the weight for the "not in need" sample, equals $1-W_{need}$.

It should be noted that the Riverside LFA full sample and diploma/GED subgroup impacts are generated in one regression that includes all Riverside sample members; whereas the HCD impacts are estimated in a regression that includes only sample members determined to need basic education. For this reason, the means for the no diploma/GED control group, which appear in LFA Table 9.7 and HCD Table 10.8, differ slightly.

The rules for recording information on the UI system apply equally to all state residents. As a result, UI data can provide reasonably accurate and unbiased measures of employment and earnings for both the program (LFA or HCD) and control groups. The UI systems are statewide and, therefore, provide data on earnings that sample members obtained in both research and nonresearch counties within state. These data, however, are not available for out-of-state earnings or for jobs not usually covered by the UI system (for example, self-employment, some domestic work, or informal child care). Such earnings will not be measured in this report. Appendix G compares employment on the UI records with self-reported employment from survey data and indicates the extent to which UI records did not capture employment that clients reported and, conversely, the extent to which survey reports did not capture employment listed in the UI systems.

In Georgia and Michigan, AFDC payments are also recorded on a statewide system, and payments continue to be captured for sample members who move within the state. In California, however, AFDC payments are recorded within each county and sample members who received AFDC outside Riverside County will have zero AFDC dollars on these records. This issue is dealt with in Appendix G.

III. Control Outcomes in the Three Sites

As discussed in Chapter 2, the three sites included in these analyses differ in important ways. These differences may be seen by comparing employment, earnings, AFDC receipt, and AFDC payments for controls.

Throughout the two-year follow-up period, some controls in each site found employment without help from JOBS. In the last quarter of year 2 (quarter 9), fewer controls were employed in Riverside (27.2 percent) than in Atlanta (3 1.7 percent) or in Grand Rapids (39.0 percent). Over two years, Riverside controls had considerably larger earnings per quarter employed ($2,191) than employed controls in Atlanta ($1,581) and Grand Rapids ($1,538). This could reflect lower prevailing wages or more low-paying, part-time, or short-term employment in Atlanta and Grand Rapids than in Riverside.

Across the three sites even greater variation was found in AFDC receipt and AFDC payments. The average AFDC payment per month received ranged from $270 in Atlanta to $603 in Riverside. In the last quarter of year 2, 55.9 percent of Riverside controls received AFDC compared with 65.1 percent of controls in Grand Rapids and 74.8 percent in Atlanta.* The differences in these percentages are consistent with the differences in length of prior AFDC receipt across the three sites.

[2]In addition to the differences discussed, typical food stamp payment amounts differ across sites. In Atlanta, for example, the average food stamp payment is about as large as the average AFDC grant. AFDC reductions trigger food stamp grant increases, while earnings gains trigger food stamp reductions. Presumably, if AFDC reductions exceed earnings gains, food stamp increases may occur. Food stamp impacts will not be presented in this report, but will be examined in future ones.

Since there is wide variation in AFDC grant levels among sites, comparing the dollar magnitude of AFDC impacts across sites can be misleading. In addition, variation in percentage receiving AFDC in the control groups affects the comparability of impact estimates that are stated as percentage point decreases in AFDC receipt. An alternative approach to comparing AFDC impacts across sites would utilize the percentage decrease (the impact divided by the control mean) in AFDC receipt and AFDC payments relative to control group levels. This percentage impact on AFDC uses as its denominator the AFDC level of controls who are on aid, and JOBS produces its AFDC impact by affecting the corresponding individuals in the program group. JOBS induces some of those in the program group who would have remained on aid to leave or to accept part-time employment or a sanction that reduces their monthly AFDC payments. JOBS does not produce AFDC impacts by affecting individuals who would not have remained on welfare. Therefore, the percentage reduction in AFDC payments measure corresponds to the actual effect of the JOBS program. For example, a "10 percent impact on AFDC" means that JOBS reduced the AFDC expenditures that would otherwise have occurred by 10 percent.

Comparing earnings impacts across sites is also difficult because hourly wage rates differ across sites. To complicate matters, the percentage increases in earnings are not as useful in making comparisons across sites as the percentage reductions in AFDC. The percentage impact in earnings uses as its denominator the earnings of those controls who are working, but the impact on earnings generally occurs mostly among individuals who would not have been working in the absence of JOBS. Thus, "percentage increase in earnings" does not correspond to the actual effect of the JOBS program. For example, a "10 percent impact on earnings" may consist of two components: a small percentage impact on the earnings of those who would have worked anyway plus a much larger impact on employment among those who would not have worked at all in the absence of JOBS. For those who would not have worked at all, a "percent increase in earnings" measure cannot be calculated, since their earnings would have been zero and dividing by zero is not a defined mathematical operation. Comparing "percentage impact on earnings" across sites is therefore not always useful. It is useful, however, to compare the degree to which increases in earnings just replace reductions in AFDC payments or exceed those AFDC reductions.

IV. Impact Findings for the Full Sample

This section presents impacts of JOBS on high school diploma or GED attainment, earnings, employment, AFDC receipt, and AFDC payments over a two-year follow-up period for LFAs in the three sites. Impact estimates are presented in Figure 9.1 and Tables 9.1-9.5. Detailed tables including quarterly impacts appear in Appendix E.

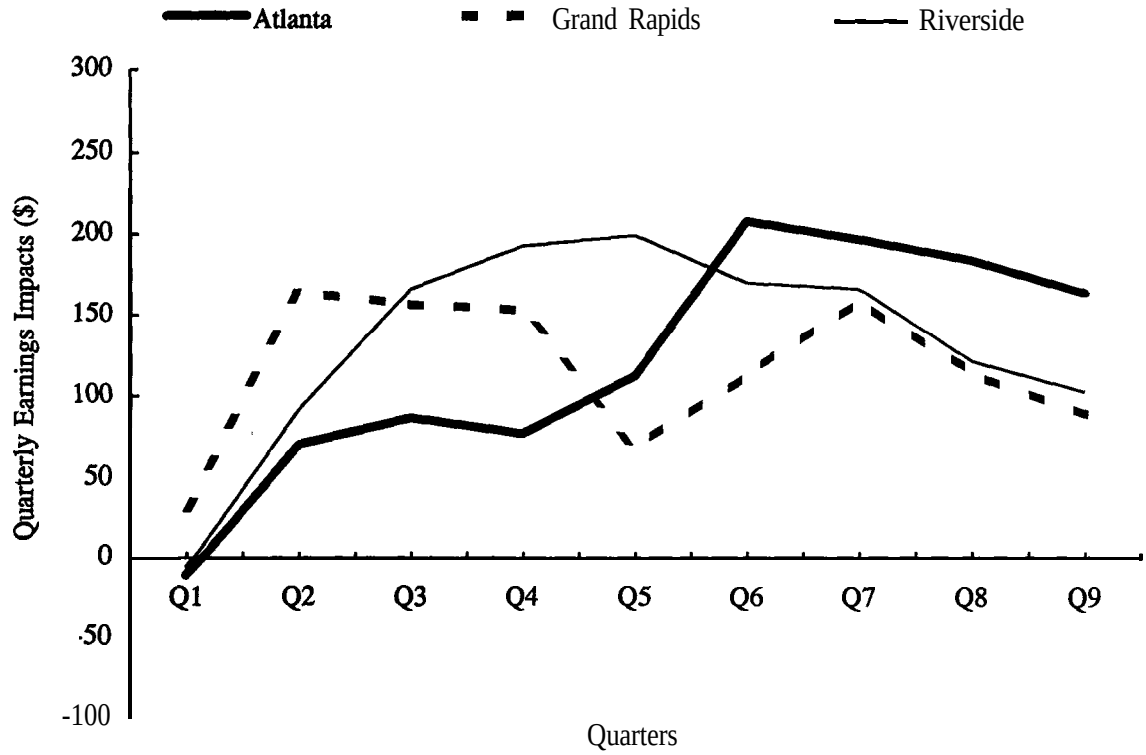
A. Impacts on Diploma/GED Attainment

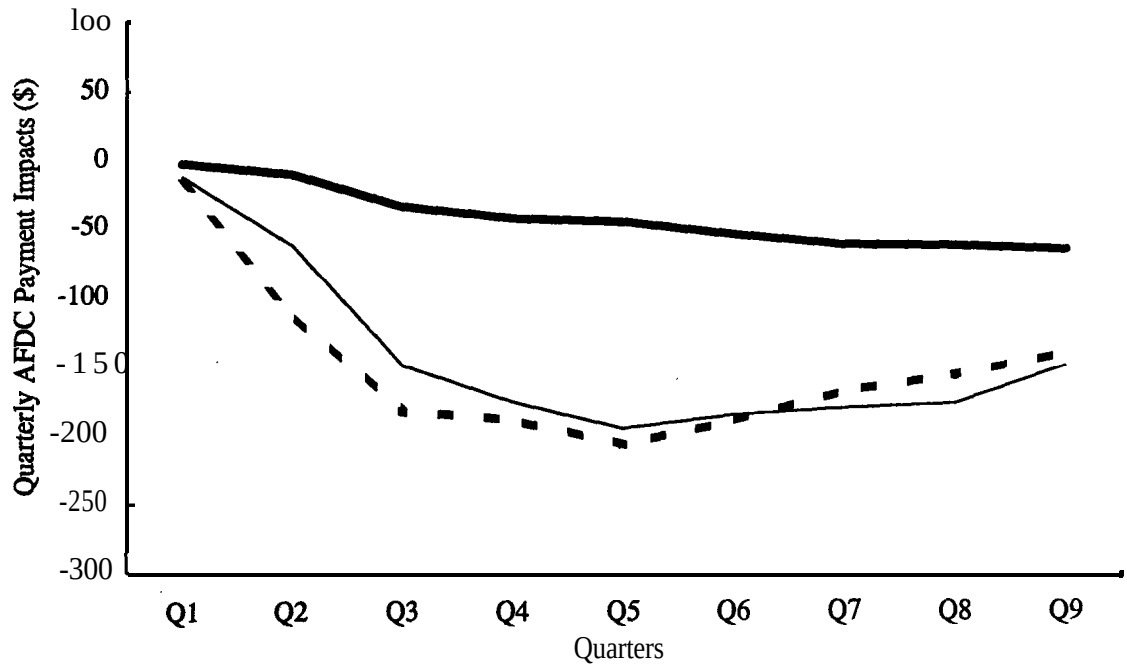
Table 9.1 shows the JOBS program impact on attainment of a high school diploma or GED certificate for sample members who did not have either one of those credentials at the time they entered the program. The LFA approach did not aim to increase the attainment of educational credentials and, as shown in Table 9.1, LFAs were not more likely than LFA control

Figure 9.1

Impacts on Earnings and AFDC Payments in Three Sites

Labor Force Attachment Approach





SOURCES: See Appendix Tables E.1-E.3.
NOTE: See Appendix Table E. 1.

Table 9.1

Two-Year Impact of JOBS on Degree Attainment for Sample Members Without a High School Diploma or GED

Labor Force Attachment Approach

Outcome and Site	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Received a high school diploma or GED after random assignment (%)			
Atlanta	1.9	1.7	0.1
Grand Rapids	3.3	5.5	-2.2
Riverside	2.0	3.1	-1.1
Three-site average	2.4	3.4	-1.0

SOURCES: MDRC calculations from the early cohort of the Two-Year Client Survey in Atlanta, Grand Rapids, and Riverside.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of their being chosen to be interviewed. In addition, sites were weighted equally in the pooled impact estimates.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes are as follows: Atlanta (LFAs, 173; controls, 252); Grand Rapids (LFAs, 116; controls, 109); Riverside (LFAs, 142; controls, 378).

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Table 9.2

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	59.1	53.6	***5.4*** ***	10.2
Average quarterly employment rate (%)				
Years 1-2	31.6	27.0	***4.6*** ***	17.0
Year 1	27.0	23.7	***3.3*** **	14.0
Year 2	36.1	30.2	***5.8*** ***	19.3
Average total earnings ($)				
Years 1-2	4,511	3,410	1,100 ***	32.3
Year 1	1,683	1,335	***347*** ***	26.0
Year 2	2,828	2,075	***753*** ***	36.3
If ever employed in years I-2				
Total quarters employed	***4.27***	4.02	***0.25*** [a]	6.2
Quarter of first employment	***4.07***	4.13	***-0.07*** [a]	-1.6
Average earnings per quarter employed ($)				
Years 1-2	1,787	***1,581***	***206*** [a]	13.1
Ever received any AFDC payments (%)				
Years 1-2	97.7	***98.1***	***-0.4***	-0.5
Last quarter of year 1	81.9	***85.1***	***-3.2*** **	-3.8
Last quarter of year 2	68.4	***74.8***	***-6.4*** ***	-8.6
Average number of months receiving AFDC payments				
Years 1-2	18.66	***19.69***	***-1.03*** ***	-5.2
First AFDC spell	17.56	***18.84***	***-1.28*** ***	-6.8
Average total AFDC payments received ($)				
Years 1-2	***4,959***	***5,327***	***-368*** ***	-6.9
Year 1	***2,757***	***2,887***	***-130*** ***	-4.5
Year 2	***2.202***	***2,440***	***-238*** ***	-9.8
Average AFDC payment per month received ($)				
Years 1-2	***266***	***270***	***-5*** [a]	-1.8
Sample size (total = 1.929)	946	983		

(continued)

Table 9.2 (continued)

SOURCES: MDRC calculations from Georgia unemployment insurance (UI) earnings records and AFDC records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991 - December 1992); Riverside (June 1991 - December 1992). These samples constitute 60 percent of the projected complete JOBS impact samples.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Italicized estimates cover only periods of employment or AFDC receipt. Differences between program group members and controls for such "conditional" estimates are not true experimental comparisons.

"Percentage difference" equals 100 times "difference" divided by "control group."

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] Not a true experimental comparison; statistical tests were not performed.

Table 9.3

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	***74.4***	***65.3***	9.1 ***	13.9
Average quarterly employment rate (%)				
Years l-2	39.5	***31.8***	7.6 ***	24.0
Year 1	37.6	***28.2***	9.4 ***	33.3
Year 2	41.3	***35.4***	5.9 ***	16.6
Average total earnings ($)				
Years l-2	4,935	***3,916***	1,019 ***	26.0
Year 1	***2,077***	***1,533***	543 ***	35.4
Year 2	***2,858***	***2,383***	475 **	19.9
If ever employed in years 1-2				
Total quarters employed	4.24	***3.90***	0.34 [a]	8.8
Quarter of first employment	3.55	***4.07***	-0.52 [a]	-12.7
Average earnings per quarter employed ($)				
Years 1-2	***1,563***	***1,538***	25 [a]	1.6
Ever received any AFDC payments (%)				
Years l-2	95.7	***97.4***	-1.8 **	-1.8
Last quarter in year 1	71.7	***79.3***	-7.6 ***	-9.6
Last quarter in year 2	58.1	***65.1***	-7.0 ***	-10.8
Average number of months receiving AFDC payments				
Years 1-2	15.97	17.94	-1.97 ***	-11.0
First AFDC spell	13.79	16.57	-2.79 ***	-16.8
Average total AFDC payments received ($)				
Years l-2	6,301	7,639	-1,338 ***	-17.5
Year 1	3,556	4,245	-688 ***	-16.2
Year 2	2,744	3,394	-650 ***	-19.1
Average AFDC payment per month received ($)				
Years l-2	395	426	-31 [a]	-7.3
Sample size (total = 1,922)	994	928		

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings records and AFDC records.

NOTES: See Table 9.2.

Table 9.4

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	59.3	45.1	14.3 ***	31.6
Average quarterly employment rate (%)				
Years l-2	32.0	23.8	8.2 ***	34.2
Year 1	32.7	21.8	10.9 ***	49.7
Year 2	31.3	25.8	5.5 ***	21.1
Average total earnings ($)				
Years l-2	5,386	4,174	1,212 ***	29.0
Year 1	2,407	1,756	651 ***	37.1
Year 2	2,979	2,418	561 ***	23.2
If ever *employed in years l-2*				
Total quarters employed	4.31	4.23	0.08 [a]	2.0
Quarter of first employment	3.43	3.90	-0.47 [a]	-12.0
Average earnings per quarter employed ($)				
Years I-2	2,106	2,191	-85 [a]	-3.9
Ever received any AFDC payments (%)				
Years 1-2	93.3	93.4	-0.1	-0.1
Last quarter of year 1	63.6	69.6	-6.0 ***	-8.6
Last quarter of year 2	50.0	55.9	-5.8 ***	-10.4
Average number of months receiving AFDC payments				
Years 1-2	14.72	16.01	-1.29 ***	-8.1
Number of months in first AFDC spell	13.59	14.87	-1.28 ***	-8.6
Average total AFDC payments received ($)				
Years l-2	8,385	9,652	-1,267 ***	-13.1
Year 1	4,940	5,521	-581 ***	-10.5
Year 2	3,445	4,131	-686 ***	-16.6
Average AFDC payment per month received ($)				
Years l-2	570	603	-33 [a]	-5.5
Sample size (total = 4,975)	2,497	2,478		

SOURCES: MDRC calculations from California unemployment insurance (UI) earnings records and county AFDC records.

NOTES: See Table 9.2.

Table 9.5

Impacts of JOBS on the Distribution of Earnings in Year 2

Labor Force Attachment Approach

County and Year 2 Earnings Bracket	Full Sample: Percentage in Annual Earnings Bracket			*If Ever Employed in Year 2: Percentage in Annual Earnings Bracket*		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	*Labor Force Attachment Group (LFAs)*	*LFA Control Group*	*Difference (Impact)*
Atlanta						
None	48.6	54.8	-6.3 ***	*n/a*	*n/a*	*n/a*
$1 - $1,999	18.6	19.1	-0.5	36.2	42.4	**-6.2** [a]
$2,000 - $4,999	**12.4**	**9.4**	**3.0 ** **	**24.1**	**20.9**	**3.2** [a]
$5,000 - $9,999	11.2	9.7	1.5	21.8	21.5	0.3 [a]
$10,000 - $19,999	8.2	6.5	1.7	16.0	14.4	1.6 [a]
$20,000 or more	1.0	0.4	0.6 *	1.9	0.8	*1.1* [a]
Sample size (total = 1,929)	946	983				
Grand Rapids						
None	36.6	44.4	-7.8 ***	*n/a*	*n/a*	*n/a*
$1 - $1,999	25.3	23.1	2.3	40.0	41.5	-1.5 [a]
$2,000 - $4,999	16.5	13.7	2.8 *	26.1	24.7	1.4 [a]
$5,000 - $9,999	13.4	12.5	0.9	21.2	22.5	-1.3 [a]
$10,000 - $19,999	7.5	5.8	1.7	11.9	10.5	1.4 [a]
$20,000 or more	0.6	0.4	0.1	0.9	0.8	0.1 [a]
Sample size (total = 1,922)	994	928				
Riverside						
None	55.2	62.9	-7.7 ***	n/a	*n/a*	*n/a*
$1 - $1,999	13.3	11.5	1.8 *	29.6	31.0	-1.4 [a]
$2,000 - $4,999	10.3	8.4	2.0 **	23.1	22.6	0.6 [a]
$5,000 - $9,999	10.3	8.4	1.9 **	23.0	22.7	0.3 [a]
$10,000 - $19,999	8.8	7.4	1.4 *	19.6	19.9	-0.3 [a]
$20,000 or more	2.1	1.4	0.7 *	4.7	3.8	0.9 [a]
Sample size (total=4,975)	2,497	2,478				

SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991 - December 1992); Riverside (June 1991 - December 1992).

[a]Estimates in italics were based only on persons with earnings. Statistical tests were not applied to the differences.

N/a = not applicable.

group members to obtain a high school diploma or GED during the two-year follow-up period in any site.

B. Impacts on Employment and Earnings

In broad summary terms, the LFA approach increased employment and earnings in all three sites during the first two years of follow-up. As indicated below, earnings per sample member were boosted by more than $1,000 in each site over the two-year follow-up period. In Atlanta, the year-2 earnings impact was twice as large as the year-l impact. In Grand Rapids and Riverside, earnings impacts decreased slightly from year 1 to year 2. Results for quarter 9, the end of the available follow-up, suggest that employment impacts will continue and that impacts on total earnings over all years are likely to continue to accrue into year 3 in all sites. The observable patterns for the full samples suggest that quarterly LFA-control differences in employment and earnings are not likely to increase in the future in Grand Rapids and Riverside. An analysis of subgroup earnings impacts later in this chapter, however, suggests that predictions about the long-term LFA-control differences in earnings should not be made on the basis of the two-year full-sample results.

In all three sites, JOBS helped some LFAs find employment who otherwise would have remained unemployed. In Grand Rapids and Atlanta, employed LFAs worked for longer periods than employed controls. Only in Atlanta did employed LFAs earn more per quarter than employed controls.

The LFA impact estimates, organized by site, are shown in Tables 9.2-9.4. Important quarter-by-quarter patterns are shown in Figure 9.1. Table 9.5 contains year-2 earnings distributions for the full samples of LFAs and controls and for employed LFAs and controls.

Atlanta

In Atlanta, the percentage employed in each quarter in both the LFA and control groups increased steadily over the two-year follow-up period, nearly doubling from quarter 2 to quarter 9 (see Appendix Table E.l). Over two years of follow-up, 53.6 percent of controls were employed compared with 59.1 percent of LFAs, an impact of 5.4 percentage points (statistically significant). (See Table 9.2.) This is the impact on new job finding. That is, it indicates the effect of JOBS in promoting employment among sample members who would not have become employed on their own. In Atlanta, the estimates reveal that about one control in every eight who did not work during the two-year follow-up would have found a job at some point with the help of JOBS.[3]

Quarterly impacts on percentage employed in Atlanta (see Appendix Table E.l) reached the highest point within two years in quarter 6 (at 7.0 percentage points) and decreased slightly in

[3]Among controls who remained unemployed over the two-year follow-up period, the proportion who would have become employed with the help of the LFA approach is estimated as the LFA-control difference in percentage unemployed over two years divided by the percentage of controls who remained unemployed. In Atlanta, for example, (46.4 - 40.9) / 46.4 = 11.9 percent, or about 1 in 8.

quarters 7 and 8. In the last quarter of year 2, 37.5 percent of LFAs and 3 1.7 percent of controls were employed, an impact of 5.8 percentage points (statistically significant). These LFA-control differences at the end of the follow-up period, that is, in quarter 9, suggest that impacts will continue into year 3.

During the two years of follow-up, the LFA approach in Atlanta increased earnings by $1,100 above the control group mean of $3,410. The LFA-control group difference for year 2 ($753) was more than twice the impact for year 1 ($347) in that site. Quarterly earnings levels for both the LFA and control groups increased steadily over two years of follow-up, more than doubling from quarter 2 to quarter 9 (see Appendix Table E.l). Quarterly earnings *impacts* decreased slightly after reaching a two-year high of $208 in quarter 6, but the quarter 9 impact was still relatively large: a $164 increase above the $595 control mean, The LFA-control difference in quarter 9 suggests that there will be continuing LFA-control differences in year 3. All employment and earnings impact estimates given above are statistically significant.

Earnings impacts can result from various effects of the JOBS program. JOBS may help some LFAs find employment who would have otherwise remained unemployed, thereby generating more LFA earnings dollars and increasing average LFA earnings relative to controls. This effect is measured by the impact on percentage ever employed, discussed above. In addition, JOBS may help LFAs find better-quality jobs-longer-lasting or higher-paying-than they would have obtained on their own. Table 9.2 shows two measures of LFA-control differences in job quality for employed sample members: differences in "total quarters employed" and "average earnings per quarter employed." Both are nonexperimental comparisons because only employed sample members are included. Employed LFAs may differ from employed controls in pre-random assignment background characteristics. As a consequence, any differences observed may be caused by pre-existing differences rather than by JOBS. Nevertheless, a positive difference on number of quarters employed would suggest that JOBS helped employed LFAs work more during the follow-up period, either because they found work sooner or because they found jobs that lasted longer. Similarly, a positive difference between the average earnings per quarter for employed LFAs and employed controls would suggest that JOBS helped LFAs find jobs with higher hourly wages, longer weekly hours, or more weeks of employment in a quarter, all indications of better job quality.

In Atlanta, earnings impacts resulted from a combination of effects on job-finding, employment duration, and earnings on the job. JOBS helped some LFAs find employment who would have remained unemployed without the assistance of the LFA approach. In addition, LFAs who became employed worked more quarters (0.25 more, on average) and earned about 13 percent more per quarter than controls who found jobs on their own. The contribution of each of these three effects on the total earnings impact may be calculated approximately.[4] The main

[4]The decomposition discussed in the text is not exact. It is based on the approximate mathematical equivalence of the "percentage difference" in average total earnings to the sum of the percentage differences in "ever employed," "total quarters employed if employed," and "average earnings per quarter employed." Thus, for example, the contribution of "ever employed" may be obtained by dividing its percentage difference by the sum of the three component percentage differences. In Atlanta, the sum of the three component percentage differences is 29.5 percent, somewhat less than the actual 32.3 percent increase in average total earnings. The contribution of "ever employed" is 10.2 divided by 29.5,

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contribution, a little less than half the total earnings impact, came from higher average earnings per quarter employed, suggesting that better job quality was an important element of the program impact in Atlanta. The increase in "ever employed" contributed about a third, and the greater observed employment duration about a fifth. As shown in Table 9.5, the LFA approach in Atlanta increased the number of LFAs earning between $2,000 and $4,999 by 3 percentage points and slightly increased the number of LFAs earning $20,000 or more (both statistically significant). The result for the distribution of earnings among employed LFAs was a 6.2 percentage point shift upward out of the lowest earnings bracket ($1 to $1,999).

Grand Rapids

In Grand Rapids, 65.3 percent of controls worked during the follow-up compared with 74.4 percent of LFAs for an increase of 9.1 percentage points, a statistically significant effect (see Table 9.3). That is, one control in every four who did not work during the two-year follow-up would have become employed at some point with the help of JOBS. The percentage of LFAs employed in a quarter (see Appendix Table E.2) increased dramatically from quarter 1 to 2 (by about 8 percentage points) and also increased from quarter 5 to 6 and from quarter 8 to 9 (by about 3 percentage points). The percentage employed in the control group increased more gradually over the two-year follow-up period. Consequently, quarterly employment impacts (see Appendix Table E.2) were largest in quarter 2 at 13.1 percentage points, then decreased and remained smaller in most subsequent quarters. By quarter 9, the impact on percentage employed was modest (4.6 percentage points) but still statistically significant.

In Grand Rapids, LFAs averaged $4,935 in earnings during the two-year follow-up, a gain of $1,019 (statistically significant) over the average earnings for the control group. Unlike Atlanta, earnings impacts in Grand Rapids decreased slightly from year 1 to year 2, from $543 to $475 (both statistically significant). Quarterly earnings for LFAs (see Appendix Table E.2) doubled from quarter 1 to quarter 2 and increased more gradually in the remaining quarters. Quarterly earnings for controls increased gradually over the two years. Quarter by quarter earnings impacts, as shown in Figure 9.1, do not reveal a consistent pattern. The largest earnings impact appeared in the first follow-up quarter ($165), and at the end of year 1 the impact was less than half that amount. During year 2, earnings impacts returned to the maximum level ($159 in quarter 7), and again dipped to about half that amount in the last quarter of follow-up. Quarterly impacts were statistically significant except in quarter 5 ($68) and quarter 9 ($89).

The observed decrease in employment and earnings impacts over time did not occur because fewer LFAs were working at the end of the follow-up. Indeed, quarterly employment and earnings levels for LFAs actually rose throughout the two years. The decrease in employment and earnings impacts appears, instead, to be associated with the control group beginning to catch up to the levels achieved by LFAs.

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which equals .35, the one-third figure cited in the text. The decomposition is inexact because it ignores interactions among the components.

The findings suggest that the LFA approach in Grand Rapids had two kinds of employment effects. First, it helped some recipients find jobs who would not have become employed on their own during the two-year follow-up period. It may also have helped other recipients who would have eventually found jobs on their own to find work faster than they would have otherwise. The average starting time for the first job among LFAs who worked was about half a quarter sooner than among controls who worked. LFAs were thus able to work for more quarters during the follow-up and did so. Employed LFAs worked more than 1 full year on average, or about 1 month longer than employed controls. With the help of the estimates in Table 9.3, the total impact on earnings can be approximately decomposed into effects on "ever employed," on employment duration, and on earnings per quarter employed.[5] The increased number of LFAs who worked generated more than half of the earnings increase, and the increase in employment duration generated the remainder of the increase. Earnings impacts did not occur because JOBS helped LFAs to find better-paying jobs. LFAs who worked earned about the same amount per quarter of employment as controls who worked: $1,563 and $1,538, respectively. As shown in Table 9.5, JOBS increased the number of LFAs earning $1 to $1,999 (not statistically significant) and $2,000 to $4,999 in year 2 (statistically significant) without markedly changing the distribution of earnings among employed persons.

Riverside

In Riverside, 45.1 percent of controls were employed sometime during the follow-up period compared with 59.3 percent of LFAs (see Table 9.4). The increase in percentage ever employed, 14.3 percentage points, was the largest increase of the three sites. This impact suggests that JOBS would have helped one control in every four who remained unemployed to find employment during the two-year follow-up. Quarterly employment gains (see Appendix Table E.3) were largest in the first follow-up quarter (quarter 2) at 11.9 percentage points and decreased steadily throughout the remaining seven quarters to a low of 3.8 percentage points (statistically significant) in quarter 9. The decline in employment impacts appears to be associated with control employment beginning to catch up to the levels achieved by LFAs. Control employment levels climbed steadily, reaching their highest point in quarter 9 of the two-year follow-up period, but quarterly LFA employment levels were about the same in quarter 9 as they were in quarter 2. These findings suggest, as in Grand Rapids, that the LFA approach helped some enrollees find jobs who would not have worked and may also have helped some others find work faster than they would have on their own. All impact estimates given above are statistically significant.

Total earnings for Riverside LFAs were increased by $1,212 over two years of follow-up: an increase to **$5,386** from a control level of $4,174, The earnings impact was largest at the end of the first year at $200 and decreased in the remaining quarters to half that amount ($103) by the end of year 2. Earnings gains occurred in this site because JOBS decreased joblessness (that is, increased the percentage "ever employed"). LFAs who worked did not work longer or earn more per quarter than controls who found work on their own. Employed LFAs and employed controls averaged about 1 year and 1 month of employment, and employed LFAs earned slightly less per

[5]For the method of decomposition, see the previous footnote.

quarter ($2,106) employed than employed controls ($2,191). Table 9.5 shows that the LFA approach increased the number of LFAs in every year-2 earnings bracket, leaving the distribution of earnings among employed LFAs about the same as that among employed controls. All of the impacts discussed above are statistically significant.

Concern has often been expressed that in labor markets with high unemployment rates, program effectiveness will be undercut. Among the three sites examined, Riverside had the highest unemployment rate in 1993 (11.7 percent), double the rate of the other two sites and higher than during the two-year follow-up period in an earlier evaluation of the GAIN welfare-to-work program in Riverside. Notwithstanding, short-run impacts on employment and earnings in Riverside were at least as large as those in the other two sites. Compared with Riverside findings from the evaluation of the earlier GAIN program, which differed from JOBS on several dimensions, two-year earnings impacts in this site were smaller (see Chapter 11 for more details). Thus, although the weak labor market conditions in Riverside did not completely undercut program impacts, they may have reduced them below levels measured in the same site during a better labor market. This pattern of results, not definitive by itself, is nevertheless consistent with past research suggesting that moderate levels of unemployment *in an urban setting* do not render programs totally ineffective.

C. Impacts on AFDC Receipt and AFDC Payments

Impacts on AFDC receipt and AFDC payments are shown in Table 9.2-9.4 and the lower part of Figure 9.1. In all three sites, the LFA approach produced statistically significant reductions in AFDC receipt and savings in AFDC expenditures during two years of follow-up, and these are expected to continue into year 3. During the two-year follow-up period, the number of months of AFDC receipt was reduced by 5.2 percent in Atlanta, 8.1 percent in Riverside, and 11.0 percent in Grand Rapids relative to the control mean. Reductions in the number of months of AFDC receipt ranged from about 1 month in Atlanta to 2 months in Grand Rapids over two years. Further, impacts on AFDC receipt in quarter 9 were quite similar, ranging from 5.8 percentage points in Riverside to 7.0 percentage points in Grand Rapids. All of these differences were statistically significant. It is almost certain that the LFA approach will continue to produce impacts on AFDC receipt in year 3 and possibly beyond.

A key cross-site comparison of AFDC savings is the percentage reduction in AFDC payments, since average AFDC grant levels differ widely across sites. Over two years, the average total AFDC expenditures for LFAs were reduced by 6.9 percent in Atlanta, 13.1 percent in Riverside, and 17.5 percent in Grand Rapids. When examining the dollar value of AFDC savings, one should keep in mind the large variation in average monthly AFDC grant amounts across sites. In 1994 the average monthly AFDC grant for a family of three was $280 in Atlanta, $474 in Grand Rapids, and $607 in Riverside. In Atlanta, the LFA approach reduced AFDC payments during the two-year follow-up by $368 (slightly more than the average monthly grant amount in that site). AFDC savings were considerably larger in Riverside, totaling $1,267 (about twice the average monthly grant amount), and larger still in Grand Rapids, at $1,338 (about three times the average monthly grant amount). Statistically significant AFDC savings were achieved in each site at the end of the follow-up period in quarter 9, suggesting that further savings will be achieved in year 3.

Impacts on AFDC payments may come from a reduction in the number of months on AFDC or from a reduction in the monthly AFDC grant amounts for program group members who remain on assistance. In the evaluation studies of job search-oriented programs of the 1980s, it was commonly found that 75 percent or more of AFDC savings were associated with program group members spending fewer months on AFDC. A similar result was found for LFAs in Atlanta where about 75 percent of AFDC savings was due to a reduction in months on AFDC.[6] Unlike the findings from earlier evaluations, however, in Grand Rapids and Riverside only about 60 percent of the AFDC savings can be attributed to fewer months of AFDC receipt. In these two sites, about 40 percent of the AFDC savings resulted from a reduction in average AFDC payments per month for LFAs relative to controls. This pattern of results is examined in more detail in Chapter 11.

D. Relative Magnitude of Impacts on Earnings and AFDC Payments

JOBS enrollees gain financially through their own work effort only if they earn more than they lose in AFDC payments. The degree to which earnings gains replaced reductions in AFDC payments differed substantially across sites. In Atlanta, two-year earnings gains exceeded AFDC reductions by more than $700; in Grand Rapids, AFDC reductions exceeded earnings gains by more than $300; and in Riverside, AFDC reductions more or less matched earnings gains. The ratio of earnings gains to AFDC reductions was 3.0 in Atlanta, 0.8 in Grand Rapids, and 1.0 in Riverside. In quarter 9, the ratios were still 2.6, 0.6, and 0.7, respectively, suggesting that the pattern of short-term results may well persist. It is important to keep in mind that in all sites, the difference between impacts on earnings and impacts on AFDC payments is not a complete measure of the program effect on family income. It does not take into account various other sources of income such as food stamps, SSI, any earnings not captured by the state UI records, the Earned Income Tax Credit, unemployment insurance benefits, contributions from other family members, and the like. A more complete analysis of effects on family income will be conducted as part of future reports.

E. Continuous AFDC Receipt and Returning to AFDC

A prominent component of recent national welfare reform proposals has been an exhaustible lifetime limit on the number of months a family can receive welfare benefits as currently offered. Two- and five-year limits have been discussed most frequently, and currently several states have begun implementing their own versions of time-limited welfare. Time-limited

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[6]The percentage of AFDC savings attributable to reductions in AFDC grant amounts can be calculated using the following formula. The average monthly payment amount for controls multiplied by the reduction in number of months of AFDC indicates what the AFDC savings would have been if average monthly payment amounts were the same for LFAs and controls who remained on welfare. In Atlanta, this calculation ($270 times 1.03 months) yields $278, which represents 76 percent of the $368 two-year AFDC savings found in that site. The remainder of the impact on two-year AFDC payments may have come from reductions in grants imposed by sanctions or from part-time employment while still on welfare. Alternatively, the overall reduction in months of receipt may have fallen primarily on cases with above-average monthly grant amounts. Decompositions of this sort are only approximations, since they ignore interactions between grant level and case closure.

welfare models can be categorized into two groups: one in which welfare case heads who reach the limit are provided with community or government-subsidized employment and are required to work for their benefits, and one in which benefits are terminated after the time limit is exhausted and subsidized employment is not provided.' Little is known with certainty about how many welfare recipients would reach the time limit without finding employment, since time-limited welfare has just begun to be tested.

Although the JOBS program was not designed to operate within the parameters of time-limited welfare, findings from JOBS after two years of follow-up can provide some evidence as to whether a JOBS program has the potential to induce permanent AFDC case closure by the two-year mark, thus reducing the number of individuals who would reach a time limit. Preliminary evidence from JOBS, presented below, shows that the LFA program increased the number of case closures occurring before a hypothetical two-year limit for LFAs in all three sites. On the other hand, some of those who left AFDC early in the follow-up returned before the end of the two-year follow-up. For those who returned, reaching the time limit would have been delayed by JOBS, but they may have reached it shortly after two years. It should be noted that the establishment of actual time limits could induce changes in attitudes or incentives that would produce effects different from those observed in this study of JOBS programs.

Estimates of two-year AFDC receipt and of rates of return to AFDC for leavers are shown in Table 9.6. The upper section shows the percentage who received AFDC continuously for two years; these figures represent individuals who would reach a two-year time limit within the available follow-up. As shown, substantial numbers of controls and LFAs would have reached such a time limit. Between 45 percent (Riverside) and 64 percent (Atlanta) of controls received AFDC continuously for two years. JOBS reduced these percentages in all sites. In this connection, the most important estimates are in the "percentage difference" column, which shows that the number of LFAs who would have reached the two-year time limit within two years was reduced by 10 to 25 percent relative to controls.

These estimates do not tell how many sample members might have reached a two-year time limit *eventually.* To address this issue, it is necessary to examine the rates of return to AFDC among sample members who leave during the two-year follow-up, which are also shown in Table 9.6. Of those controls who left AFDC, between 24 percent (Riverside) and 36 percent (Grand Rapids) returned before the end of the follow-up. In Atlanta and Riverside, approximately the same percentage of LFAs and controls who left AFDC returned before the two year follow-up period was over. In Grand Rapids, 44.1 percent of LFAs who left AFDC returned within the follow-up period, 8.3 percentage points above the control mean, a moderately higher rate of return. This comparison between LFAs and controls who left AFDC is not a pure experimental comparison (since many sample members are not included) and may indicate differences in the kinds of people who left AFDC rather than effects of the program on returning to AFDC. Nevertheless, the estimates for rates of return indicate that the total effect of JOBS on the number of sample members who would reach a two-year time limit some time after two years may be reduced by at least one-quarter to one-third below the estimates derived from Table 9.6 in the

'Bloom and Butler, 1995.

Table 9.6

Two-Year Impacts of JOBS on Continuous AFDC Receipt

Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Received AFDC continuously, years 1-2[a] (%)				
Atlanta	57.3	63.7	-6.3 ***	-10.0
Grand Rapids	37.8	50.6	-12.7 ***	-25.2
Riverside	38.5	44.5	-6.0 ***	-13.5
If ever off, *returned to AFDC[b] (%)*				
Atlanta	*32.1*	*31.8*	*0.3* [c]	*1.1*
Grand Rapids	*44.1*	*35.8*	*8.3* [c]	*23.2*
Riverside	*25.0*	*24.3*	*0.7* [c]	*3.1*
Impact on number of months of AFDC receipt				
Atlanta				
Years l-2	18.66	19.69	-1.03 ***	-5.2
Months in first AFDC spell	17.56	18.84	-1.28 ***	-6.8
Months after first AFDC spell	1.10	0.86	0.24	28.6
Grand Rapids				
Years l-2	15.97	17.94	-1.97 ***	-11.0
Months in first AFDC spell	13.79	16.57	-2.79 ***	-16.8
Months after first AFDC spell	2.18	1.36	0.82 ***	60.1
Riverside				
Years l-2	*14.72*	*16.01*	*-1.29* ***	*-8.1*
Months in first AFDC spell	13.59	14.87	-1.28 ***	-8.6
Months after first AFDC spell	1.14	1.14	0.00	-0.4

SOURCES: MDRC calculations from Georgia, Michigan, and Riverside County AFDC records.

NOTES: See Table 9.2.

[a]"Received continuously" is defined as never having experienced two consecutive months with zero AFDC payments, starting with the first month of quarter 2.

[b]"Ever off" is defined as having experienced at least one two-month period with zero AFDC payments, starting with the first month of quarter 2.

[c]Not a true experimental comparison; statistical tests were not performed.

preceding paragraph. Note also that a substantial proportion of sample members were on AFDC prior to entering the research sample (the point at which this two-year analysis began).

The analysis presented above can be extended to reveal how differences between LFAs and controls in the propensity to return to AFDC after leaving affected JOBS' impacts on total months of AFDC receipt. For this purpose, it is germane to compare the program impact on the length of the initial spell of AFDC receipt with the impact on total months, both of which are presented in Table 9.6. The difference between these two impacts also appears in Table 9.6 as "months after first AFDC spell." If there were no return to AFDC, then the impact on the length of the initial spell would translate exactly into the impact on total months. If some LFAs and controls who leave AFDC return and if LFAs who leave return less often, stay off longer, or return for shorter periods than controls who leave, then the impact on the length of the initial spell may be *smaller* than the impact on total months. Conversely, if LFAs who leave return more often or sooner or return for longer periods than controls who leave, then the impact on the length of the initial spell would be *larger* than the impact on total months.[8] As shown in Table 9.6, in Atlanta and Grand Rapids, LFAs spent less time on AFDC in the first spell and more time on AFDC in subsequent spells than controls. In these two sites, JOBS reduced the length of the initial spell more than it reduced total months on AFDC. LFA patterns of return to AFDC reduced impacts on months of AFDC receipt by fairly modest amounts: by about 20 to 30 percent in these two sites. In Riverside, the impact on the length of the first spell did translate quite closely into the impact on total months, indicating that any LFA-control differences in patterns of return to AFDC did not produce a net affect on the impact on the total number of AFDC months.

V. Impacts for Subgroups

Table 9.7 and Figure 9.2 present two-year impacts for subgroups based on whether or not sample members had a high school diploma or GED when they enrolled in the JOBS program. Table 9.8 shows impacts by subgroups based on age of sample members' youngest child.

A. High School Diploma/GED Status

This section presents impacts for both individuals who had a high school diploma or GED at baseline and those who did not. High school graduates generally have greater earning power than nongraduates. It is therefore important to know whether the LFA approach, which does not offer extensive remediation, can achieve results for nongraduates.

Examining outcomes for controls will help to quantify differences between high school

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"If, as found in the analysis of the two-year JOBS data, more program group members than controls leave AFDC in the short run, then even if the propensity to go back on AFDC is ***similar*** among leavers in both research groups the impact on the first spell will be larger than the impact on total months. That is, returning to AFDC among leavers in the program group will somewhat reduce the impact on total AFDC months even if returning occurs to a degree similar to that among control group leavers. This is because the greater number of AFDC leavers in the program group implies a greater number of returns when the rate of return is the same.

Table 9.7

Two-Year Impacts of JOBS on Earnings and AFDC Payments, by High School Diploma/GED Status

Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
High school diploma or GED				
Atlanta				
Average total earnings ($)				
Year 1	2,068	1,593	475 ***	29.9
Year 2	3,546	2,543	1,003 ***	39.5
Average total AFDC payments received ($)				
Year 1	2,592	2,784	-193 ***	-6.9
Year 2	2,020	2,309	-289 ***	-12.5
Sample size (total = 1,091)	522	569		
Grand Rapids				
Average total earnings ($)				
Year 1	2,329	1,915	414 **	21.6
Year 2	3,349	3,059	290	9.5
Average total AFDC payments received ($)				
Year 1	3,471	4,108	-637 ***	-15.5
Year 2	2,505	3,098	-593 ***	-19.1
Sample size (total = 1,122)	570	552		
Riverside				
Average total earnings ($)				
Year 1	3,206	2,426	781 ***	32.2
Year 2	3,999	3,155	843 ***	26.7
Average total AFDC payments received ($)				
Year 1	4,578	5,053	-474 ***	-9.4
Year 2	3,050	3,678	-628 ***	-17.1
Sample size (total = 2,689)	1,343	1,346		

(continued)

Table 9.7 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
No **high school diploma or GED**				
Atlanta				
Average total earnings ($)				
Year 1	1,160	1,072	88	8.2
Year 2	1,897	1,550	346	22.3
Average total AFDC payments received ($)				
Year 1	2,966	3,009	-43	-1.4
Year 2	2,426	2,597	-171 **	-6.6
Sample size (total = 838)	424	414		
Grand Rapids				
Average total earnings ($)				
Year 1	1,701	992	708 ***	71.4
Year 2	2,148	1,447	701 ***	48.5
Average total AFDC payments received ($)				
Year 1	3,684	4,455	-771 ***	-17.3
Year 2	3,087	3,810	-723 ***	-19.0
Sample size (total = 800)	424	376		
Riverside				
Average total earnings ($)				
Year 1	1,790	1,240	551 ***	44.4
Year 2	2,192	1,848	343 *	18.6
Average total AFDC payments received ($)				
Year 1	5,219	5,883	-664 ***	-11.3
Year 2	3,751	4,481	-730 ***	-16.3
Sample size (total = 2,286)	1,154	1,132		

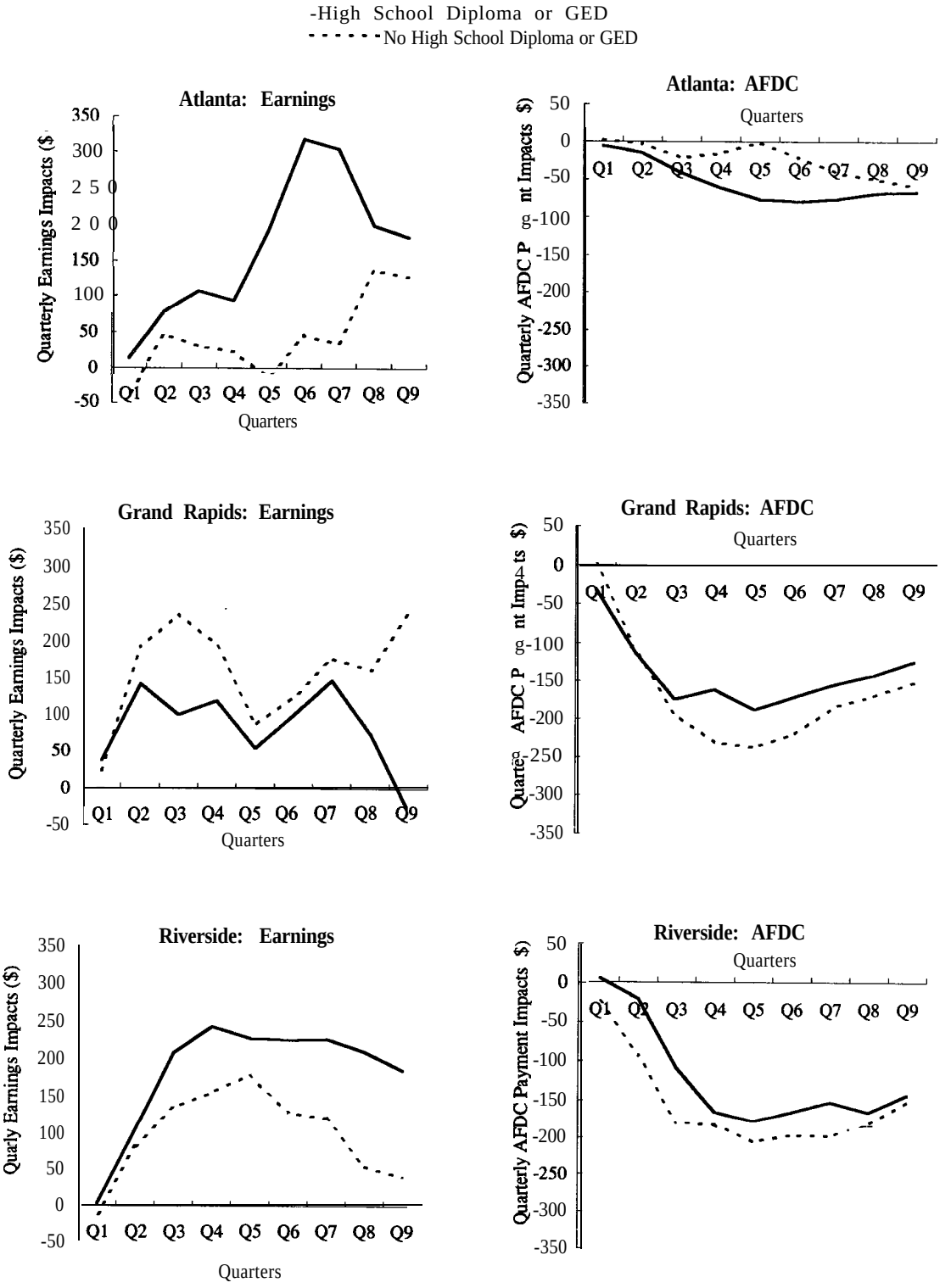
SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records and from Georgia, Michigan, and Riverside County AFDC records.

NOTES: "Percentage difference" equals 100 times "difference" divided by "control group."
A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups.
Statistical significance levels are indicated as: *= 10 percent; ** = 5 percent; *** = 1 percent.

Figure 9.2

Impacts on Earnings and AFDC Payments in Three Sites, by High School Diploma/GED Status

Labor Force Attachment Approach



SOURCES: See Appendix Tables E.4-E.9.
NOTE: See Appendix Table E. 1.

Table 9.8

Two-Year Impacts of JOBS on Earnings and AFDC Payments, by Children's Age Subgroup

Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Families with children aged 6 and over				
Atlanta				
Average total earnings ($)				
Year 1	1,803	1,370	433 ***	31.7
Year 2	2,947	1,979	968 ***	48.9
Average total AFDC payments received ($)				
Year 1	2,647	2,786	-140 ***	-5.0
Year 2	2,063	2,323	-260 ***	-11.2
Sample size (total = 1,239)	610	629		
Grand Rapids				
Average total earnings ($)				
Year 1	2,351	1,811	540 **	29.8
Year 2	3,268	2,537	731 **	28.8
Average total AFDC payments received ($)				
Year 1	3,316	3,987	-671 ***	-16.8
Year 2	2,241	3,002	-761 ***	-25.4
Sample size (total = 639)	320	319		
Riverside				
Average total earnings ($)				
Year 1	2,620	2,184	436 **	19.9
Year 2	3,129	2,872	257	8.9
Average total AFDC payments received ($)				
Year 1	4,366	4,913	-547 ***	-11.1
Year 2	2,901	3,492	-591 ***	-16.9
Sample size (total = 2,181)	1,121	1,060		

(continued)

Table 9.8 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Families with children under age 6				
Atlanta				
Average total earnings ($)				
Year 1	1,463	1,289	174	13.5
Year 2	2,613	2,252	361	16.0
Average total AFDC payments received ($)				
Year 1	2,955	3,071	-116 **	-3.8
Year 2	2,453	2,653	-200 **	-7.5
Sample size (total = 689)	335	354		
Grand Rapids				
Average total earnings ($)				
Year 1	1,944	1,380	563 ***	40.8
Year 2	2,657	2,285	372 *	16.3
Average total AFDC payments received ($)				
Year 1	3,676	4,372	-695 ***	-15.9
Year 2	2,991	3,592	-601 ***	-16.7
Sample size (total = 1,282)	673	609		
Riverside				
Average total earnings ($)				
Year 1	2,254	1,423	831 ***	58.4
Year 2	2,875	2,042	833 ***	40.8
Average total AFDC payments received ($)				
Year 1	5,422	6,030	-608 ***	-10.1
Year 2	3,873	4,642	-768 ***	-16.6
Sample size (total = 2,731)	1,352	1,379		

SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records and from Georgia, Michigan, and Riverside County AFDC records.

NOTES: "Percentage difference" equals 100 times "difference" divided by "control group."

A two-tailed t-test was applied to difference between LFA and LFA control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

graduates and nongraduates. Of special interest are outcomes for year 2, which predict longer-term outcomes better than outcomes for years 1 and 2 combined. In all three sites, average year-2 earnings for control high school graduates were at least two-thirds larger than earnings for control nongraduates. Some of these differences were accounted for by differences in employment rates and some by differences in earnings on the job. Average quarterly employment rates during year 2 were about 40 percent greater for graduates. In year 2, average earnings per quarter employed were about 50 percent greater in Grand Rapids and about 20 percent greater in Atlanta and Riverside for graduates than for nongraduates. Interestingly, these large differences in employment and earnings between graduates and nongraduates only partially translated into differences in AFDC receipt.' In all three sites, the average AFDC payment in years 1 and 2 (including zeroes for sample members who had left welfare) was only slightly smaller for high school graduates than for nongraduates in the control group. The average AFDC amount in quarter 9 (a predictor of future long-term AFDC receipt) was between 14 percent (Atlanta) and 23 percent (Grand Rapids) lower among high school graduates than among nongraduates in the control group.

Table 9.7 and Figure 9.2 present earnings and AFDC payment impacts for high school graduates and nongraduates. To summarize, during the two-year follow-up period, the LFA approach produced impacts on employment, earnings, and AFDC for individuals with and without a high school diploma or GED certificate. Earnings impacts were found for both subgroups in all sites, though not all were statistically significant. Earnings impacts were not consistently larger for one subgroup or the other. Interestingly, the patterns of subgroup earnings impacts suggest that the longer-term level of earnings impacts *for* the *full samples* in the three sites should not be projected from the quarter-by-quarter movement of earnings impacts during the two years of available follow-up. AFDC impacts were found for both subgroups in all three sites and also were not consistently larger for one subgroup.

Details of these results are as follows. Relatively large, statistically significant two-year earnings impacts were achieved for LFAs *with* a high school diploma or GED in Atlanta and Riverside (impacts of $1,479 and $1,624, respectively). Large two-year earnings impacts also were found for LFAs *without* a high school diploma or GED in Grand Rapids ($1,409) and Riverside ($894). Two-year earnings impacts for high school graduates exceeded those of nongraduates in Atlanta and Riverside, but the reverse was true in Grand Rapids. Changes in employment and earnings impacts from year 1 to year 2 also do not consistently favor graduates or nongraduates, suggesting that long-run impacts may not be superior for one subgroup or the other. It should also be noted that differences in two-year earnings impacts across subgroups were tested for statistical significance and found not to be statistically significant in Grand Rapids and Riverside, suggesting that these differences may be the product of chance rather than substantive program effects. In Atlanta, however, the difference between the two-year earnings impact for high school graduates ($1,479) and nongraduates ($434) was statistically significant at

[9]In each of the three sites, a portion of earned income is disregarded when calculating the AFDC grant for employed recipients. Initially, the earnings disregard in the three sites is the sum of a flat $90 work deduction and $30 plus one-third of an individual's earnings. In Atlanta and Riverside, "fill-the-gap" budgeting allows individuals to earn an additional amount (beyond the normal earnings disregards) per month without affecting AFDC grants. In mid-1993, this additional amount (for a family of three) was $144 per month in Atlanta and $91 per month in Riverside.

the 10 percent level, indicating that the Atlanta program may have had a greater impact on two-year earnings for those with a high school diploma or GED than for those without one of those credentials.

The quarter-by-quarter subgroup earnings impacts displayed in Figure 9.2 provide some information useful in projecting earnings impacts beyond year 2. In Atlanta, the earnings impacts for graduates appear to be decreasing after quarter 6, whereas those for nongraduates appear to be increasing over the same period. The net effect for the combined (full) sample may be for earnings impacts to remain stable after year 2. In Grand Rapids, earnings impacts for graduates had decreased to the vicinity of zero by the end of year 2. It would be reasonable to expect that, after reaching zero, those impacts would exhibit no further movement. If that is true, then the longer-term full-sample earnings impacts in Grand Rapids will be determined solely by the earnings impacts for nongraduates. It is unclear whether the earnings impacts for nongraduates in Grand Rapids will remain stable, will increase, or will begin to decrease after year 2, and it is therefore unclear what the shape of earnings impacts for the full sample will be. In Riverside, it is the nongraduates who appear to be approaching a zero dollar earnings impact by the end of year 2. Graduates exhibited a decrease after quarter 4, but the decrease appears to be gradual. The longer-term earnings impacts for the full sample in Riverside may show a slower rate of decline than was seen during the first two years of follow-up. Together, these subgroup patterns suggest that the longer-term pattern of earnings impacts for the full LFA samples in the three sites is difficult to project from the available two-year data. Specifically, based on the results so far, it is difficult to predict how long the earnings impacts for LFAs in these three sites will last or what their final level will be.

AFDC receipt and AFDC expenditures were reduced over a two-year follow-up period for both high school graduates and nongraduates in all three sites. In Atlanta, two-year AFDC impacts for high school graduates were slightly larger than impacts for nongraduates; the opposite was found in Grand Rapids and Riverside. In all three sites, AFDC payment impacts for high school graduates and nongraduates were similar at the end of follow-up. Differences between two-year AFDC payment impacts for graduates and nongraduates were tested for statistical significance and found not to be statistically significant in any site.

B. Individuals with Children Under Age 6 and Those with Children Aged 6 and Over

The child care needs of single parents with preschool-age children may make it more difficult for them to find and hold employment and may therefore make it difficult for JOBS to produce impacts on employment and welfare receipt for them. However, as shown in Table 9.8, impacts were found for subgroups with and without children under age 6. There was no clear tendency for impacts to be consistently larger for one or the other subgroup across sites.

In Atlanta, the two-year earnings impact was smaller for individuals with younger children ($535) than for those with older children ($1,401). In Grand Rapids, earnings impacts were more similar ($935 for those with younger children and $1,271 for those with older children). In Riverside, the two-year earnings impact for single-parents with younger children ($1,665) was more than double the impact for parents of older children ($692). In all three sites,

AFDC expenditures were reduced by about the same amount for parents of children under age 6 and those with children aged 6 and over. The differences between two-year earnings and AFDC impacts for sample members with and without preschool-age children were tested for statistical significance and found not to be statistically significant in any site (not shown in the table).

CHAPTER 10

IMPACTS OF THE HUMAN CAPITAL DEVELOPMENT APPROACH

This chapter presents impacts of the HCD approach on GED receipt, employment, earnings, AFDC receipt, and AFDC payments for Atlanta, Grand Rapids, and Riverside. Because the HCD activities for sample members with and without a high school diploma or GED were expected to differ, separate impact estimates for these subgroups will be the primary focus of this chapter. For comparability to the impacts presented for LFAs in Chapter 9, impacts for the full sample of HCDs in Atlanta and Grand Rapids will be presented prior to the main discussion of impacts for the high school diploma or GED subgroups. Riverside results will be presented in the discussion of the no diploma/GED subgroup since only that subgroup was eligible for the HCD and HCD control groups.

I. A Summarv of Short-Term HCD Impact Finding

Chapter 6 showed that for HCDs with a high school diploma or GED, JOBS increased participation in basic education and vocational training as well as in job search and work experience. For this subgroup, the HCD approach produced statistically significant earnings impacts over the two-year follow-up period in the two sites that included these individuals in the HCD approach. In Atlanta, their earnings impacts were about $300 in year 1 and about $600 in year 2, and similar results were found in Grand Rapids. For HCDs without a high school diploma or GED, JOBS mainly increased participation in basic education. For this subgroup, two-year earnings impacts were small in all three sites. Their first-year earnings impacts were small or negative while they went to school or training to increase their future earning power. By the last quarter of the short-term follow-up period, however, earnings impacts for the no diploma/GED subgroup had converged with earnings impacts for those with a diploma or GED in the two sites that included both subgroups. For *both* diploma/GED subgroups, earnings impacts followed the expected pattern of growth over time in that year 2 impacts exceeded year 1 impacts except in Riverside. Whether the impact patterns in Atlanta and Grand Rapids foreshadow additional growth in year 3 can be determined only from additional follow-up data. It is important to note that statistically significant AFDC savings were obtained for every site and subgroup, almost always as early as the first follow-up year. The magnitude of these savings did not always correspond to the magnitude of earnings gains, often exceeding those gains during the short-term follow-up currently available. In this connection, it was estimated that two-year AFDC reductions exceeded two-year earnings gains for sample members without a high school diploma or GED in all three sites. It is not clear whether this result will extend into later follow-up, but it is worth noting now because it was the no diploma/GED subgroup in particular for whom the provision of basic education was intended to increase the ratio of earnings impacts to AFDC impacts.

II. Analysis Issues

The HCD approach, as discussed earlier in this report, is designed to increase the earning power of sample members through investments in education and training. This approach delays labor market entry in the hope that the human capital investment will pay off over the long term in two different ways. First, by increasing educational level and job skills, the HCD approach may enable HCDs who would have found employment on their own to obtain better-quality jobs, that is, jobs that last longer, pay higher hourly wages, and offer longer weekly hours. This increase in job quality should show up eventually as higher earnings per quarter employed and an increase in the number of quarters of employment. Second, for the less job-ready, the HCD approach is expected to help some who would not otherwise have found jobs to become employed. For this group, it is hoped that the boost in skills levels and earning power, which increases the value of work over welfare for the JOBS participant, will make job-finding and continued employment more likely. Hence, one should look for increased earnings impacts associated with higher earnings on the job and longer job duration for the more job-ready sample members (those who enter JOBS with a high school diploma or GED certificate) and employment impacts accompanied by earnings impacts for the less job-ready sample members (those without either of those credentials).

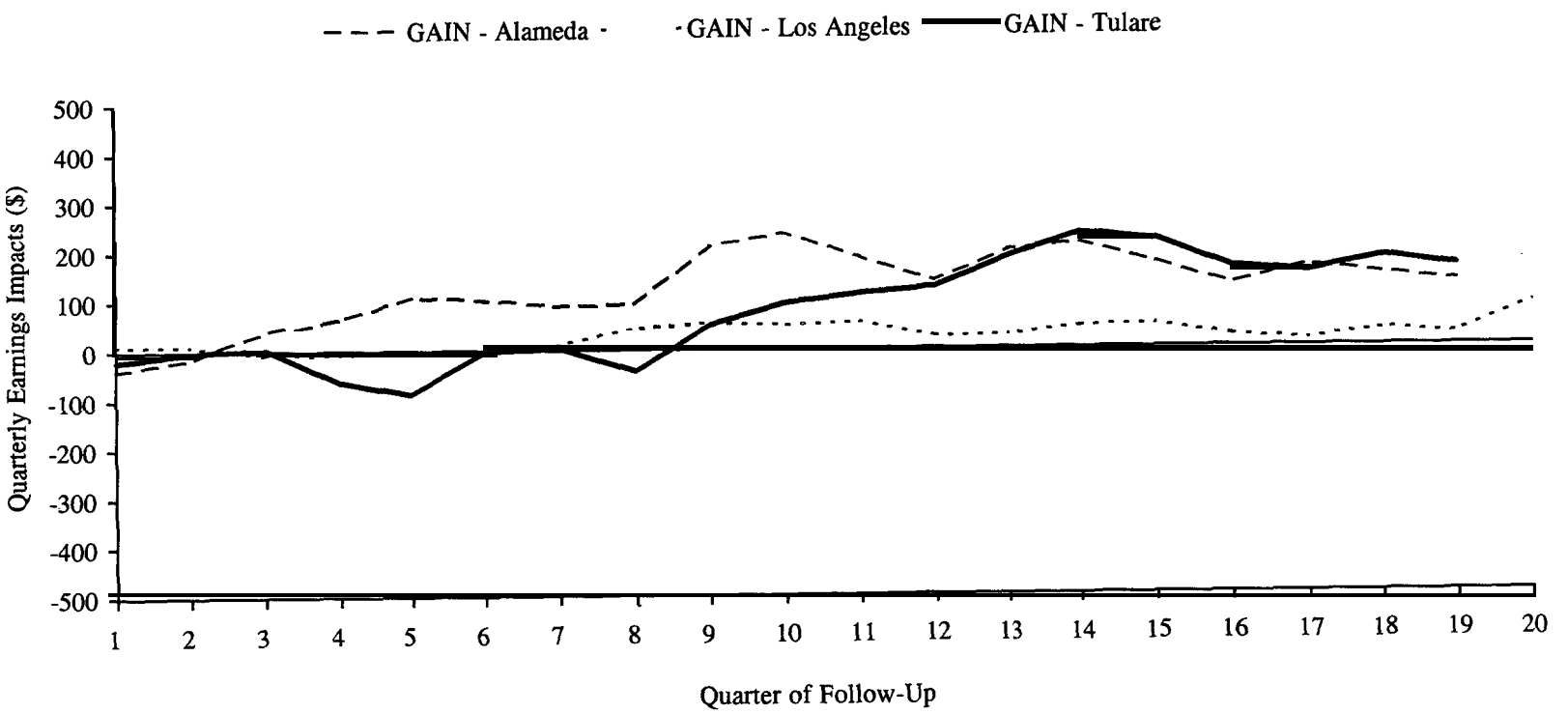
The HCD approach assumes a substantial upfront investment period during which those enrolled in education or training will not work. In order to fully assess the value of this investment in human capital, sample members' employment and earnings must be followed for several years. The short-term impacts presented here, measured over a two-year follow-up period, should be considered preliminary and are not necessarily representative of the full benefits of the HCD approach in JOBS. Especially when compared with the LFA approach, which is designed to produce more immediate effects on employment outcomes, two years is not enough time to fully test the HCD approach.

An illustration of the need for long-term follow-up is provided by the GAIN impact results in three counties. Figure 10.1 depicts the pattern of 4.5 years of earnings impacts for Alameda, Los Angeles, and Tulare, three counties in California that ran human capital-oriented JOBS programs in the late 1980s and were part of the GAIN Evaluation. Of the three GAIN counties shown, Tulare offers the most dramatic example of delayed impacts. Over the first two years of follow-up in Tulare, earnings impacts were small or negative, but positive earnings impacts (statistically significant) emerged in year 3 and persisted in the remainder of the 4.5-year follow-up period. In Alameda, modest earnings impacts grew larger in quarters 9 through 13 (statistically significant with the exception of quarter 12). In Los Angeles, earnings impacts were small or negative in the first six quarters, then modest impacts appeared in quarters 8 through 20 (not statistically significant except in quarter 20). Although Tulare is a rural county, unlike the more urban locales analyzed in this report, along with Alameda and Los Angeles it provides evidence that two years may not be a sufficient period for HCD effects to be fully realized. Moreover, it is clear from Figure 10.1 that ranking the relative effectiveness of the three GAIN sites could not be performed accurately on the basis of only two years of follow-up.

The HCD approach in Atlanta and Grand Rapids served clients from a spectrum of educational backgrounds and provided them with a range of services deemed appropriate by

Figure 10.1

Impacts of GAIN on Quarterly Earnings in Three Counties



SOURCE: Lin, Freedman, and Friedlander, 1995, Figure 1.

program staff. Chapter 6 presents a detailed look at HCDs' participation rates in education and training activities and the average length of time spent in these activities. To reiterate these findings, for high school graduates the HCD approach in Atlanta and Grand Rapids increased participation in basic education and vocational training, as well as job search and work experience. HCDs without a high school diploma or GED were most likely to participate in remedial education in basic reading and math skills or GED preparation, with some vocational training in Grand Rapids. In Riverside, administrators decided that only sample members determined by program staff to be in need of basic education were eligible for the HCD or HCD control group. As a consequence of this decision and related local program design decisions, Riverside's HCD program consisted mainly of basic education plus job search.

As in Chapter 9, impacts in this chapter are estimated as HCD-control differences and measure the effect of the HCD approach on employment, earnings, AFDC receipt, and AFDC payments. Impacts are given "per experimental sample member," not "per JOBS participant." That is, both participants and nonparticipants in the HCD group are included in the comparisons with controls, standard practice in experimental designs. See Chapter 9 for a more detailed discussion of impact estimation and interpretation.'

III. Impacts on Attainment of a High School Diploma or GED Certificate

Table 10.1 shows the impact of JOBS on receipt of a high school diploma or GED for the portion of the HCD sample who did not have one of those credentials at the time of random assignment. As shown, in Atlanta, the JOBS program did not have an impact on attainment of a diploma or GED, but in Grand Rapids and Riverside it had a positive impact. In both Grand Rapids and Riverside, about 15 percent of HCDs without a diploma or GED earned one of these credentials during the follow-up, and the impact was about 10 percentage points (statistically significant). The impacts in Grand Rapids and Riverside mostly reflected receipt of GED certificates and, in small part, receipt of a high school diploma.

IV. Impact Findings for the Full Sample

Tables 10.2 and 10.3 and Figure 10.2 contain impacts for all HCDs in Atlanta and Grand Rapids. These impacts combine the subgroups with and without a high school diploma or GED. A comparable set of impacts does not exist for Riverside, since in that site only the no diploma/ GED subgroup was eligible for the HCD program. For reasons discussed above, the full sample impacts will not be the focus of this chapter but are included for completeness.

Over two years of follow-up, the "ever employed" measure was increased by 5.6 percentage points for HCDs in Grand Rapids, but the impact on that measure was only about half

'The impacts for Atlanta and Grand Rapids presented in this chapter were calculated in a regression model that combined HCDs, controls, and LFAs. The HCD and LFA control groups in Atlanta are identical and the outcomes presented in this chapter for controls correspond exactly to the control group outcomes presented in Chapter 9. The same is true for Grand Rapids. For Riverside, the HCD control group is composed of a subset of all controls in Riverside: namely, those found to be in need of basic education at baseline.

Table 10.1

Two-Year Impacts of JOBS on Degree Attainment for Sample Members Without a High School Diploma or GED

Human Capital Development Approach

Outcome and Site	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Received a high school diploma or GED after random assignment (%)			
Atlanta	3.3	1.7	1.6
Grand Rapids	14.7	5.5	9.3 ***
Riverside	14.4	3.1	11.3 ***
Three-site average	10.8	3.4	7.4 ***

SOURCES: MDRC calculations from the early cohort of the Two-Year Client Survey in Atlanta, Grand Rapids, and Riverside.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of their being chosen to be interviewed. In addition, sites were weighted equally in the pooled impact estimates.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes are as follows: Atlanta (HCDs, 297; controls, 252); Grand Rapids (HCDs, 119; controls, 109); Riverside (HCDs, 322; controls, 378).

A two-tailed t-test was applied to differences between outcomes for the HCD and HCD control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Table 10.2

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	56.0	53.6	2.4	4.5
Average quarterly employment rate (%)				
Years l-2	30.3	27.0	3.4 **	12.5
Year 1	25.7	23.7	2.0	8.2
Year 2	35.0	30.2	4.8 ***	15.8
Average total earnings ($)				
Years l-2	3,990	3,410	580 **	17.0
Year 1	1,519	1,335	184	13.8
Year 2	2,471	2,075	396 **	19.1
If ever employed in years l-2				
Total quarters employed	4.33	4.02	0.31 [a]	7.7
Quarter of first employment	4.03	4.13	-0.10 [a]	-2.5
Average earnings per quarter employed ($)				
Years l-2	1,644	1,581	64 [a]	4.0
Ever received any AFDC payments (%)				
Years l-2	97.3	98.1	-0.9 **	-0.9
Last quarter of year 1	83.4	85.1	-1.7	-2.0
Last quarter of year 2	70.7	74.8	-4.1 **	-5.4
Average number of months receiving AFDC payments				
Years l-2	19.03	19.69	-0.66 **	-3.4
First AFDC spell	17.92	18.84	-0.92 ***	-4.9
Average total AFDC payments received ($)				
Years l-2	4,994	5,327	-333 ***	-6.3
Year 1	2,760	2,887	-127 ***	-4.4
Year 2	2.233	2,440	-206 ***	-8.5
Average AFDC payment per month received ($)				
Years l-2	262	270	-8 [a]	-3.0
Sample size (total = 1,953)	970	983		

(continued)

Table 10.2 (continued)

SOURCES: MDRC calculations from Georgia unemployment insurance (UI) earnings records and AFDC records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991 - December 1992); Riverside (June 1991 - December 1992). These samples constitute 60 percent of the projected complete JOBS impact samples.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Italicized estimates cover only periods of employment or AFDC receipt. Differences between program group members and controls for such "conditional" estimates are not true experimental comparisons.

"Percentage difference" equals 100 times "difference" divided by "control group."

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

A two-tailed t-test was applied to differences between outcomes for the HCD and HCD control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Not a true experimental comparison; statistical tests were not performed.

Table 10.3

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	70.9	65.3	5.6 ***	8.6
Average quarterly employment rate (%)				
Years l-2	35.8	31.8	3.9 ***	12.4
Year 1	32.1	28.2	3.9 **	13.8
Year 2	39.4	35.4	4.0 **	11.3
Average total earnings ($)				
Years l-2	4,502	3,916	586 **	15.0
Year 1	1,670	1,533	136	8.9
Year 2	2,833	2,383	450 **	18.9
If ever employed in years l-2				
Total quarters employed	4.04	3.90	0.14 [a]	3.5
Quarter of first employment	4.00	4.07	-0.07 [a]	-1.8
Average earnings per quarter employed ($)				
Years 1-2	1,573	1,538	35 [a]	2.3
Ever received any AFDC payments (%)				
Years l-2	97.1	97.4	-0.3	-0.4
Last quarter of year 1	16.3	79.3	-3.0	-3.8
Last quarter of year 2	58.8	65.1	-6.3 ***	-9.6
Average number of months receiving AFDC payments				
Years 1-2	16.85	17.94	-1.09 ***	-6.1
First AFDC spell	15.23	16.57	-1.35 ***	-8.1
Average total AFDC payments received ($)				
Years l-2	6,813	7,639	-826 ***	-10.8
Year 1	3,934	4,245	-311 ***	-7.3
Year 2	2,879	3,394	-514 ***	-15.2
Average AFDC payment per month received ($)				
Years l-2	404	426	-21 [a]	-5.0
Sample size (total = 1,913)	985	928		

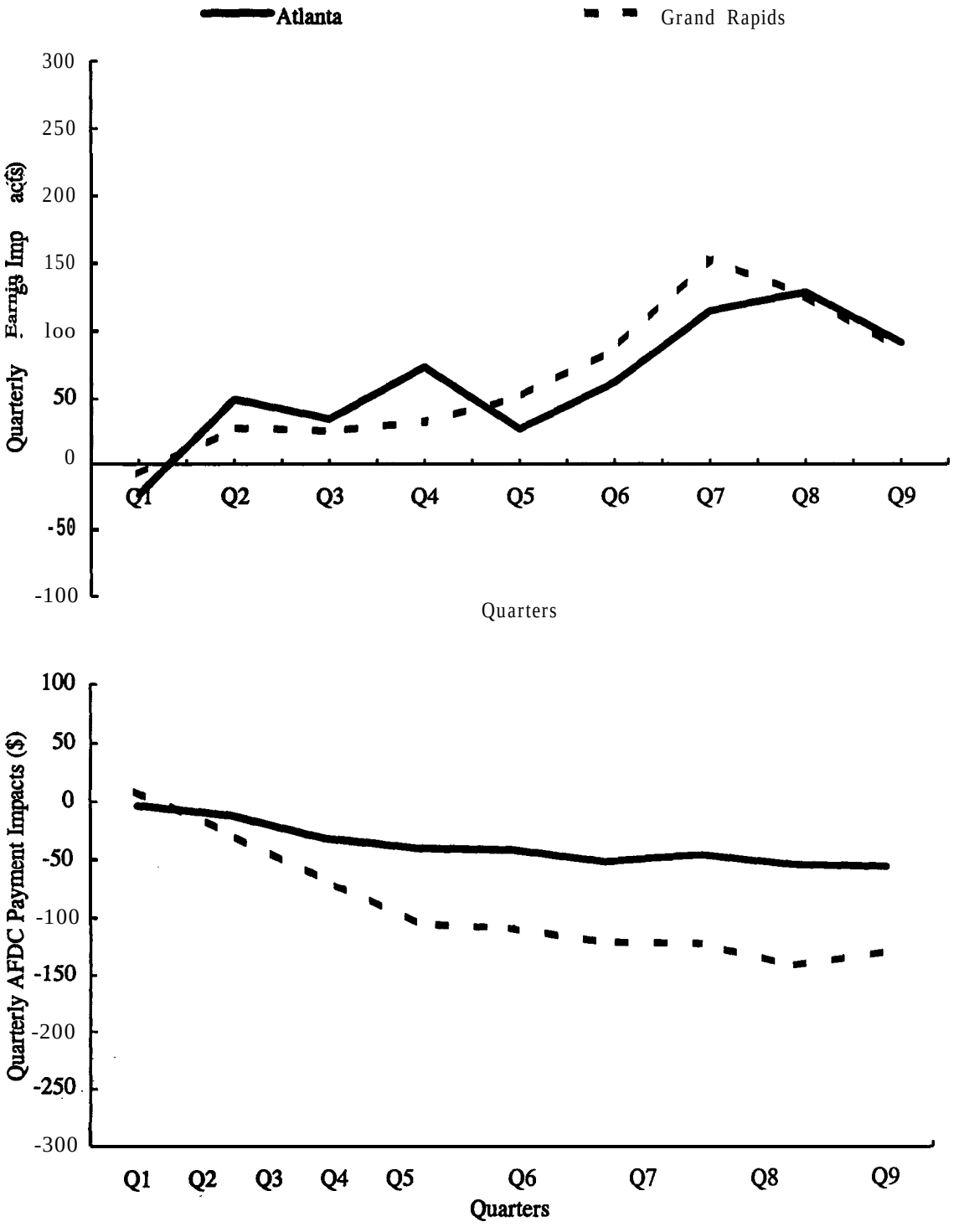
SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings records and AFDC records.

NOTES: See Table 10.2.

Figure 10.2

Impacts on Earnings and AFDC Payments in Two Sites

Human Capital Development Approach



SOURCES: See Appendix Tables F. 1 and F.2.
NOTE: See Appendix Table E. 1.

as large in Atlanta (and was not statistically significant). Over two years, earnings for HCDs in both sites were increased by almost $600. In each site, the earnings impact was not statistically significant in the first year, but more than doubled in the second year, becoming statistically significant. Year-2 earnings for controls in Atlanta were $2,075 compared with $2,471 for HCDs, a difference of $396. In Grand Rapids, HCDs' year-2 earnings were increased by $450 over the $2,383 control mean. Except as noted, all of the impacts discussed above were statistically significant.

At the end of the second year, fewer HCDs were receiving AFDC than their counterparts in the control group. In Atlanta, about 75 percent of controls and 71 percent of HCDs received AFDC in the last quarter of the two-year follow-up. In Grand Rapids, about 65 percent of controls and 59 percent of HCDs received AFDC in the last quarter. Over two years, the number of months of AFDC receipt was also reduced in both sites: by two-thirds of a month in Atlanta and about one month in Grand Rapids.

Unlike earnings, AFDC payment impacts appeared in both the first and second years of follow-up in both sites. The percentage reduction in two-year AFDC payments was 6 percent in Atlanta and 11 percent in Grand Rapids. Like earnings impacts, the AFDC payment impacts grew larger in the second year. Year-2 AFDC expenditures were reduced by 9 percent (Atlanta) and 15 percent (Grand Rapids) relative to the control group. Over two years, the AFDC savings amounted to $333 in Atlanta and $826 in Grand Rapids. Notably, year-2 earnings increases were larger than AFDC reductions in Atlanta but were somewhat smaller than AFDC reductions in Grand Rapids.

V. Control Outcomes for Educational Attainment Subgroups

As discussed in Chapter 9, controls who were high school graduates and those who were not differ in their levels of employment, earnings, AFDC receipt, and AFDC payments. The comparison of control group outcomes over two years showed that more high school graduates were employed than nongraduates and that earnings for high school graduates were substantially higher than for nongraduates in the control group. During the same period, AFDC payments were more similar for these two subgroups. The average AFDC payment for high school graduates was only slightly lower than for nongraduates in the control group.

VI. Impact Findings for HCDs with and Without a High School Diploma or GED Certificate

A. Employment and Earnings Impacts for HCDs with a High School Diploma or GED Certificate

In broad summary terms, the HCD approach produced employment and earnings impacts in the two-year follow-up period for the subgroup of high school graduates. This subgroup did not, however, appear to obtain the increased earning power, measured by earnings per quarter of employment, hoped for as a result of training. Although human capital-building activities did not

increase earnings per quarter of employment immediately, it may be that over the long term they will speed advancement in the form of raises or promotions. Longer follow-up is necessary to determine if the HCD approach will eventually produce a pay off in earning power.

Detailed impact estimates for HCDs with a high school diploma or GED are shown in Tables 10.4 and 10.5 and Figure 10.3. In Atlanta and Grand Rapids, the HCD approach helped some high school graduates find jobs who would not have found employment on their own and helped some obtain longer-lasting jobs. As shown in Tables 10.4 and 10.5, the HCD approach increased the percentage ever employed in two years by 5 to 6 percentage points in these two sites. The impact on percentage ever employed grew larger from year 1 to year 2, and, in the second year of follow-up, the HCD program increased employment by about 7 percentage points in both sites (see Appendix F). In Atlanta, employed HCDs worked about six weeks (0.46 quarters) more, on average, than employed controls. In Grand Rapids, employed HCDs worked about three weeks (0.25 quarters) more than employed controls.

In Atlanta and Grand Rapids, the HCD approach increased earnings for high school graduates in both follow-up years (statistically significant except in Grand Rapids in year 1). As shown in Figure 10.3 and Tables 10.4 and 10.5, earnings impacts grew larger from year 1 to year 2. On average over the two-year follow-up, high school graduates in Atlanta earned $5,095, or $960 more than their counterparts in the control group. Among high school graduates in Grand Rapids, HCDs' two-year earnings were $805 more than the control mean of $4,974. In both sites, earnings impacts were largest in quarter 7 ($227 for Atlanta and $201 for Grand Rapids, both statistically significant) and then decreased in the second half of year 2 (see Appendix F). In fact, in both sites, the quarter 9 earnings impact had decreased to less than half the quarter 7 impact amount and was not statistically significant. It is not clear whether earnings impacts will continue throughout year 3.

For high school graduates in Atlanta and Grand Rapids, most of the total two-year earnings gains resulted from previously discussed increases in percentage of HCDs employed and increased job duration for employed HCDs. In both sites, the HCD approach did not increase earnings per quarter employed for HCDs by much compared with those for employed controls. There were no pronounced shifts into higher earnings brackets. Table 10.9 displays the distribution of earnings in year 2 for the HCD and control groups. This table shows that in Atlanta, the percentage of HCDs earning between $2,000 and $9,999 increased during year 2. In Grand Rapids, more HCDs earned in the brackets under $5,000, and fewer earned between $5,000 and $9,999 compared with the control group. In this site there was also a small, but statistically significant 1.1 percentage point impact for HCDs earning $20,000 or more in year 2.

B. AFDC Receipt and AFDC Payment Impacts for HCDs with a High School Diploma or GED Certificate

JOBS reduced AFDC receipt and AFDC expenditures for HCDs with a high school diploma or GED in Atlanta and Grand Rapids. These impacts grew larger from year 1 to year 2 and persisted through the last quarter of year 2, suggesting that AFDC reductions are likely to continue into year 3.

Table 10.4

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	64.4	59.6	4.7 *	7.9
Average quarterly employment rate (%)				
Years 1-2	37.0	30.9	6.1 ***	19.9
Year 1	31.3	27.1	4.2 **	15.5
Year 2	42.7	34.6	8.1 ***	23.3
Average total earnings ($)				
Years 1-2	5,095	4,135	960 **	23.2
Year 1	1,937	1,593	344 *	21.6
Year 2	3,158	2,543	616 **	24.2
If ever employed in years 1-2				
Total quarters employed	4.60	4.14	0.46 [a]	11.1
Quarter of first employment	3.95	4.03	-0.07 [a]	-1.8
Average earnings per quarter employed ($)				
Years 1-2	1,722	1,675	47 [a]	2.8
Ever received any AFDC payments (%)				
Years 1-2	96.4	97.8	-1.4 **	-1.5
Last quarter in year 1	80.0	83.6	-3.6	-4.3
Last quarter in year 2	66.8	71.3	-4.5 *	-6.3
Average number of months receiving AFDC payments				
Years 1-2	18.18	19.17	-0.99 **	-5.2
First AFDC spell	16.99	18.17	-1.17 **	-6.5
Average total AFDC payments received ($)				
Years 1-2	4,689	5,093	-404 ***	-7.9
Year 1	2,627	2,784	-157 ***	-5.7
Year 2	2,062	2,309	-247 ***	-10.7
Average AFDC payment per month received ($)				
Years 1-2	258	266	-8 [a]	-2.9
Sample size (total = 1.091)	522	569		

SOURCES and NOTES: See Table 10.2.

Table 10.5

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	76.2	70.6	5.6 **	8.0
Average quarterly employment rate (%)				
Years 1-2	41.7	36.4	5.3 ***	14.6
Year 1	38.0	32.2	5.8 ***	17.9
Year 2	45.4	40.5	4.8 **	12.0
Average total earnings ($)				
Years 1-2	5,779	4,974	805 *	16.2
Year 1	2,183	1,915	269	14.0
Year 2	3,595	3,059	536 *	17.5
If ever employed in years l-2				
Total quarters employed	4.38	4. I2	0.25 [a]	6.1
Quarter of first employment	3.81	3.87	-0.05 [a]	-1.4
Average earnings per quarter employed ($)				
Years Z-2	1,734	I, 710	24 [a]	1.4
Ever received any AFDC payments (%)				
Years l-2	96.8	97.4	-0.5	-0.5
Last quarter in year 1	73.1	75.9	-2.8	-3.6
Last quarter in year 2	54.2	59.8	-5.6 *	-9.3
Average number of months receiving AFDC payments				
Years l-2	16.02	17.10	-1.09 **	-6.4
First AFDC spell	14.39	15.92	-1.53 ***	-9.6
Average total AFDC payments received ($)				
Years l-2	6,421	7,206	-785 ***	-10.9
Year 1	3,798	4,108	-310 ***	-7.5
Year 2	2,623	3.098	-475 ***	-15.4
Average AFDC payment per month received ($)				
Years Z-2	401	421	-20 [a]	-4.9
Sample size (total = 1,118)	566	552		

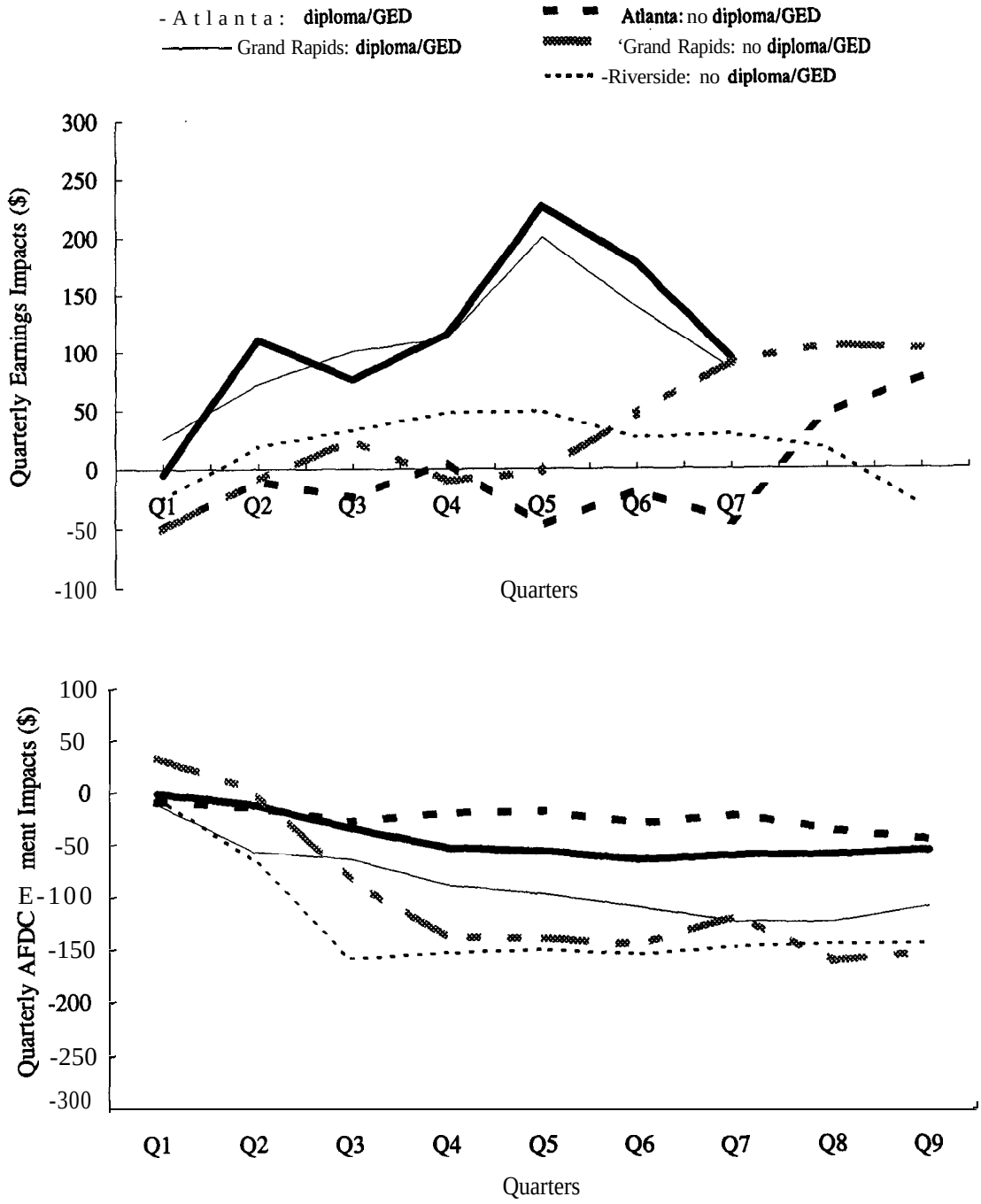
SOURCES: See Table 10.3.

NOTES: See Table 10.2.

Figure 10.3

Impacts on Earnings and AFDC Payments in Three Sites, by High School Diploma/GED Status

Human Capital Development Approach



SOURCES: See Appendix Tables F.3-F.7.
NOTE: See Appendix Table E. 1.

Tables 10.4 and 10.5 and Figure 10.3 contain some of the details of JOBS' effects on AFDC receipt and AFDC payments. As shown in Tables 10.4 and 10.5, in Atlanta and Grand Rapids, months of AFDC receipt during the two-year follow-up were reduced by 5 to 6 percent relative to the control mean for HCDs with a high school diploma or GED. In both sites, this subgroup averaged about 1 month less of AFDC receipt than the corresponding control group. In the last quarter of year 2, the percentage of HCDs who received AFDC was reduced by 4.5 percentage points in Atlanta and by 5.6 percentage points in Grand Rapids. All of the impacts discussed above were statistically significant.

Average two-year AFDC expenditures for HCDs with a high school diploma or GED certificate were reduced by 8 percent in Atlanta and 11 percent in Grand Rapids relative to the control mean. AFDC dollar reductions were $404 in Atlanta and $785 in Grand Rapids. In both sites, AFDC savings were achieved in year 1 and year 2, and year-2 savings were larger than year-l savings. Relatively large and statistically significant AFDC payment reductions were still present in the last quarter of year 2, at 11 percent of the control mean in Atlanta and 16 percent in Grand Rapids (see Appendix F). These results suggest that AFDC savings will almost certainly continue during year 3 in both sites and possibly longer.

C. Employment and Earnings Impacts for HCDs Without a High School Diploma or GED Certificate

Impacts of JOBS on employment, earnings, AFDC receipt, and AFDC payments for the subgroup of sample members who did not possess a high school diploma or GED certificate at baseline are shown in Tables 10.6-l 0.8 and Figure 10.3. In summary, for those without a high school diploma or GED certificate the HCD approach increased earnings in Grand Rapids in year 2, but earnings impacts did not occur in Atlanta or Riverside.[2] In Riverside, short-lived employment for HCDs, evidenced by the negative difference in total quarters employed among employed sample members, seriously reduced earnings impacts. Quarterly earnings impacts started to increase in the second half of year 2 in Atlanta and Grand Rapids, suggesting that earnings impacts may grow larger in year 3 in both sites, but whether they will or not is uncertain without longer follow-up.

Details of the estimates reveal different patterns of effects across sites for those without a high school diploma or GED. For this subgroup, the HCD program increased the percentage ever employed in two years in Grand Rapids and Riverside but not in Atlanta. JOBS increased the percentage of HCDs ever employed in two years by 6 percentage points in Grand Rapids and 8 percentage points in Riverside. The impact on percentage ever employed grew smaller from year 1 to year 2 in both of these sites (see Appendix F).

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*Differences between two-year earnings impacts for graduates and nongraduates were tested for statistical significance and found not to be statistically significant in Grand Rapids, suggesting that these differences may be the product of chance rather than substantive program effects. In Atlanta, however, the difference between the two-year earnings impact for high school graduates ($960) and nongraduates (-$19) was statistically significant at the 10 percent level, indicating that the Atlanta program may have had a greater impact on two-year earnings for those with a high school diploma or GED than for those without one of those credentials.

Table 10.6

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	45.8	45.8	0.0	0.1
Average quarterly employment rate (%)				
Years l-2	22.2	22.4	-0.2	-1.0
Year 1	18.6	19.8	-1.2	-6.1
Year 2	25.7	25.0	0.8	3.1
Average total earnings ($)				
Years l-2	2,604	2,623	-19	-0.7
Year 1	995	1,072	-78	-7.3
Year 2	1,609	1,550	59	3.8
If ever employed in years l-2				
Total quarters employed	***3.87***	3.91	***-0.04*** [a]	***-1.0***
Quarter of first employment	***4.21***	4.26	***-0.05*** [a]	***-1.3***
Average earnings per quarter employed ($)				
Years l-2	***1,469***	***1,465***	***4*** [a]	***0.3***
Ever received any AFDC payments (%)				
Years l-2	***98.3***	98.5	-0.1	-0.1
Last quarter in year 1	***87.8***	86.7	1.1	1.3
Last quarter in year 2	***76.2***	78.8	-2.6	-3.3
Average number of months receiving AFDC payments				
Years l-2	20.14	20.29	-0.15	***-0.7***
First AFDC spell	19.11	19.62	-0.51	***-2.6***
Average total AFDC payments received ($)				
Years l-2	***5,386***	5,606	***-220 ****	***-3.9***
Year 1	***2,928***	3,009	***-81***	***-2.7***
Year 2	***2,458***	2,597	***-139 ****	***-5.4***
Average AFDC payment per month received ($)				
Years l-2	***267***	276	***-9*** [a]	***-3.2***
Sample size (total = 861)	447	414		

SOURCES and NOTES: See Table 10.2.

Table 10.7

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	64.1	58.2	5.9 *	10.1
Average quarterly employment rate (%)				
Years l-2	28.1	25.6	2.6	10.1
Year 1	24.5	22.6	1.9	8.4
Year 2	31.7	28.5	3.3	11.5
Average total earnings ($)				
Years l-2	2,786	2,439	347	14.2
Year 1	994	992	2	0.2
Year 2	1,792	1,447	345 *	23.9
If ever employed in years I-2				
Total quarters employed	***3.51***	3.51	***0.00*** [a]	***0.0***
Quarter of first employment	***4.28***	4.43	***-0.15*** [a]	***-3.3***
Average earnings per quarter employed ($)				
Years l-2	***I, 238***	I, 193	***45*** [a]	***3.7***
Ever received any AFDC payments (%)				
Years l-2	97.3	97.6	***-0.3***	***-0.3***
Last quarter in year 1	80.1	84.7	***-4.6 ****	***-5.4***
Last quarter in year 2	65.0	72.5	***-7.5 *****	***-10.3***
Average number of months receiving AFDC payments				
Years l-2	17.91	19.18	-1.27 **	***-6.6***
First AFDC spell	16.27	17.58	-1.32 **	***-7.5***
Average total AFDC payments received ($)				
Years l-2	7,313	8,265	-952 ***	-11.5
Year 1	4,092	4,455	***-363 *****	-8.2
Year 2	3,222	3,810	***-589 *****	-15.5
Average AFDC payment per month received ($)				
Years l-2	408	431	***-23*** [a]	***-5.3***
Sample size (total = 793)	417	376		

SOURCES: See Table 10.3.

NOTES: See Table 10.2.

Table 10.8

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	46.9	38.8	8.1 ***	20.8
Average quarterly employment rate (%)				
Years l-2	21.8	19.5	2.4 *	12.1
Year 1	20.4	17.4	3.1 **	17.6
Year 2	23.2	21.6	1.6	7.6
Average total earnings ($)				
Years l-2	3,278	3,090	188	6.1
Year 1	1,389	1,241	148	12.0
Year 2	1,889	1,849	39	2.1
If ever *employed in years l-2*				
Total quarters employed	3.72	4.01	-0.29 [a]	-7.2
Quarter of first employment	3.99	4.02	-0.03 [a]	-0.8
Average earnings per quarter employed ($)				
Years l-2	1,877	1,983	-106 [a]	-5.4
Ever received any AFDC payments (%)				
Years l-2	93.8	93.9	-0.1	-0.1
Last quarter in year 1	68.1	72.4	-4.2 **	-5.9
Last quarter in year 2	54.9	58.9	-4.0 **	-6.8
Average number of months receiving AFDC payments				
Years l-2	15.75	16.68	-0.93 ***	-5.6
First AFDC spell	14.55	15.66	-1.11 ***	-7.1
Average total AFDC payments received ($)				
Years l-2	9,235	10,369	-1,134 ***	-10.9
Year 1	5,353	5,885	-532 ***	-9.0
Year 2	3,882	4.484	-602 ***	-13.4
Average AFDC payment per month received ($)				
Years l-2	586	621	-35 [a]	-5.7
Sample size (total = 2,328)	1,196	1,132		

SOURCES: MDRC calculations from California unemployment insurance (UI) earnings records and county AFDC records.

NOTES: See Table 10.2.

The Grand Rapids no diploma/GED subgroup illustrates a pattern of employment and earnings impacts most closely resembling the pattern expected for a human capital development effort. In this site-subgroup combination, the earnings impact in the second year was statistically significant and appeared to be increasing. In year 2, Grand Rapids HCDs without a high school diploma or GED averaged $1,792 in earnings, or $345 more than the control mean. This year-2 impact resulted partly because there was an increase in the percentage of HCDs employed in year 2, but also because in year 2 employed HCDs worked more quarters (see Appendix Table F.6) and earned 11 percent more per quarter employed than controls who worked. As shown in Table 10.9, in year 2 more Grand Rapids HCDs in the no diploma/GED subgroup than controls earned between $2,000 and $9,999 (not statistically significant). The largest quarterly earnings impacts (about $100, but not statistically significant) appeared in quarters 8 and 9, indicating that earnings impacts in Grand Rapids should continue into year 3 and may well increase.

Table 10.6 shows that employment and earnings impacts did not appear within two years for Atlanta HCDs without a high school diploma or GED. Figure 10.3, however, shows that their quarterly HCD-control earnings difference began to increase at the end of year 2. In the first year and a half, theoretically the skills-building period, quarterly earnings impacts were close to zero or slightly negative. Although not statistically significant, the largest HCD-control differences were found in quarters 8 and 9 ($46 and $77, respectively). It is too soon to predict with certainty, but earnings impacts may emerge for this subgroup when more follow-up is available.

Table 10.8 shows that in Riverside, mixed employment and earnings results were found. In this site, the impact on percentage ever employed during two years of follow-up was the largest of the three sites, 8.1 percentage points, but employed HCDs averaged almost 1 month (0.29 quarters) less employment than employed controls. As shown in Appendix Table F.7, the Riverside program produced an initial boost in employment for HCDs for quarters 2 through 4, and after which quarterly employment rates for HCDs remained about the same while they increased for the control group. Employment impacts were largest in quarters 3 and 4 and then tended to decrease throughout the remainder of the two-year follow-up. By quarter 9, employment of controls had completely caught up with HCDs, and employment impacts in year 3 appear unlikely. Two-year total earnings amounts increased by about 6 percent in Riverside. HCDs averaged $3,278 in two-year earnings, only slightly more than controls, who earned $3,090, and the difference ($188) was not statistically significant. Earnings impacts for Riverside HCDs were not statistically significant in the first or second year and are not expected to appear in year 3.[3]

D. AFDC Receipt and Payment Impacts for HCDs Without a High School Diploma or GED Certificate

For HCDs without a high school diploma or GED, AFDC expenditures were reduced in all three sites, and savings are likely to continue in year 3, despite the weak short-term earnings impacts in Atlanta and Riverside.

[3]It should be noted that Riverside HCD impacts are estimated in a regression that includes only sample members determined to need basic education, whereas the Riverside LFA no diploma/GED subgroup impacts are estimated in a regression that includes all Riverside sample members. For this reason, means for the no diploma/GED control group that appear in HCD Table 10.8 and LFA Table 9.7 differ slightly.

Table 10.9

Impacts of JOBS on the Distribution of Earnings in Year 2

Human Capital Development Approach

County and Year 2 Earnings Bracket	Full Sample: Percentage in Annual Earnings Bracket: Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	*If Ever Employed in Year 2: Percentage in Annual Earnings Bracket:* *Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
Full sample						
Atlanta						
None	50.9	54.8	-4.0 *	*n/a*	*n/a*	*n/a*
$1 - $1,999	17.4	19.1	-1.7	35.4	42.4	-6.9 [a]
$2,000 - $4,999	12.4	9.4	2.9 **	25.2	20.9	4.2 [a]
$5,000 - $9,999	12.2	9.7	2.5 *	24.8	21.5	3.3 [a]
$10,000 - $19,999	6.6	6.5	0.1	13.5	14.4	-0.9 [a]
$20,000 or more	0.5	0.4	0.2	***1.1***	***0.8***	***0.3*** [a]
Sample size (total = 1,953)	970	983				
Grand Rapids						
None	39.3	44.4	-5.1 **	*n/a*	*n/a*	*n/a*
$1 - $1,999	***24.2***	***23.1***	1.1	***39.8***	***41.5***	***-1.7*** [a]
$2,000 - $4,999	***17.3***	***13.7***	***3.6 ******	***28.5***	***24.7***	***3.8*** [a]
$5,000 - $9,999	***11.6***	***12.5***	-1.0	***19.1***	***22.5***	***-3.5*** [a]
$10,000 - $19,999	6.6	5.8	0.8	10.9	10.5	0.5 [a]
$20,000 or more	1.0	0.4	0.6 *	1.7	0.8	*0.9* [a]
Sample size (total = 1,913)	985	928				
High school diploma or GED						
Atlanta						
None	41.8	49.2	***-7.3 ******	*n/a*	*n/a*	*n/a*
$1 - $1,999	18.7	21.3	-2.6	32.1	41.8	-9.7 [a]
$2,000 - $4,999	14.0	8.7	5.3 ***	24.1	***17.0***	***7.0*** [a]
$5,000 - $9,999	***16.2***	***11.6***	***4.7 ******	***27.9***	***22.8***	***5.2*** [a]
$10,000 - $19,999	***8.6***	***9.0***	***-0.4***	***14.8***	***17.7***	***-3.0*** [a]
$20,000 or more	0.6	0.3	0.3	***1.1***	***0.6***	***0.5*** [a]
Sample size (total = 1,091)	522	569				
Grand Rapids						
None	33.7	40.9	-7.2 ***	*n/a*	*n/a*	*n/a*
$1 - $1,999	23.1	19.0	4.1	34.8	32.2	2.6 [a]
$2,000 - $4,999	18.7	14.2	4.5 **	28.2	24.0	4.2 [a]
$5,000 - $9,999	13.3	16.8	-3.6 *	20.0	28.5	-8.5 [a]
$10,000 - $19,999	9.6	8.5	1.1	14.4	14.3	***0.1*** [a]
$20,000 or more	1.7	0.6	1.1 *	2.6	1.0	1.6 [a]
Sample size (total = 1,118)	566	552				

(continued)

Table 10.9 (continued)

County and Year 2 Earnings Bracket	Full Sample: Percentage in Annual Earnings Bracket: Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	If *Ever Employed in Year 2:* *Percentage in Annual Earnings Bracket*: *Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
***No* high school diploma or GED**						
Atlanta						
None	61.6	62.1	-0.5	*n/a*	*n/a*	*n/a*
$1 - $1,999	16.3	15.9	0.5	42.5	41.8	0.7 [a]
$2,000 - $4,999	10.4	10.6	-0.2	27.1	28.0	-0.9 [a]
$5,000 - $9,999	7.1	7.7	-0.6	18.4	20.2	-1.8 [a]
$10,000 - $19,999	4.2	3.2	1.0	***11.0***	***8.4***	***2.5*** [a]
$20,000 or more	0.4	0.6	-0.2	*1.1*	*1.5*	***-0.4*** [a]
Sample size (total = 86 1)	447	414				
Grand Rapids						
None	46.5	48.9	-2.4	*n/a*	*n/a*	*n/a*
$1 - $1,999	***26.0***	***29.0***	***-3.0***	***48.6***	***56.7***	***-8.1*** [a]
$2,000 - $4,999	***15.4***	***13.3***	***2.1***	***28.8***	***26.1***	***2.7*** [a]
$5,000 - $9,999	***9.4***	***6.5***	***2.9***	***17.5***	***12.7***	***4.8*** [a]
$10,000 - $19,999	***2.7***	***2.0***	***0.6***	***5.0***	***4.0***	***1.0*** [a]
$20,000 or more	0.1	0.3	-0.2 **	***0.1***	***0.5***	***-0.4*** [a]
Sample size (total = 793)	417	376				
Riverside						
None	64.1	67.8	-3.7 **	*n/a*	*n/a*	*n/a*
$1 - $1,999	13.5	10.9	2.6 *	37.5	33.9	3.6 [a]
$2,000 - $4,999	8.3	7.6	0.7	23.1	23.6	-0.5 [a]
$5,000 - $9,999	7.6	7.7	-0.1	21.3	23.9	-2.7 [a]
$10,000 - $19,999	5.7	5.0	0.7	15.8	15.6	0.2 [a]
$20,000 or more	0.8	1.0	-0.1	2.4	3.0	-0.7 [a]
Sample size (total=2,328)	1196	1132				

SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991 - December 1992); Riverside (June 1991 - December 1992).

[a]Estimates in italics were based only on persons with earnings. Statistical tests were not applied to the differences.

N/a = not applicable.

Tables 10.6-10.8 show that for HCDs without a high school diploma or GED, the number of months on AFDC was not reduced by much in Atlanta but was reduced in Grand Rapids by 7 percent and in Riverside by 6 percent relative to the control group. In these two sites, HCDs received AFDC for about 1 month less than controls. The percentage who received AFDC in the last quarter of year 2 was reduced by 10 percent in Grand Rapids and 7 percent in Riverside relative to the control mean. All of these impacts were statistically significant.

Two-year AFDC savings ranged from 4 percent (Atlanta) to 11 and 12 percent of the control means (Riverside and Grand Rapids, respectively) and were all statistically significant. The dollar savings in AFDC payments ranged from a modest $220 in Atlanta (where the average monthly AFDC grant for a family of three is smallest) to relatively large savings of $952 and $1,134 in Grand Rapids and Riverside, respectively.[4] AFDC savings were statistically significant in all three sites in quarter 9, suggesting continued savings in year 3.

E. Patterns of AFDC and Earnings Effects for Those with and Without a High School Diploma or GED Certificate

Monthly grant amounts. For HCDs with and without a high school diploma or GED in each site about 35 to 50 percent of the AFDC savings resulted from a reduction in the average monthly grant amounts for HCDs relative to controls, with the exception of the Atlanta no diploma/GED subgroup, where an even larger percentage of the dollar AFDC savings (82 percent) resulted from reduced monthly grants. These results are different from the welfare-to-work programs of the 1980s for which about 25 percent of AFDC savings typically came from reduced monthly grants and 75 percent from reductions in the number of months on AFDC. Factors that may have contributed to these results, such as sanctioning rates and working while on welfare, are discussed in Chapter 11.

Relative magnitude of impacts on earnings and AFDC payments. In total, over two years of follow-up, earnings gains matched or exceeded AFDC reductions for HCD high school graduates but were smaller than AFDC reductions for HCDs without a diploma or GED. In particular, for high school graduates, two-year earnings gains ($960) substantially exceeded two-year AFDC payment reductions ($404) in Atlanta, and earnings gains ($805) were on par with AFDC reductions ($785) in Grand Rapids. For HCDs without a high school diploma or GED, two-year impacts on earnings were less than 40 percent of impacts on AFDC payments in Grand Rapids, less than 20 percent in Riverside, and approximately zero in Atlanta. However, for nongraduates in Atlanta, by the last two quarters of follow-up, earnings gains exceeded AFDC reductions. It is important to keep in mind that in all sites, the difference between impacts on earnings and impacts on AFDC payments is not a complete measure of the program effect on family income, since it does not take into account various other sources of income such as food stamps, SSI, any earnings not captured by the state UI records, the Earned Income Tax Credit, unemployment insurance benefits, child support, contributions from other family members and relatives, and other sources.

[4]Differences between two-year AFDC impacts for graduates and nongraduates in Atlanta and Grand Rapids were found to be not statistically significant, suggesting that these differences may be the product of chance rather than substantive program effects.

F. Continuous AFDC Receipt and Returninp to AFDC

Chapter 9 showed that the LFA approach reduced the percentage of LFAs who received AFDC continuously for two years in all three sites but that some LFAs and controls who left AFDC during the follow-up had returned within two years. Results for HCDs were surprisingly similar despite the fact that the LFA approach is expected to produce immediate impacts and the HCD approach is expected to have smaller impacts in the short term. The HCD approach did, in fact, reduce continuous AFDC receipt for individuals with and without a high school diploma or GED.

Table 10.10 shows the impact of the HCD approach on two-year continuous AFDC receipt. In all sites, the HCD approach produced statistically significant reductions in continuous AFDC receipt for sample members with and without a high school diploma or GED, with the exception of Atlanta nongraduates, and even for that subgroup the reduction was not small. Roughly 50 to 70 percent of the control group in each site and subgroup received AFDC for two years continuously (that is, without a two-month interruption). The number of HCDs who were continuous receivers was between 5 and 10 percentage points below the control rates. The percentage differences in continuous AFDC receipt for HCDs relative to controls (shown in the last column of Table 10.10) were between 7 and 22 percent, a range similar to percentage differences for LFAs found in Chapter 9.

Table 10.10 also shows two-year HCD-control group differences in returning to AFDC among those who left AFDC during the follow-up (a nonexperimental measure). In the HCD and control groups, about 25 to 40 percent of those who left AFDC returned before the end of the two-year follow-up. In Atlanta and Grand Rapids, HCD-control differences in the rate of returning to AFDC appeared to be dissimilar for the two subgroups. In Atlanta, high school graduates who left AFDC were less likely than controls to return, but the reverse was true for those without a high school diploma or GED. In Grand Rapids, high school graduates who left AFDC were *more* likely than controls to return within two years. For the other subgroup in this site, those without a high school diploma or GED, HCDs and controls returned at about the same rate. The absence of a consistent pattern of differences, however, suggests that statistical variation may be at work rather than important underlying differences in program effects. That is, it would probably not be warranted to conclude at this point that there are real differences in rates of return between program and control AFDC leavers for the full HCD samples or for HCD subgroups.

One way to examine the effect of returning to AFDC after leaving is through an analysis of impacts on number of months of AFDC receipt (shown in the last section of Table 10.10). According to this analysis, the HCD program reduced the length of the first AFDC spell, but the time that HCDs spent on AFDC in subsequent spells was the same or longer than for the control group.[5] In each site-subgroup, with the exception of nongraduates in Grand Rapids, the HCD-

[5]In this analysis, the first AFDC spell begins in the first month of quarter 2 and ends with two consecutive months without an AFDC payment. The number of months in the first spell counts only months with an AFDC payment that is greater than zero. The number of months of AFDC after the first spell is a count of the number of months with an AFDC payment greater than zero, excluding months in the first AFDC spell.

Table 10.10

Two-Year Impacts of JOBS on Continuous AFDC Receipt Status, for the Full Sample and by High School Diploma/GED Status

Human Capital Development Approach

Outcome	Human Capital evelopment Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Received AFDC continuously, years l-2 (%)[a]				
Atlanta				
Full sample	58.2	63.7	-5.5 ***	-8.6
High school diploma or GED	53.2	58.8	-5.6 *	-9.6
No high school diploma or GED	65.0	69.5	-4.5	-6.5
Grand Rapids				
Full sample	41.0	50.6	-9.6 ***	-18.9
High school diploma or GED	36.6	46.8	-10.2 ***	-21.9
No high school diploma or GED	46.7	55.9	-9.2 ***	-16.5
Riverside				
Full sample	n/a	n/a	n/a	n/a
High school diploma or GED	n/a	n/a	n/a	n/a
No high school diploma or GED	42.4	47.8	-5.4 ***	-11.4
If ever *off, returned to AFDC (%)[b]*				
Atlanta				
Full sample	32.6	31.8	0.8 [c]	2.5
High school diploma or GED	30.8	33.3	-2.5 [c]	-7.5
No high school diploma or GED	35.9	29.1	6.8 [c]	23.2
Grand Rapids				
Full sample	37.5	35.8	1.7 [c]	4.6
High school diploma or GED	35.0	31.8	3.2 [c]	10.2
No high school diploma or GED	41.8	42.2	-0.4 [c]	-0.9
Riverside				
Full sample	n/a	n/a	n/a	n/a
High school diploma or GED	n/a	n/a	n/a	n/a
No high school diploma or GED	25.9	24.6	1.3 [c]	5.4

(continued)

Table 10.10 (continued)

Outcome	Human Capital evelopment Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Impact on number of months of AFDC receipt				
Atlanta				
Full sample				
Years l-2	19.03	19.69	-0.66 **	-3.4
Months in first AFDC spell	17.92	18.84	-0.92 ***	-4.9
Months after first AFDC spell	1.12	0.86	0.26	30.5
High school diploma or GED				
Years l-2	18.18	19.17	-0.99 **	-5.2
Months in first AFDC spell	16.99	18.17	-1.17 **	-6.5
Months after first AFDC spell	1.19	1.00	0.18	18.4
No high school diploma or GED				
Years 1-2	20.14	20.29	-0.15	-0.7
Months in first AFDC spell	19.11	19.62	-0.51	-2.6
Months after first AFDC spell	1.04	0.68	0.36 *	52.8
Grand Rapids				
Full sample				
Years l-2	16.85	17.94	-1.09 ***	-6.1
Months in first AFDC spell	15.23	16.57	-1.35 ***	-8.1
Months after first AFDC spell	1.62	1.36	0.26	18.9
High school diploma or GED				
Years l-2	16.02	17.10	-1.09 **	-6.4
Months in first AFDC spell	14.39	15.92	-1.53 ***	-9.6
Months after first AFDC spell	1.62	1.18	0.44 *	37.5
No high school diploma or GED				
Years l-2	17.91	19.18	-1.27 **	-6.6
Months in first AFDC spell	16.27	17.58	-1.32 **	-7.5
Months after first AFDC spell	1.64	1.59	0.05	3.1
Riverside				
Full sample				
Years l-2	n/a	n/a	n/a	n/a
Months in first AFDC spell	n/a	n/a	n/a	n/a
Months after first AFDC spell	n/a	n/a	n/a	n/a
High school diploma or GED				
Years l-2	n/a	n/a	n/a	n/a
Months in first AFDC spell	n/a	n/a	n/a	n/a
Months after first AFDC spell	n/a	n/a	n/a	n/a
No High School Diploma or GED				
Years 1-2	15.75	16.68	-0.93 ***	-5.6
Months in first AFDC spell	14.55	15.66	-1.11 ***	-7.1
Months after first AFDC spell	1.21	1.03	0.18	17.5

(continued)

Table 10.10 (continued)

SOURCES: MDRC calculations from Georgia, Michigan, and Riverside County AFDC records.

NOTES: See Table 10.2 for general notes.

[a]"Received AFDC continuously" is defined as never having experienced two consecutive months with zero AFDC payments, starting with the first month of quarter 2.

[b]"Ever off AFDC" is defined as having experienced at least one two-month period with zero AFDC payments, starting with the first month of quarter 2.

[c]Not a true experimental comparison; statistical tests were not performed.

N\a = not applicable.

control difference in months on AFDC after the first spell was positive, indicating that returning to AFDC among HCDs reduced the impact on total number of months of AFDC receipt within two years of follow-up.

The magnitude of the effect of HCD and control group patterns of returning to AFDC can be estimated by comparing the impact on total number of months with the impact on number of months in the first spell. The impact on the length of the first AFDC spell is an estimate of what the total impact on months would have been in the absence of any returning to AFDC among HCDs or controls who left public assistance as a result of JOBS. The actual impact on total months is the impact given the actual rates of return to AFDC. If returning to AFDC among HCDs who leave significantly decreases relative to returns among control group leavers, then the impact on total months may be larger than the impact on the first AFDC spell length. Clearly, this did not happen. For example, for Atlanta HCDs with a high school diploma or GED, -0.99 is the impact on total number of months of AFDC and -1.17 the impact on the length of the first AFDC spell. The patterns of returning to AFDC among Atlanta HCDs in that subgroup therefore reduced the impact on total months of AFDC receipt by about 15 percent (1 - [-0.99/-1.17] = .154 [15.4 percent]). Using the same comparison, it was found that the impact on number of months of AFDC receipt was also reduced for Grand Rapids high school graduates (by 29 percent) and Riverside HCDs (by 16 percent). The effect was slight for Grand Rapids HCDs without a high school diploma or GED. The effect was not applicable for that subgroup in Atlanta, whose impact on months of AFDC was small and not statistically significant.

VII. Impact Findinps for Individuals with Children Under Age 6 and Those with Children Aged 6 and Over

The HCD approach sometimes produced impacts on earnings for individuals with children under age 6, who were formerly exempt from participation requirements based on their children's young age, and sometimes for those with children aged 6 and over. There was no clear tendency for earnings impacts to be larger for one subgroup or the other across sites. AFDC impacts were produced for both subgroups in all sites but their relative magnitude did not correspond to the relative magnitude of subgroup earnings impacts.

Table 10.11 shows two-year impacts of JOBS for subgroups with preschool-age children and those with older children. These subgroups are based on the full sample of HCDs, combining high school graduates and nongraduates. In Atlanta, the two-year earnings impacts were smaller for individuals with younger children ($301) than for those with older children ($724). In Grand Rapids and Riverside, the reverse was true. In Grand Rapids, where parents with children as young as age 1 were included in the research sample, the earnings impact for parents with younger children was $830 compared with $240 for those with older children. In Riverside, the two-year earnings impact for individuals with younger children was $693 compared with an impact of -$243 for those with older children. Differences between two-year earnings impacts for individuals with younger children and those with older children were found not to be statistically significant in Atlanta and Grand Rapids. In Riverside, however, the difference between the two-year earnings impact for the subgroup with younger children ($693) and those with older children (-$243) was statistically significant at the 10 percent level, indicating that the Riverside

Table 10.11

Two-Year Impacts of JOBS on Earnings and AFDC Payments, by AFDC Children's Age Subgroup

Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Families with children aged 6 and over				
Atlanta				
Average total earnings ($)				
Year 1	1,610	1,370	240	17.5
Year **2**	**2,463**	**1,979**	**484 ****	**24.4**
Average total AFDC payments received ($)				
Year 1	2,647	2,786	-140 ***	-5.0
Year 2	2,071	2,323	-252 ***	-10.9
Sample size (total = 1,257)	628	629		
Grand Rapids				
Average total earnings ($)				
Year 1	1,759	1,811	-52	-2.9
Year 2	2,829	2,537	292	11.5
Average total AFDC payments received ($)				
Year 1	3,654	3,987	-334 **	-8.4
Year 2	2,452	3,002	-550 ***	-18.3
Sample size (total = 662)	343	319		
Riverside				
Average total earnings ($)				
Year 1	1,564	1,521	43	2.8
Year 2	1,958	2,244	-286	-12.8
Average total AFDC payments received ($)				
Year 1	4,694	5,298	-604 ***	-11.4
Year 2	3,104	3,822	-718 ***	-18.8
Sample size (total = 987)	514	473		

(continued)

Table 10.11 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Families with children under age 6				
Atlanta				
Average total earnings ($)				
Year 1	1,348	1,289	60	4.6
Year 2	2,493	2,252	241	10.7
Average total AFDC payments received ($)				
Year 1	2,967	3,071	-104 *	-3.4
Year 2	2,528	2,653	-125	-4.7
Sample size (total = 695)	341	354		
Grand Rapids				
Average total earnings ($)				
Year 1	1,638	1,380	257	18.7
Year 2	2,858	2,285	573 ***	25.1
Average total AFDC payments received ($)				
Year 1	4,081	4,372	-291 ***	-6.7
Year 2	3,104	3,592	-489 ***	-13.6
Sample size (total = 1,248)	639	609		
Riverside				
Average total earnings ($)				
Year 1	1,285	1,004	281 *	28.0
Year 2	1,903	1,491	412 *	27.6
Average total AFDC payments received ($)				
Year 1	5,894	6,365	-470 ***	-7.4
Year 2	4,495	4,986	-491 ***	-9.9
Sample size (total = 1,309)	669	640		

SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records and from Georgia, Michigan, and Riverside County AFDC records.

NOTES: "Percentage difference" equals 100 times "difference" divided by "control group. "

A two-tailed t-test was applied to difference between LFA and LFA control groups. Statistical significance levels are indicated as: *= 10 percent; **=5 percent; *** = 1 percent.

program may have had a greater impact on two-year earnings for those with younger children than for those with older children.

AFDC expenditures, as shown in the table, were reduced for parents with children under age 6 and parents with children aged 6 and over in each of three sites. By year 2, the dollar amounts of AFDC savings were larger for parents with children aged 6 and over, and so were the percentage savings. There were, however, no statistically significant differences in AFDC impacts found between the subgroups of individuals with younger and older children. The observed differences in AFDC impacts did not correspond to the differences in year-2 earnings impacts. In Grand Rapids and Riverside, the subgroup with the smaller year-two earnings impact had the larger year-2 AFDC impact.

CHAPTER 11

A COMPARISON OF TWO-YEAR IMPACTS FOR LABOR FORCE ATTACHMENT AND HUMAN CAPITAL DEVELOPMENT APPROACHES

In three of its sites, the National Evaluation of Welfare-to-Work Strategies set out to test the relative effectiveness of two approaches: one that emphasized short-term, employment-directed activities to promote rapid job entry and one that emphasized longer education and training activities to build skills. The evidence presented earlier in this report indicated that the two JOBS program alternatives were implemented as the evaluation designers intended. As discussed in Chapter 3, field research and staff and client surveys found that the messages communicated to LFA and HCD clients in the three sites reflected the appropriate LFA or HCD philosophy. Also, the sequence and emphasis of activities for LFAs and HCDs differed in a way that was true to the theoretical LFA and HCD program models being tested. For LFAs, participation findings presented in Chapter 5 showed that job search was, by far, the most common activity. More than 85 percent of LFAs in Atlanta and Grand Rapids and 68 percent of LFAs in Riverside were assigned to job search as their first activity. In contrast, as presented in Chapter 6, HCDs most commonly participated in basic education and vocational training. At least 60 percent of HCDs in any site were assigned to, or allowed to continue in, basic education, vocational training, or college as their first activity. The greater incidence and longer duration of participation in education activities for HCDs than for LFAs resulted in a two-year net cost for HCDs averaged across the three sites that was twice that for the LFA group.

The LFA and HCD approaches also had common elements, one of the most important of which was their mandatoriness. In each site, a large portion of both the LFA and HCD groups experienced a financial sanction for failure to meet program requirements. There was some difference between the two approaches in the incidence and length of sanctions, but, in general, sanctioning rates were high in both approaches relative to the sanctioning rates observed in the studies of welfare-to-work programs of the 1980s. In addition, all sites encouraged enrollees to work, and working while remaining on AFDC was one way enrollees could fulfill the JOBS participation requirement.

Given the evidence that the LFA and HCD philosophies were implemented as intended, a direct comparison of LFA and HCD impacts within each site provides a valid assessment of the relative effectiveness of the two approaches at two years. The next section addresses the following research questions: What are the theoretical patterns of earnings and AFDC impacts that the LFA and HCD approaches are expected to produce? Did the HCD approach, as expected, initially result in smaller impacts than the LFA approach? Did HCD impacts begin to overtake LFA impacts by the end of two years? At the end of this section, the similarities in effects, primarily the AFDC effects, that appear to be associated with the highly mandatory nature of both the LFA and HCD approaches are examined. The final section addresses one additional question not related to the LFA-HCD comparison: How do the Riverside JOBS impacts compare with the Riverside impacts of the earlier GAIN Evaluation?

The comparison of LFA and HCD approaches in the evaluation rests on an unusually strong

research design. As discussed in Chapter 2, individuals were randomly assigned to either the LFA, HCD, or control groups. Individuals in all research groups have similar background characteristics by virtue of the randomization procedure. In addition, members of all research groups lived in the same localities and consequently faced the same labor markets, the same AFDC grant levels, and the same JOBS enrollment and call-in procedures. Differences in their subsequent employment and welfare behavior must therefore be caused by differences in the JOBS approaches they experienced.

All of the LFA-HCD comparisons that follow are made between high school diploma/GED subgroups. As discussed in Chapter 10, one reason for focusing on diploma/GED subgroups is that activities for HCDs were expected to vary depending on whether they did or did not possess a high school diploma or GED. For the no diploma/GED subgroup, the HCD approach was expected to increase participation in basic education. For high school graduates, vocational training was seen as a more likely activity, which, as mentioned in Chapter 6, turned out to be the case. Another reason for focusing on diploma/GED subgroups, discussed in Chapters 2 and 10, is that the Riverside research design precludes a full sample experimental LFA-HCD comparison because there are no high school graduates in the HCD group there. To make full use of the data in all three sites in the analysis, it is therefore appropriate to compare impacts for LFAs and HCDs in the high school diploma/GED subgroup in Atlanta and Grand Rapids and for the no high school diploma/GED subgroup in all three sites.

I. How HCD Impacts Compare with LFA Impacts

During the two-year follow-up period, two of the most important factors that may have contributed to impacts were JOBS activities and enforcement of the participation mandate. JOBS activities, which included job search, GED preparation, vocational training, and others, were expected to be steppingstones to employment and welfare exit. The participation mandate increased utilization of JOBS services by suasion and the threat of sanction. In addition, the mere threat of sanction may have affected JOBS enrollees' job-seeking behavior whether or not they took advantage of JOBS services (for example, some enrollees may find a job on their own or leave AFDC some other way to avoid the participation requirement). The discussion of empirical results below examines the independent effects of mandatoriness by looking at sanctioning rates and durations.

After only two years of follow-up the difference in philosophies between the LFA and HCD approaches puts the latter at a disadvantage. The LFA approach is expected to produce immediate impacts on employment, earnings, and AFDC payments by encouraging quick entry into the labor market. The HCD approach, on the other hand, is *not* expected to produce employment, earnings, or AFDC impacts initially, but is expected to increase skills and earning power and promote self-sufficiency. In theory, only the long-term impacts of the HCD approach should exceed those of the LFA approach.

A. Theoretical Patterns of Impacts

LFA and HCD approaches both seek to increase earnings by increasing employment and adding to valuable job skills. The LFA approach emphasizes employment close to the point of

JOBS program entry, with skills enhancement occurring either through short-term, program-provided training or through general experience and specific skills development on the job. The HCD approach emphasizes skills development while in JOBS program activities and defers the push for employment, possibly for a significant length of time, while participants are undergoing and completing formal education and training. It is not clear from theory whether the long-term increase in employment and earning power will be greater for LFA or HCD approaches.

It is clear from theory, and from the empirical evidence presented already in this report, that the program operating costs incurred in providing formal education and training will be considerably greater for HCDs than for LFAs. In addition, HCDs, during their initial education and training, will forgo earnings that they would have obtained had they been in an LFA program. Those forgone earnings are an additional cost to enrollees. They are also an additional cost to society, for which they represent a real loss in produced goods and services. Because program operating costs and forgone earnings are greater for HCDs than for LFAs, the former group must eventually obtain beneficial effects that exceed those for LFAs. If, after some time has elapsed following program participation, the impacts for HCDs do not begin to exceed those for LFAs, then there will be no additional benefit for the HCD approach to compensate for the additional costs incurred. There would, in that case, be no financial justification for running HCD programs. Resources would be more efficiently allocated by running only LFA programs.

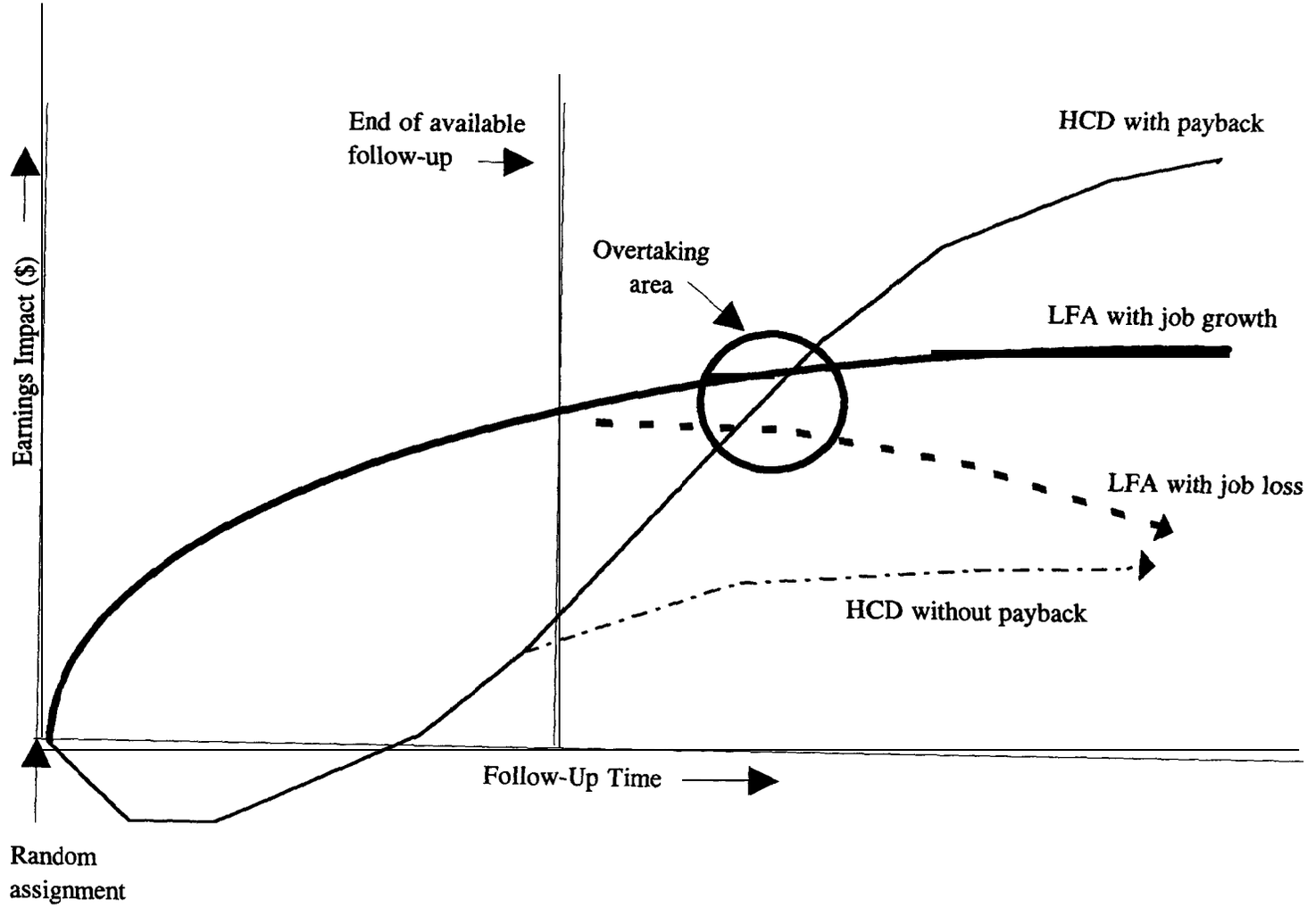
Figure 11 .1 compares the theoretical patterns of impacts on earnings over time for HCDs and LFAs. If the extra cost of HCDs are eventually to be recouped, then the time pattern for HCD impacts must occur in three theoretical phases.' During the first phase, the *investment phase,* members of the HCD group are engaged in education and training while members of the LFA group are looking for and obtaining employment. Positive impacts on earnings appear relatively quickly for LFAs, the result of immediate impacts on employment. Zero or even negative impacts on earnings appear during this period for HCDs. The gap between LFA and HCD earnings impacts represents the earnings forgone by HCDs as a result of assigning them to the HCD approach rather than the LFA approach. The second phase, the *overtaking phase,* occurs as HCDs finish their education and training activities and begin to find employment. As their employment catches up to that of LFAs, their measured impacts on earnings are hypothesized to overtake the LFA earnings impacts.

Finally, in the third phase, the *payback phase,* the full results of HCDs' skills acquisition become evident. This is the critical phase: whether or not there is a payback and how large that payback is will determine whether the HCD approach is more effective or less effective than the LFA approach. In this phase, HCDs begin to obtain increases in hourly wages, weekly hours, and employment stability. Their earnings during each period of employment begin to exceed those of LFAs. As a consequence, even if their rates of employment are similar, their overall earnings impacts will begin to exceed those of LFAs. Increases in employment for HCDs beyond the level of LFAs may also occur, which will increase the earnings impact difference further. In addition, because in theory the HCDs' skills acquisition is permanent, the HCD lead in earnings impact may

'The time pattern described here is similar to that expected for training undertaken voluntarily in the general population. On the theory of voluntary human capital investment, see Becker, 1975, and Mincer, 1974.

Figure 11.1

Theoretical Patterns of Earnings Impacts for Labor Force Attachment and Human Capital Development Approaches



continue or even grow in the long term. In contrast, the earnings impacts of LFAs may cease growing and may even begin to decline in the long run as controls gradually find employment on their own, without the assistance of the JOBS program, or if the push into employment among LFAs leads mostly to low-quality, short-duration employment with high rates of job loss after the initial period of employment impacts. Alternatively, LFA earnings impacts may continue to grow over the long term as a result of the increased work experience that LFAs acquire following their quick entry into the labor market. This potential ongoing increase in LFA earnings impacts cannot be as large or dramatic as the increase for HCDs during the payback phase if the extra expenditures on HCDs is to produce a return. The pattern of lagging HCD earnings impacts followed by overtaking and payback may be called the "expected" or "theoretical" or "hoped for" pattern in order to distinguish it from the "actual" pattern estimated from the HCD-LFA comparison, which may well be different.

If achieved, the long-run HCD impact advantage may continue for many years, perhaps the remainder of a typical working life. The total cumulative earnings impact of JOBS may therefore eventually be *substantially* larger for HCDs than for LFAs. Notwithstanding, two years is not a sufficient period of time to capture the hoped for longer-term benefits of an HCD program, which may only emerge in year 3 or beyond.' This possibility is shown in Figure 11.1 by the vertical line in the middle of the graph, which represents the end of the currently available follow-up data, and it is shown occurring before the end of the overtaking phase (that is, before the payback period begins).

In theory, impacts on AFDC payments, to the extent that they are caused by impacts on earnings resulting from participation in program activities, should follow a pattern similar to that of earnings impacts. In particular, AFDC impacts for LFAs should emerge fairly quickly, whereas those for HCDs should emerge only during the overtaking phase. In the long term, HCDs, as a result of their increased human capital, are expected to obtain longer-lasting, higher-paying jobs, enabling them to get off and stay off welfare. The HCD approach is expected to have more impact than the LFA approach on reducing the length of long AFDC spells and reducing the rate of return to AFDC for those who leave public assistance. AFDC savings for HCDs are expected to eventually surpass those for LFAs.

B. Actual Results

The impacts on employment and earnings for LFAs and HCDs presented in Chapters 9 and 10 and analyzed further in this chapter fit the first phase of the theoretical pattern of effects expected from LFA-HCD differences in activities, but the AFDC impacts do not. In summary:

- In the first follow-up year, as expected, employment and earnings impacts were smaller for HCDs than for LFAs within each site's high school diploma/GED subgroups. In most cases, earnings impacts for HCDs had not caught up with

*Examples of delayed impacts in a human-capital-oriented program may be seen in evaluations of the Baltimore Options program (Friedlander and Burtless, 1995) and the GAIN program in Tulare County (Lin, Freedman, and Friedlander, 1995).

those for LFAs by the end of the second follow-up year. In two sites, however, employment impacts for HCDs in the high school diploma subgroup had surpassed those for LFAs by quarter 9. Whether HCDs eventually overtake and surpass LFAs will require additional follow-up to determine.

- In contrast, impacts on AFDC payments for HCDs appeared more quickly than expected and, although sometimes smaller than LFA impacts in year 1, had mostly overtaken LFA impacts by the end of year 2.

- The unexpected early AFDC impacts for HCDs were particularly significant for sample members without a high school diploma or GED, for whom two-year AFDC reductions exceeded two-year earnings gains in all three sites.

This last result is especially at odds with the hoped for pattern of impacts, since it is specifically those program enrollees without educational credentials and with poorer basic skills for whom the provision of basic education was intended to increase earnings gains and yield an increase, not a decrease, in the earnings plus AFDC income. This finding should, however, be qualified by the fact that there are only two years of follow-up presently available. The relative magnitudes of long-run earnings gains and AFDC reductions for the no diploma/GED subgroup could differ from the two-year result. The time pattern of impacts suggests that this is more a possibility for Atlanta and Grand Rapids than for Riverside. In the first two of these sites, earnings impacts for the no diploma/GED subgroup may be increasing at the end of the two-year follow-up, but that is not the case in the third site. The factors contributing to AFDC impacts will be examined at the end of this section.

Table 11 .1 and Figure 11.2 show the *actual* two-year results by site and diploma/GED subgroup.[3] Figures 11.3 and 11.4 show the quarter-by-quarter patterns of impacts for the same site-subgroup combinations. (These tables and figures do not contain estimates for Riverside "HCD full sample" and Riverside "HCD high school diploma or GED" because only the HCD no diploma/GED subgroup exists in Riverside. There are thus seven LFA-HCD comparisons possible: one each for the full samples in Atlanta and Grand Rapids plus five for the site-subgroup combinations.)

As shown in Table 11 .1 and Figure 11.2, two-year earnings impacts were about $500 to $1,000 larger for LFAs than for HCDs in four of the five site-subgroup combinations. The difference between earnings impacts for LFAs and HCDs was statistically significant in two of the five site-subgroup combinations: for the no diploma/GED subgroup in Grand Rapids and

[3]Table 11.1 shows the LFA impact (the LFA-control group difference), the HCD impact (the HCD-control group difference) and the LFA-HCD difference in impacts (the LFA-control group difference minus the HCD-control group difference). It may be noted that the LFA-HCD differences in impacts are identical to LFA-HCD differences in outcomes (the LFA mean minus the HCD mean). In order to increase statistical power, all LFA-HCD tests were performed on LFA-HCD differences in outcomes rather than on LFA-HCD differences in impacts.

Table 11.1

Two-Year Impacts on Earnings and AFDC Payments, for the Full Sample and by High School Diploma/GED Status

Labor Force Attachment and Human Capital Development Approaches

Outcome	Labor Force Attachment Group (LFAs)	Human Capital Development Group (HCDs)	LFA-HCD Difference
Impact on average total earnings, years 1-2 ($)			
Atlanta			
Full sample	1,100 ***	580 **	521 *
High school diploma or GED	1,479 ***	960 **	519
No high school diploma or GED	434	-19	453
Grand Rapids			
Full sample	1,019 ***	586 **	432
High school diploma or GED	704	805 *	-101
No high school diploma or GED	1,409 ***	347	1,063 ***
Riverside			
Full sample	1,212 ***	n/a	n/a
High school diploma or GED	1,624 ***	n/a	n/a
No high school diploma or GED	894 ***	188	707 ***
Impact on average total AFDC payments received, years l-2 ($)			
Atlanta			
Full sample	-368 ***	-333 ***	-35
High school diploma or GED	-481 ***	-404 ***	-77
No high school diploma or GED	-214 *	-220 *	6
Grand Rapids			
Full sample	-1,338 ***	-826 ***	-512 ***
High school diploma or GED	-1,230 ***	-785	-445 **
No high school diploma or GED	-1,495 ***	-952 ***	-543 **
Riverside			
Full sample	-1,267 ***	n/a	n/a
High school diploma or GED	-1,102 ***	n/a	n/a
No high school diploma or GED	-1,394 ***	-1,134 ***	-260

(continued)

Table 11.1 (continued)

SOURCES: MDRC calculations from Georgia, Michigan, and California unemployment insurance (UI) earnings records and from Georgia, Michigan, and Riverside County AFDC records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991 - December 1992); Riverside (June 1991 - December 1992). These samples constitute 60 percent of the projected complete JOBS impact sample.

Dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

"Percentage difference" equals 100 times "difference" divided by "control group."

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

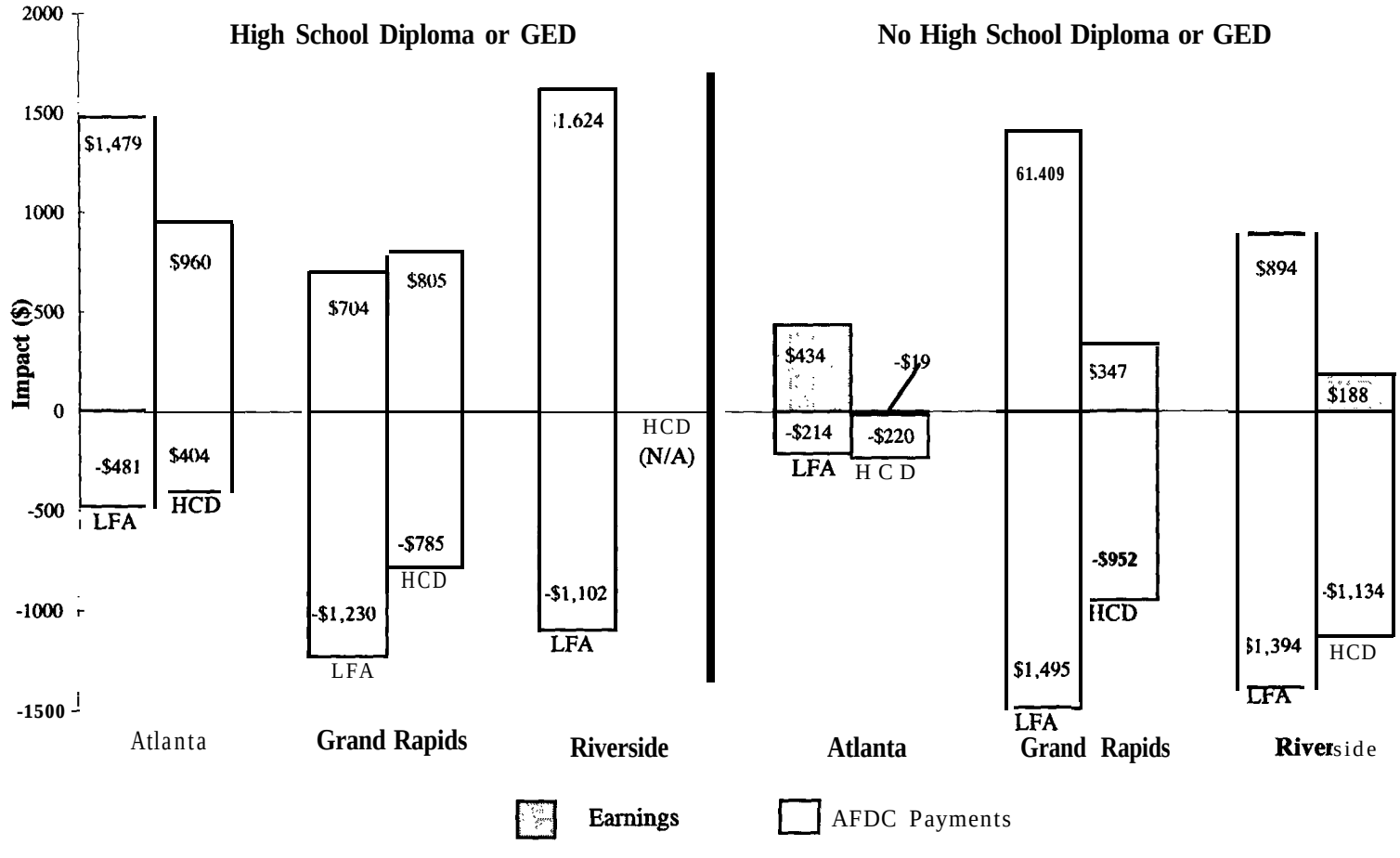
A two-tailed t-test was applied to differences between outcomes for the LFA and HCD groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

N/a = not applicable.

Figure 11.2

Two-Year Impacts of JOBS on Earnings and AFDC Payments, by High School Diploma/GED Status and Site

Labor Force Attachment and Human Capital Development Approaches

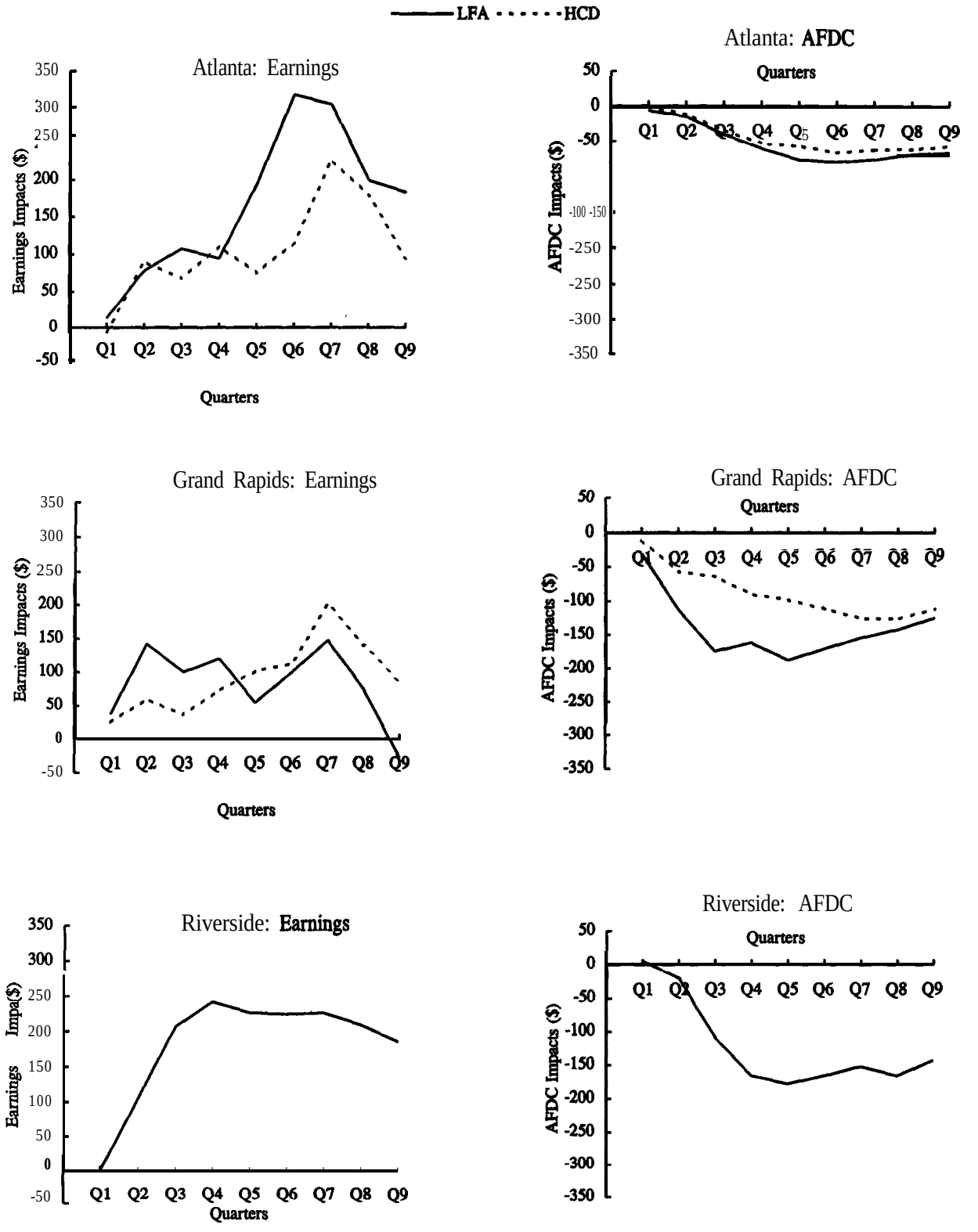


SOURCES and NOTES: See Table 11.1.

Figure 11.3

Quarterly Impacts on Earnings and AFDC Payments for Sample Members with a High School Dlploma or GED, by Site

Labor Force Attachment and Human Capital Development Approaches

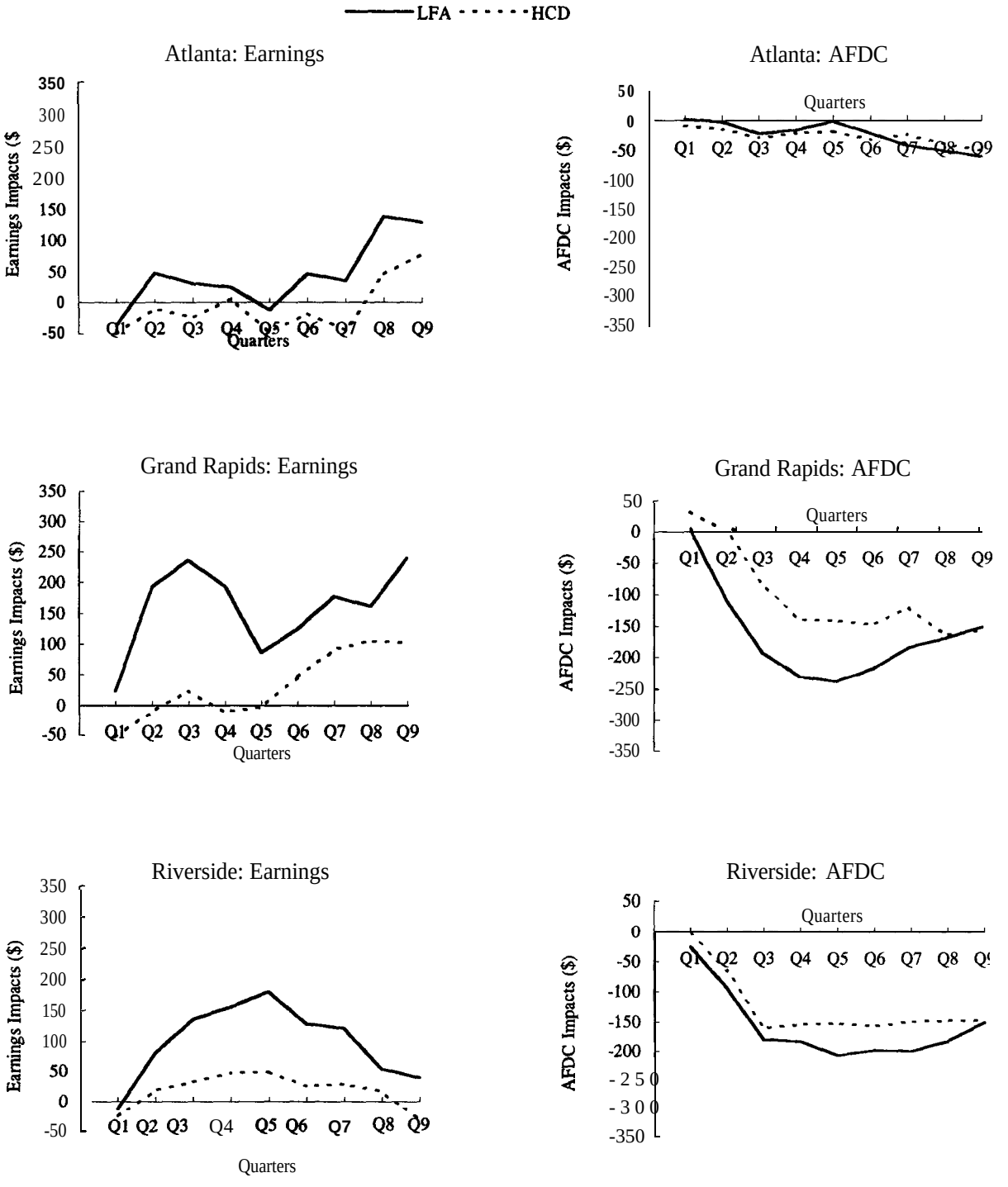


SOURCES: See Appendix Tables E.4, E.6, E.8, F.3, and F.S.
NOTE: See Appendix Table E. 1.

Figure 11.4

Quarterly Impacts on Earnings and AFDC Payments for Sample Members Without a High School Diploma or GED, by Site

Labor Force Attachment and Human Capital Development Approaches



SOURCES: See Appendix Tables **E.5,** E.7, E.9, F.4, F.6, and **F.7**.
NOTE: See Appendix Table E. 1.

Riverside.[4] (The difference was also statistically significant for the full sample in Atlanta.) The quarter-by-quarter pattern of impacts (Figures 11.3 and 11.4) shows that earnings impacts for HCDs overtake and surpass those for LFAs during the two-year follow-up only for the Grand Rapids diploma/GED subgroup and not for any of the other four site-subgroup combinations. Earnings impacts for the no diploma/GED subgroups in Atlanta and Grand Rapids were at or slightly below zero for the first several quarters but were positive at the end of the follow-up, which may indicate future growth in the third follow-up year.

A test of statistical significance was performed that pooled information from all five site-subgroup combinations that have LFA and HCD impact estimates. The test was applied to rule out the possibility that the two statistically significant results out of five might be spurious. The test results confirm that the tendency of LFA earnings impacts to exceed HCD earnings impacts for at least some of the site-subgroup combinations was statistically significant in year 1, year 2, year 1 and year 2 combined, and in quarter 9.[5,6] The available follow-up is not sufficient to tell whether earnings impacts for HCDs in all site-subgroup combinations will eventually overtake those for LFAs and then begin to exceed them.

The pattern for AFDC payments impacts differs from the pattern for earnings impacts. AFDC impacts for LFAs and HCDs in all five site-subgroup combinations were either similar to begin with or became similar by the end of the follow-up period. For the two subgroups in Atlanta, the two-year and quarter-by-quarter AFDC impacts for HCDs closely match those for LFAs (Table 11 .1 and Figures 11.3 and 11.4). In a third case, the Riverside no diploma/GED subgroup, the

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[4]The sample sizes available for these within-site statistical significance tests were smaller for subgroups than those available for full-sample statistical tests, making it more difficult to show statistical significance for any given degree of difference.

[5]The test pools information from all five site-subgroup combinations that have LFA and HCD impact estimates to test the hypothesis that there are consistent LFA-HCD differences in earnings. The test pools into a single statistic the information about the positive or negative direction of LFA-HCD differences and the statistical significance of those differences. The test, if it is failed, can indicate that one or two statistically significant results out of several are spurious. Another use of the pooled test may be seen in the following example. Suppose that four of the five site-subgroup LFA-HCD differences in impacts are positive but not statistically significant and the fifth is negative and not statistically significant. Do these results mean that there is no real positive difference anywhere? Given the results, the pooled test might well turn out to be statistically significant, which would support the hypothesis of an underlying positive LFA-HCD difference in at least some of the site-subgroup combinations.

The test utilized is the Stouffer test, or "sum of z's method," as described by Becker, 1994, p. 222, following Stouffer et al., 1949. The Stouffer test was used to pool the statistical significance of LFA-HCD differences for the following five subgroups: "high school diploma or GED" in Atlanta and Grand Rapids; "no high school diploma or GED" in Atlanta, Grand Rapids, and Riverside. The probabilities that LFA and HCD earnings impacts differed by chance were as follows:

Average total earnings	p-value
years 1-2	0.0002***
year 1	0.0000***
year 2	0.0180**
last quarter of year 2	20.0876*

[6]A chi-square test of homogeneity was applied to the earnings impact estimates. The hypothesis that underlying LFA-HCD differences were similar across the five site-subgroup combinations could not be rejected at the 10 percent level for two-year earnings or for earnings in year 2 or quarter 9. The hypothesis was rejected for earnings in year 1. For details on the test, see Shadish and Haddock, 1994, p. 266.

incremental AFDC savings for LFAs above the AFDC savings amount for HCDs (that is, the LFA-HCD impact difference) is not large and no longer exists at the end of year 2 (Figure 11.4). Finally, in Grand Rapids, quarter-by-quarter patterns for both subgroups (Figures 11.3 and 11.4) indicate that initially the AFDC savings for HCDs were smaller than those for LFAs but that HCDs had overtaken LFAs by the end of year 2.[7,8] Future analyses undertaken when additional follow-up data are available will examine whether AFDC payment impacts will remain similar in year 3 and beyond.

The two-year earnings impacts for LFAs and HCDs follow, at least in part, what theory suggests. The impacts for AFDC payments, in contrast, did not appear to fit the pattern expected from the different education and training activities alone. Employment impacts, sanctioning, and increased incidence of working while on welfare each may have contributed to AFDC payments impacts and the high ratio of AFDC impacts to earnings impacts experienced by some site-subgroup combinations. To investigate these possibilities, additional analyses of the data were undertaken (not shown in the tables).

This additional analysis was conducted in two parts to examine the two facets of AFDC impacts: reductions in *months* of AFDC receipt and reductions in monthly grant *amounts*. The first part of the analysis looked at program effects on months of AFDC receipt and found that these were explained more by impacts on employment than by impacts on earnings. It was found that reductions in months of AFDC receipt occurred for almost all the 11 site-subgroup LFA and HCD combinations. Every case of a statistically significant reduction in months of receipt coincided with a statistically significant increase in percentage "ever employed during the two-year follow-up." These reductions in months were a main component of overall reductions in AFDC payments. The associated employment impacts did not, however, always correspond to earnings impacts of a similar magnitude. In 4 of the 11 groups (including some LFA and some HCD subgroups in Grand Rapids and Riverside) there were sizable impacts on employment and months of AFDC receipt accompanied by AFDC payments impacts that exceeded modest or small earnings impacts by $500 or more. The finding of sizable employment impacts and AFDC payment reductions in excess of earnings gains for several groups may suggest that JOBS helped some individuals become employed and leave AFDC, but that their jobs did not last and they did not return to AFDC upon becoming unemployed.

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[7]The Stouffer et al., 1949, pooled statistical significance test (see footnote 5) was also applied to LFA-HCD differences in AFDC impacts. The LFA-HCD differences in AFDC payments impacts were statistically significant for year 1 and year 2 and for both years combined, owing to the influence of the LFA-HCD differences in Grand Rapids. The LFA-HCD difference was no longer statistically significant in the final quarter, however, reflecting the convergence in impacts for LFAs and HCDs in Grand Rapids. Using the Stouffer test, the probabilities that LFA and HCD AFDC payment impacts differed by chance were as follows:

Average AFDC payments	p-value
years 1-2	0.0041***
year 1	0.0002***
year 2	0.0893*
last quarter of year 2	0.5741

[8]Using a chi-square test (see footnote 6), the hypothesis that LFA-HCD differences were similar across the five site-subgroup combinations could not be rejected at the 10 percent level for two-year AFDC payments or AFDC payments in year 2 or quarter 9. The hypothesis was rejected for AFDC payments in year 1.

The second part of the additional analysis focused on the previously mentioned reductions in monthly grants. Reduced monthly AFDC amounts contributed to the excess of AFDC impacts over earnings impacts. These reductions appeared to be partially the result of sanctioning and partially the result of increased employment while on welfare. As discussed in Chapters 5 and 6, the three JOBS sites in this report ran highly mandatory programs and sanctioned at a high rate. To impose a sanction was to reduce the monthly grant amount that an LFA or HCD would normally be eligible for. High sanctioning rates and long durations of sanctions for LFAs and HCDs in Atlanta and Grand Rapids provide one explanation for the reduced monthly grant amounts in those sites. Sanctioning rates were lower in Riverside and may have had a noticeable but smaller effect there. At the same time, increases were found in the number of quarters with both work and welfare receipt, and working while on welfare may be a second contributing factor to reduced monthly AFDC amounts. It was found that the percentage of quarters combining employment and AFDC were increased to a statistically significant degree for 8 of the 11 site-subgroup LFA and HCD combinations. These effects are large relative to the overall impact on employment rates: in 8 of 10 site-subgroup combinations for which total quarters employed were increased, quarters of combined employment and AFDC receipt account for more than half the impact on total quarters employed. As discussed in Chapter 2, sites had different AFDC eligibility rules, and it was more likely that sample members could remain on welfare while they worked in Riverside than in Atlanta or Grand Rapids.' The increase in combined work and welfare receipt may therefore have had a greater effect in reducing monthly AFDC amounts in Riverside than elsewhere, augmenting the effect of that site's lower sanctioning rates.

II. Impacts in Riverside for JOBS and GAIN

An earlier version of the Riverside JOBS program, entitled GAIN, achieved national attention in 1993 when published evaluation results showed large impacts on earnings and AFDC payments there. The GAIN Evaluation found large impacts not only for the full sample but also for the two subgroups that are comparable to the high school diploma/GED subgroups in JOBS. This section presents some preliminary comparisons between GAIN and JOBS in Riverside.

Figure 11.5 shows two-year impacts on earnings and AFDC payments from the current report and from the GAIN Evaluation." The figure presents high school diploma/GED subgroups in Riverside in JOBS and GAIN." The organization of the figure is intended to represent programmatic as well as impact differences. The GAIN program was a mixed approach that

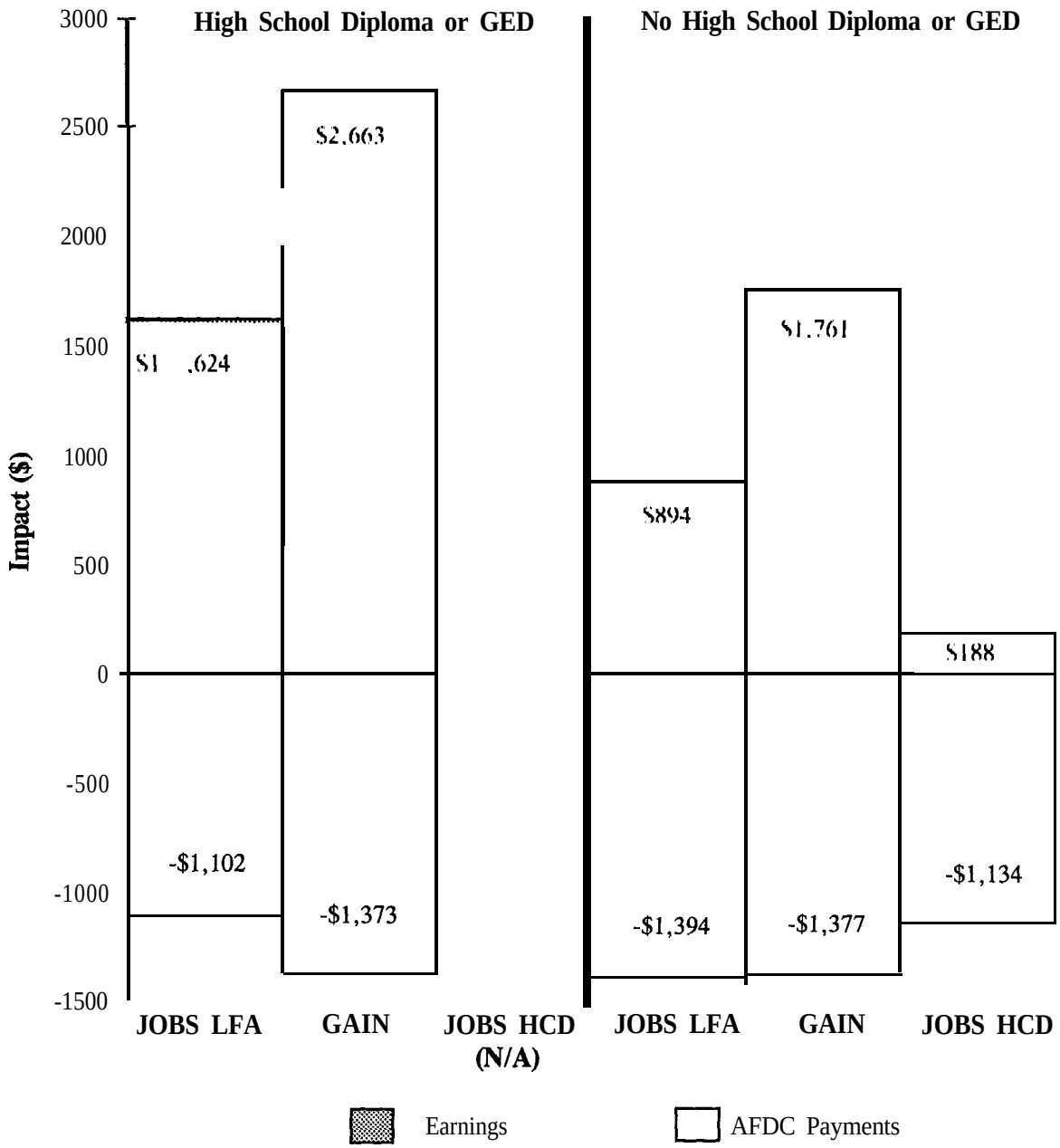
[9]In 1993, in the first four months of employment, a three-person family had to earn less than $756 per month to remain eligible for AFDC in Atlanta and less than $831 in Grand Rapids. The comparable earnings limit in Riverside was $1,175. After four months of employment, the earnings limit drops to $544 in Atlanta, $594 in Grand Rapids, and $823 in Riverside. As of September 1993, new rules went into effect in Riverside and the earnings limit did not decrease after four months, enabling people to earn more while still remaining eligible for AFDC.

[10]Riccio, Friedlander, and Freedman, 1994.

"In the GAIN Evaluation, the diploma/GED subgroup was termed "not in need of basic education" and the no diploma/GED subgroup was termed "in need of basic education." Notwithstanding the difference in terminology, the JOBS and GAIN evaluations defined these groups in the same way in the Riverside site. In this section, the JOBS diploma/GED terminology will be used uniformly.

Figure 11.5

Riverside: Two-Year Impacts on Earnings and AFDC Payments for JOBS and GAIN, by High School Diploma/GED Status



SOURCES: JOBS estimates are from Tables 9.7 and 10.8. GAIN estimates are from Riccio, Friedlander, and Freedman, 1994, pp. 137-138.

combined LFA and HCD elements. To indicate that GAIN was a middle approach between LFA and HCD, impacts for GAIN are shown in the figure between JOBS LFA and JOBS HCD.

As shown in the figure, impacts on AFDC payments are similar in the JOBS LFA and HCD approaches and in GAIN for both subgroups. The five estimates of two-year impacts vary only between $1,100 and $1,400. Much greater differences were found for earnings impacts. For the high school diploma/GED subgroup, the GAIN impact ($2,663) exceeded the JOBS LFA impact ($1,624). A similar disparity was found for the no high school diploma/GED subgroup, for which the GAIN impact ($1,761) also exceeded the JOBS LFA impact ($894). For this subgroup, the GAIN impact greatly exceeded the small JOBS HCD impact ($188).

There are several possible explanations for the difference in earnings impacts between JOBS and GAIN in Riverside. First, differences in the program may have played a major role. For the high school diploma/GED subgroup, GAIN and the JOBS LFA approach both emphasized job search. For the no high school diploma/GED subgroup, GAIN and the JOBS LFA approach differed. In GAIN, individuals in the no diploma/GED subgroup were typically assigned to basic education as their first activity but could choose to attend job search instead. They were often encouraged to do so, and, in fact, 17 percent did participate in job search as their first activity compared with about 30 percent in basic education (the remainder of the sample began in self-initiated activities or did not participate in GAIN). The National Evaluation of Welfare-to-Work Strategies patterned activities according to the two distinct LFA and HCD program philosophies in order to test their relative effectiveness. In JOBS, first assignments differed depending on research group: those randomly assigned to the LFA group were sent to job search, and those assigned to the HCD group were sent to basic education. In other words, GAIN sample members in the no diploma/GED group were allowed to choose basic education or job search, but first assignments for the JOBS no diploma/GED subgroup were determined by the research group to which they were randomly assigned. The mix of job search along with basic education for the no diploma/GED subgroup in GAIN (or possibly some freedom of choice) may have been superior to the emphasis on basic education alone in JOBS.

Second, Riverside participation rates were higher in GAIN than in JOBS-60 percent of the GAIN sample participated *within 11 months* compared with 44 percent of JOBS LFAs and 5 1 percent of JOBS HCDs *within two years. In* this connection, it may also be noted that costs differed across the two GAIN and JOBS programs as well. Net costs, that is, costs for LFAs minus costs for controls, for the high school diploma/GED subgroups were slightly higher in GAIN ($1 ,065)[12] than for JOBS LFAs ($913). For the no diploma/GED subgroup, net costs were higher in GAIN ($1,969) than for JOBS LFAs ($1,487), although they were highest for JOBS HCDs ($2,930).

[12]GAIN costs are given for the same year as JOBS costs. GAIN net cost estimates are for a five-year follow-up period. Two-year net costs in GAIN were probably about 15 to 20 percent *higher* than the five-year estimates and would therefore be consistent with the statements made in the text. Two-year net costs, the difference between costs for experimentals and controls, are higher because some controls eventually participate in education and training courses that they find on their own, leading the experimental-control participation differential to lessen in the later part of the follow-up period.

Third, the characteristics of the GAIN and JOBS samples were somewhat different. Among the GAIN Evaluation sample, almost 15 percent had never received AFDC before they entered the program. In contrast, only 2 percent of the JOBS sample had never received AFDC. Differences in prior AFDC receipt between the JOBS and GAIN samples may have contributed to differences in impacts. In addition, the GAIN Evaluation included only a small number of sample members with children under age 6. [13] In contrast, more than half of JOBS sample members had children aged 3 to 5. For JOBS LFAs and HCDs, earnings impacts for the subgroup with younger children exceeded impacts for the subgroup with older children, indicating that this difference in sample composition, though noteworthy, does not explain earnings impact differences in JOBS and GAIN.

Finally, labor market conditions differed during the two evaluations. Unemployment rose substantially, from 6.9 percent in 1990 to 11.7 percent in 1993, years corresponding approximately to year 1 of the GAIN and JOBS follow-up periods, respectively. Over the same period, the annual rate of employment growth fell dramatically, from 19.8 percent (from 1989 to 1990) to 0.5 percent (from 1992 to 1993).[14] The weaker labor market under JOBS may have made it more difficult for the program to improve the employment and earnings prospects of its enrollees, although evidence about the influence of labor market conditions on program effectiveness is scant.

[13] Rules in effect prior to JOBS allowed programs to classify single mothers with a child under age 6 as mandatory only under special circumstances. JOBS legislation broadened the definition of "mandatory" to include single parents with a child aged 3 to 5 (and allowing states to lower the age to 1 if they wished). The GAIN Evaluation includes a supplementary sample of individuals who became mandatory for GAIN after the transition to JOBS took effect, but these were not included in the main GAIN impact estimates (that is, those shown in the figure).

[14] Labor market statistics were based on a survey of Riverside County residents conducted by the U.S. Department of Labor, Bureau of Labor Statistics. Changes in definition of areas and coverage that occurred from 1990 onward may introduce some noncomparabilities in the data before and after that year, reducing the validity of comparisons across time.

APPENDIX A

SUPPLEMENTARY TABLE TO CHAPTER 2

Appendix Table A.1

Overview of Sample Sizes, by Data Source, Site, Cohort Definition, and Research Group

Data Source	Atlanta Full Sample	Atlanta LFA Group	Atlanta HCD Group	Atlanta Control Group	Grand Rapids Full Sample	Grand Rapids LFA Group	Grand Rapids HCD Group	Grand Rapids Control Group	Riverside Full Sample	Riverside LFA Group	Riverside HCD Group	Riverside Control Group	Three Sites Full Sample
AFDC administrative records and UI-reported earnings													
Sample size	2,899	946	970	983	2,907	994	985	928	6,171	2,497	1,196	2,478	11,977
Start date of cohort	1192	1/92	1/92	1/92	9/91	9/91	9/91	9/91	6/91	6/91	6/91	6/91	varies
End date of cohort	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92
Two-year client surveys													
Sample size[a]	1,389	393	542	454	832	294	266	272	1,586	393	435	758	3,807
Start date of cohort	3/92	3/92	3/92	3/92	3/92	3/92	3/92	3/92	9/91	9/91	9/91	9/91	varies
End date of cohort	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12/92	12192	12/92	12/92	12/92
Case file participation data													
Sample size	377	187	190	n/a	434	219	215	n/a	282	188	94	n/a	1,093
Start date of cohort	4/92	4/92	4/92	n/a	4/92	4/92	4/92	n/a	4/92	4/92	4/92	n/a	4192
End date of cohort	12192	12/92	12/92	n/a	12/92	12192	12/92	n/a	12/92	12/92	12/92	n/a	12192
Staff surveys													
JOBS staff sample size[b]	27	11	16	n/a	23	n/a	n/a	n/a	64	48	16	n/a	114
IM staff sample size[c]	113	n/a	n/a	n/a	120	n/a	n/a	n/a	105	n/a	n/a	n/a	338
Date administered	11/93	11/93	11/93	n/a	9/93	9/93	9/93	n/a	10/93	10/93	10/93	n/a	varies
Basic education teacher survey,													
Sample size	24	n/a	n/a	n/a	79	n/a	n/a	n/a	45	n/a	n/a	n/a	148
Date administered	12/93	n/a	n/a	n/a	12/93	n/a	nla	n/a	9/93	n/a	n/a	n/a	varies
Standard client characteristics													
Sample size	2,899	946	970	983	2,907	994	985	928	6,171	2,497	1,196	2,478	11,977

(continued)

Appendix Table A.1 (continued)

Data Source	Atlanta				Grand Rapids				Riverside				Three Sites
	Full Sample	LFA Group	HCD Group	Control Group	Full Sample	LFA Group	HCD Group	Control Group	Full Sample	LFA Group	HCD Group	Control Group	Full Sample
Reading achievement test Sample size	2,267	739	761	767	1,462	503	496	463	5,331	2,175	1,004	2,152	9,060
Math achievement test Sample size	2,273	739	761	773	1,461	503	496	462	5,326	2,174	1,005	2,147	9,060
Private opinion survey Sample size	2,218	724	743	751	1,454	500	495	459	3,281	1,336	631	1,314	6,953

SOURCE: MDRC-created database.

NOTES: N/a = not applicable.

[a]These figures are for regression-adjusted measures, including all impact and some participation and cost measures. For a few individuals, missing data prevented their inclusion in the regression model. These individuals were, however, included in measures not regression-adjusted, such as some participation and cost measures. For measures not regression-adjusted, sample sizes are 1,391 in Atlanta, 896 in Grand Rapids, and 1,588 in Riverside.

[b]In Atlanta and Riverside, JOBS case managers and supervisors were asked to identify in which of the two research groups they worked. All 27 JOBS case managers and supervisors in Atlanta identified one research group. In Riverside, only 64 of the 71 JOBS staff surveyed reported working in one research group; the responses of the remaining 5 workers are included in some measures presented in this report, but not in measures where responses are divided by research group.

[c]Income maintenance workers in the three sites worked with clients in all three research groups, as well as with some clients not part of the research sample.

[d]Teachers included in the teacher survey sample were employed in schools that frequently served JOBS participants in adult basic education activities. As JOBS enrollees assigned to the HCD group may have been more likely to have been enrolled in an adult education institution, sample size and cohort information for the teacher survey appears in the column for the HCD approach in each site. Note, however, that individuals *in the* LFA and control groups in each site may also have been taught by these same teachers.

APPENDIX B

ITEMS USED TO CREATE SCALES FOR THE JOBS AND INCOME MAINTENANCE STAFF SURVEYS AND ADULT EDUCATION TEACHER SURVEYS

Below is an enumeration of items used in the creation of scales presented in Chapters 3 and 4. All of the items were taken from surveys conducted by MDRC as part of its evaluation of the JOBS program. The numbers and letters before each item refer to its location in the questionnaires.

Some of the measures on basic education program characteristics presented in Table 3.4 were created from items in the JOBS Adult Education Teacher Survey, which is available from MDRC. Scales relating to staff attitudes and program practices (presented in Figure 3.3 and Chapter 4 figures) were created from items on the JOBS and income maintenance staff surveys, also available from MDRC. On the surveys given to supervisors, the wording on some items was changed to make the questions appropriate for their role.

Most item responses were based on a 7-point metric ranging from low (1) to high (7) unless otherwise noted. The response categories are in parentheses following each item unless otherwise noted.

Factor analysis was conducted to determine meaningful scale components. Only items that loaded .50 and above on a factor were utilized in the scales.

Cronbach's Alpha calculation, a statistical measure of a scale's reliability, was conducted on each factor-based scale. Coefficient alphas of .70 or above are generally considered acceptable.' One alpha had a value of .65; the remainder of the alphas ranged from .72 to .93 for the scales created from the JOBS staff survey data.

Items for which respondents indicated "don't know" or "refused" were recoded to a missing value. Missing values were replaced with the mean of the nonmissing values for a scale. Cases missing more than three responses on a nine-item scale, or two responses on a six-to-eight-item scale; or one response on a three-to-five-item scale were assigned a missing value for their score on that scale.

Scale scores were created by summing the values of the number of items in each scale. To facilitate report readability, each mean scale score was divided by the number of items summed to approximate the original metric of the items used to construct the scale. Next, variables with scores that indicated high, medium, and low on the scale were also created from the scale variables. Zero-one variables were then created from the three category scale variables to indicate the proportion of staff that had high and low scores on the scales.

I. Items Used in Table 3.4: Characteristics of Adult Education Classes Servinp JOBS Clients

A. Percent of classes placing a strong emphasis on preparing for work

Cronbach's Alpha = .91

The scale was created from the following items:

F1. Does your class try to prepare students for work in any of the following ways? (Do Not Teach to Strongly Emphasize)

'See Hatcher, 1994, p. 137.

a. Teaching how to read and reply to employment ads and job application forms

b. Practicing how to write a resume

d. Using reading materials about work situations

e. Teaching career awareness

f. Teaching how to do well during an employment interview

h. Teaching appropriate dress and grooming skills for work situations

k. Teaching about job benefits such as unemployment and health insurance

B. Percent of classes in which teachers and staff rate teaching materials and equipment as high quality

Cronbach's Alpha = .80

The scale was created from the following items:

L24. How would you rate your programs' resources? (Poor to Excellent)

a. The physical plant

b. The availability of teaching materials (i.e., books, workbooks, tests, etc.)

c. The quality and content of teaching materials (i.e., books, workbooks, tests, etc.)

d. The availability of classroom equipment including computers and software

C. **Percent of classes in which teachers and staff rate morale as high**

Cronbach's Alpha = .84

The scale was created from the following items:

L1. My program is a good place for teachers to work. (Strongly Disagree to Strongly Agree)

L2. All things considered, how satisfied are you with your current teaching job? (Very Dissatisfied to Very Satisfied)

L3. How would you describe the morale among the staff who work in your adult education program (i.e., ABE, GED, ESL)? (Very Low to Very High)

II. Items Used in Figure 3.3: Employment Preparation Strategy: Practices and Perceptions

A. Percent of JOBS staff who lean toward Labor Force Attachment or toward Human Capital Development

Cronbach's Alpha = .88

This scale measures whether case managers were more apt to support a labor force attachment or human capital development strategy and recommend it to their clients. The scale was created from the following items:

D1. In your opinion, which offers the best chance for average clients to get off of welfare? (working their way up from a low paying job or going to school or training in order to get a better job)

D2a. What would you say is the more important goal of your JOBS program? (to help clients get a job as quickly as possible or to raise the education and skills levels of clients so that they can get jobs in the future)

D2b. Which do you think should be the more important goal of your program? (to get jobs quickly or to raise skills levels)

Now we would like to know about your goals for different types of clients. Suppose that the following clients have just entered the JOBS program. What would be your main goal with these clients? (to help them to get jobs quickly as possible or to help and encourage them to raise their education and skill levels so that they can get better jobs in the future)

D3a. An AFDC client who is a high school graduate, has a good work record, and recently has been approved for welfare for the first time. What would your main goal be? (to help and encourage him/her to get a job quickly or to raise education and skills levels)

D3b. An AFDC client who has dropped out of 12th grade, has a little work experience, and has been on welfare for about one year. What would your main goal be? (to get him/her a job quickly, or to raise education and skills levels)

D3c. An AFDC client who has dropped out of 10th grade, has no work experience, and has been on welfare for more than two years. What would your main goal be? (to get him/her a job quickly or to raise education and skills levels)

Suppose these same clients completed their first JOBS component but did not find a job. Now you are meeting with them to discuss their next JOBS activity. What would you be more likely to recommend? (a short-term program activity that would lead to fast entry into the job market or a long-term program activity that would raise skills and lead to a better job in the future)

D4a. An AFDC client who is a high school graduate, has a good work record, and recently has been approved for welfare for the first time. (I would recommend: short term program and quick entry to job market, both equally, long-term program and better job in future)

D4b. An AFDC client who has dropped out of 12th grade, has a little work experience, and has been on welfare for about one year. (I would recommend: short-term program and quick entry to job market, both equally, long-term program and better job in future)

D4c. An AFDC client who has dropped out of 10th grade, has no work experience, and has been on welfare for more than two years. (I would recommend: short-term program and quick entry to job market, both equally, long term-program and better job in future)

B. <u>Percent of JOBS staff who encourage clients to take any job or encourage clients to be selective in taking a job</u>

Cronbach's Alpha = .79

This scale measures whether JOBS program staff are more apt to convey to their clients that they should "take any job" or should "be selective." The scale was created from the following items:

After a short time in JOBS, an average welfare mother is offered a low-skill, low-paying job that would make her slightly better off financially. Assume she has two choices: either to take the job and leave welfare or to stay on welfare and wait for a better opportunity.

D1 la. What would your personal advice to a client be? (to take any job and leave welfare, no recommendation either way, stay on welfare to wait for a better opportunity)

D1 lb. What advice would your supervisor want you to give to a client of this type? (to take any job and leave welfare, no recommendation either way, stay on welfare to wait for a better opportunity)

D13. What message do you think job club staff give to clients? (to take any job they can, be selective, no message either way)

D14. In general, what message do you give to clients? (to take any job they can, be selective, no message either way)

D16. I encourage clients to take a job only if it has the potential to get them off welfare. (Strongly Disagree to Strongly Agree)

III. Items Used in Figure 4.1: JOBS Staff Supervision, Evaluation, and Training

A. Percent who say that supervisors pay close attention to case manaper performance

Cronbach's Alpha = .77

This scale measures the degree to which staff perceive they are evaluated on the basis of their casework with clients. The scale was created from the following items:

In your opinion, how important are each of the following factors in how your supervisor evaluates you? (If you do not have formal evaluations, what factors do you think are most important to your supervisor in how you do your work?)

Lla. Being an effective counselor to your clients. (Very Unimportant to Very Important)

Llc. Keeping in close contact with clients. (Very Unimportant to Very Important)

Lld. Being firm with clients who don't comply with the program requirements. (Very Unimportant to Very Important)

Llg. Making sure that all clients are in JOBS activities or other acceptable statuses. (Very Unimportant to Very Important)

B. Percent who report pood communication with program administrators

Cronbach's Alpha = .76

This scale measures the extent to which staff feel they have clear program guidelines, their directors understand their unit, and listen to what the staff have to say. The scale was created from the following items:

K3c. The objectives of this JOBS program seem to change from week to week. (Strongly Agree to Strongly Disagree)

K3d. I don't understand the reasoning behind some of the decisions that affect my job. (Strongly Agree to Strongly Disagree)

K5c. The directors of the JOBS program really understand the things that are happening in my unit. (Strongly Agree to Strongly Disagree)

K5e. When there is a problem, the directors of the JOBS program listen to what staff have to say about it. (Strongly Agree to Strongly Disagree)

C. **Percent who say that good performance is recognized**

Cronbach's Alpha = .74

This scale measures whether staff feel their work is recognized. The scale was created from the following items:

K6d. If I do my job well, this will be noticed by my supervisor. (Very Unlikely to Very Likely)

K6e. If I do my job well, this will improve my standing among the staff I work with. (Very Unlikely to Very Likely)

K6f. In the part of the agency in which I work, merit is recognized. (Strongly Disagree to Strongly Agree)

D. **Percent who say they received helpful training on how to be an effective JOBS case manager**

Cronbach's Alpha = .87

This scale measures how helpful staff training is to specific areas of their jobs. The scale was created from the following items:

Staff Training

Looking back at all of the training you have received in this job, how helpful has it been in the following areas?

K2a. Understanding the rules and regulations of JOBS. (Not at All to A Great Deal)

K2b. Knowing how to match client needs to JOBS services. (Not at All to A Great Deal)

K2c. Knowing how to work with JOBS services providers. (Not at All to A Great Deal)

K2d. Learning how to motivate clients. (Not at All to A Great Deal)

E. **Percent who resort high job satisfaction**

Cronbach's Alpha = .74

This scale measures levels of job satisfaction and staff morale. The scale was created from the following items:

K6a. All things considered, how satisfied are you with your current job? (Very Dissatisfied to Very Satisfied)

K6b. How would you describe worker morale among the staff who work in your unit of the JOBS program? (Very Low to Very High)

K6c. If I were offered a job with equal pay and security, I would leave this line of work. (Strongly Disagree to Strongly Agree)

IV. Items Used In Figure 4.2: Personalized Attention and Encouragement

A. Percent who try to learn in depth about clients' needs, interests, and backgrounds

Cronbach's Alpha = .88

This scale measures how much knowledge staff attempt to learn about their clients in depth during the intake phase. The scale was created from the following items:

During intake, how much effort do you (or other staff who do intake) make:

B1a. To learn about the client's educational and work history in depth? (Very Little Effort to A Great Deal of Effort)

B1b. To learn about the problems that led the client to be on welfare in depth? (Very Little Effort to A Great Deal of Effort)

B1c. To learn about the client's goals and motivation to work in depth? (Very Little Effort to A Great Deal of Effort).

B1d. To learn about the client's family problems in depth? (Very Little Effort to A Great Deal of Effort)

B. Percent who try to identify and remove barriers to client participation

Cronbach's Alpha = .87

This scale measures the amount of emphasis staff place on removing barriers to client activity participation. The scale was created from the following items:

Suppose a new client has been attending a JOBS component but has stopped attending.

G1b. How much would JOBS staff emphasize identifying and helping to remove barriers to the client's participation?

G1c. How much would you emphasize "selling" the client on the importance and benefits of the JOBS component?

Suppose this same client re-enters her program but soon has another period of unacceptable attendance.

G2b. How much would JOBS staff emphasize identifying and helping to remove barriers to the client's participation?

G2c. How much would you emphasize "selling" the client on the importance and benefits of the JOBS component?

C. Percent who encourage and provide uositive reinforcement to clients

Cronbach's Alpha = .8 1

This scale measures the amount of effort staff make to provide support and encouragement to clients who are enrolled in JOBS activities. The scale was created from the following items:

c4. Suppose you have a client in an education or occupational skills training program who is about to go on a job interview. How likely is it that you would contact the client before the interview to provide encouragement? (Very Unlikely to Very Likely)

C5. Suppose you have a client in a GED class who is about to take a GED exam. How likely is it that you would contact the client before the exam to provide encouragement? (Very Unlikely to Very Likely)

C6. I spend a lot of time trying to increase clients' motivation to do well in their JOBS activities. (Strongly Disagree to Strongly Agree)

V. Items Used In Figure 4.3: Participation Monitoring by JOBS Staff

A. Percent who reuort receiving a lot of information on client progress from service providers

Cronbach's Alpha = .75

This scale measures the amount of information the staff members get from providers regarding their clients' progress in their program. The scale was created from the following items:

Aside from attendance information, how much information do you get from the following service providers about how well clients are progressing in their programs?

E4a. Adult Basic Education (ABE, GED, ESL) (No Information to A Great Deal of Information)

E4b. Occupational Skills Training (No Information to A Great Deal of Information)

E4c. CWEP (No Information to A Great Deal of Information)

B. Average number of weeks before learning about attendance problems from service providers

This scale measures the length of time it takes staff to learn from service providers that a client is not participating in an activity. The scale was created from the following items:

For each of the following activities suppose a client has been assigned to the activity but has not attended. How long would it take for the JOBS staff to learn about the situation from the service provider?

E3a. Adult Basic Education program

(number of weeks before staff contacted)

E3b. Job search/job club

(nurnber of weeks before staff contacted)

E3c. Occupational skills training placement

(number of weeks before staff contacted)

E3d. CWEP placement

(number of weeks before staff contacted)

C. **Average number of weeks before contacting clients about their attendance problems**

Cronbach's Alpha = .89

This scale measures the length of time it takes staff to contact a client after learning the client is not participating in an activity. A value of 1 equals one week or less and a value of 8 equals eight weeks or more. A 5 indicates that it would take five weeks to contact the client. Responses of 9, indicating no contact at all, were assigned a missing value. (It is possible that staff who did not have caseloads, or were not responsible for contacting clients regarding activity nonparticipation, may have indicated that there was no contact, even though other staff may have fulfilled this role.) The scale was created from the following items:

Suppose you received information from a service provider or another JOBS staff member about the following problems. From the time you learned about these problems, how long would it take before you or someone in your agency contacted the client?

E5a. A client misses an orientation.

(number of weeks before client contacted)

E5b. A client stops attending an Adult Basic Education program.

(number of weeks before client contacted)

E5c. A client stops attending job club.

(number of weeks before client contacted)

E5d. A client stops attending an occupational skills training placement.

(number of weeks before client contacted)

E5e. A client stops attending CWEP placement.

(number of weeks before client contacted)

VI. Items Used in Fipure 4.4: Rule Enforcement and Sanctioning: Practices and JOBS Staff Perceptions

A. Percent who never de

G3. Sometimes case managers have not yet requested sanctions for clients who are not complying and could be sanctioned. How often do you delay requesting sanctions? (Never to Frequently)

Would you delay imposing a sanction for either of the following reasons?

G4b. Because I do not have time to complete the paperwork. (Never a Reason to Frequently a Reason) The values of this item were reversed so that high scores reflect mandatoriness.

G4c. Because I do not feel that sanctioning clients is a priority when other clients need to be helped. (Never a Reason to Frequently a Reason)

Income Maintenance Staff

B. Percent who never delay imposing sanctions on noncompliant clients

Cronbach's Alpha = .84

If IM staff are diligent about imposing sanctions the program is likely to be more mandatory than if they make exceptions to policies about who should be sanctioned because of noncompliance. Thus, the "delay sanctioning" scale indicates the extent to which IM staff delay imposing sanctions requested by JOBS staff. The scale was coded so that a score of 1 indicates that delays were frequent and a score of 7 means that there were never delays. The scale was created from the following items:

Would you delay imposing a sanction for any of the following reasons?

E5a. Because you feel you can persuade the client to comply with requirements of JOBS. (Never to Frequently)

E5b. Because you do not have time to complete the paperwork. (Never to Frequently)

E5c. Because the client explains the situation to the worker who realizes that the sanction would not be appropriate. (Never to Frequently) The values of this item were reversed so that high scores reflect mandatoriness.

E5d. Because you feel it is important to give the client more chances to comply. (Never to Frequently) The values of this item were reversed so that high scores reflect mandatoriness.

VII. Items used in Figure 4.5: Income Maintenance Staff Relations with JOBS

A. Percent who report few problems dealing with JOBS staff

Cronbach's Alpha = .78

This scale measures perceived problems between IM and JOBS staff. The scale was created from the following items:

Experiences Working with JOBS Staff

F3d. JOBS workers pester you for information. (Have Not Experienced This Problem to Have Often Experienced This Problem)

F3e. JOBS workers do not understand how IM works. (Have Not Experienced This Problem to Have Often Experienced This Problem)

F3f. Paperwork between JOBS and IM workers gets lost. (Have Not Experienced This

Problem to Have Often Experienced This Problem)

F3g. IM workers get wrongly blamed when clients don't show up for orientations. (Have Not Experienced This Problem to Have Often Experienced This Problem)

F3h. The JOBS staff don't understand the length of time it takes to impose or lift a sanction. (Have Not Experienced This Problem to Have Often Experienced This Problem)

B. Percent who say they know a lot about JOBS

Cronbach's Alpha = .93

This scale measures how much IM staff reported knowing about the JOBS program requirements, services, and goals. The scale was created from the following items:

H1. How much do you know about the JOBS program?

H2. How much training or information have your received on the following topics?

H2c. What clients are required to do under the JOBS program.

H2d. The kinds of job search, education, training, work experience placement, and support services available under JOBS.

H2e. The goals and objectives of JOBS. (Nothing to A Lot)

H2f. What to tell mandatory clients about JOBS. (None to A Lot)

H2g. What to tell exempt clients about JOBS. (None to A Lot)

H2h. How to make clients enthusiastic about JOBS. (None to A Lot)

C. **Percent who received helpful training on JOBS**

Cronbach's Alpha = .83

This scale measures the amount of information and training regarding JOBS regulations that IM staff reported having on the rules and procedures of the JOBS program.

The scale was created from the following items:

How much training or information have you received on the following topics?

H2a. The rules that determine whether clients are required to participate in JOBS. (None to A Lot)

H2b. Reasons clients may be deferred or exempted from JOBS. (None to A Lot)

H2i. How to impose and lift financial sanctions on JOBS clients who do not comply with program requirements. (None to A Lot)

D. Percent who have supervisors who pay close attention to JOBS-related functions

Cronbach's Alpha = .72

This scale measures how closely supervisors monitor IM staff job performance. The scale was created from the following items:

How closely does your supervisor monitor each of the following?

L1a. Whether you are referring all mandatory clients to JOBS. (Not at All to Very Closely)

L1b. Whether you are properly exempting clients from JOBS. (Not at All to Very Closely)

L1c. Whether you are imposing sanctions on clients when they are requested by JOBS. (Not at All to Very Closely)

L1d. Whether you are giving a proper explanation of the JOBS program to clients, (Not at All to Very Closely)

E. Average number of minutes spent discussing JOBS with clients

Cronbach's Alpha = .81

This scale measures the average number of minutes IM staff spend discussing the JOBS program with their clients. The scale was created from the following items:

On average, how much time do you or others in your unit spend in discussing the JOBS program with the following types of clients?

B4a. A new applicant who is mandatory or "nonexempt" for JOBS. (0 to 35 minutes)

B4b. A new applicant who is exempt from JOBS requirements. (0 to 35 minutes)

B4d. An ongoing recipient during a redetermination interview who is exempt from JOBS. (0 to 35 minutes)

VIII. Items Used in Figure 4.6: Perceptions of JOBS' Ability to Help Clients

JOBS Staff

A. Percent who think JOBS will help clients become self-supporting

Cronbach's Alpha = .85

This scale measures whether staff believe that the services they provide are helpful to clients. The scale was created from the following items:

K7. Program Effectiveness

K7a. In your opinion, if clients get the typical JOBS services provided by your unit how helpful will these services be to them in getting a job? (Little Help in Getting a Job to Considerable Help in Getting a Job)

K7b. In your opinion, if clients get the typical JOBS services provided by your unit how helpful will the services be in getting them off welfare? (Little Help in Getting Off Welfare to Considerable Help in Getting Off Welfare)

K7c. In your opinion, if clients get the typical JOBS services provided by your unit how helpful will the services be to them in feeling better about themselves? (Little Help in Feeling Better About Themselves to Considerable Help in Feeling Better About Themselves)

K7d. If people in my job do good work, we can really improve the lives of welfare recipients. (Strongly Disagree to Strongly Agree)

K7e. If someone really wants to get off welfare, they can get off with help from my unit. (Strongly Disagree to Strongly Agree)

K7g. A JOBS case manager can have a lot of influence on a clients' motivation to work. (Strongly Disagree to Strongly Agree)

Income Maintenance Staff

B. Percent who think JOBS will help clients become self-supporting

Cronbach's Alpha = .86

This scale measures the extent to which IM staff think the JOBS program will provide helpful services to clients. The scale was created from the following items:

Attitude Toward JOBS

I1. In your opinion, if clients get the typical JOBS services provided by your unit how helpful will these services be to them in getting a job? (Little Help in Getting a Job to Considerable Help in Getting a Job)

12. In your opinion, if clients get the typical JOBS services provided by your unit how helpful will the services be in getting them off welfare? (Little Help in Getting Off Welfare to Considerable Help in Getting Off Welfare)

13. If people in my job do good work, we can really improve the lives of welfare recipients. (Strongly Disagree to Strongly Agree)

14. If someone really wants to get off welfare, they can get off with help from my unit. (Strongly Disagree to Strongly Agree)

17. Is your job less satisfying or more satisfying because of JOBS? (Less Satisfying to More Satisfying)

19. Because of JOBS, I feel I have something positive to offer clients. (Strongly Disagree to Strongly Agree)

APPENDIX C

SUPPLEMENTARY TABLES
ON LFA PARTICIPATION PATTERNS

Appendix Table C.l

Rates of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Labor Force Attachment Approach

Activity Measure	Atlanta			Grand Rapids			Riverside		
	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED
Participated in any activity (job search, education, training, work experience, or life management skills) (%)	73.8	78.9	67.0	69.0	74.9	61.1	43.8	39.4	50.6
Participated in any activity, excluding client-initiated. education or training (%)	70.2	73.3	66.0	51.1	52.8	49.0	42.1	37.4	49.4
Participated in job search (%)	69.1	72.2	65.0	48.2	49.7	46.2	41.3	37.4	47.2
Job club	65.5	66.7	63.9	47.6	48.7	46.2	39.5	37.4	42.7
Individual job search	15.0	20.0	8.3	2.3	4.0	0.0	3.3	1.0	6.7
Participated in any education or training (%)	25.9	22.2	30.9	30.6	40.2	17.8	7.6	8.1	6.7
Participated in education (%)	15.7	6.7	27.8	20.1	24.1	14.7	2.6	2.0	3.4
Basic education	14.4	4.4	27.8	9.2	5.0	14.7	1.3	0.0	3.4
ESL	0.4	0.0	1.0	1.4	1.0	1.9	0.4	0.0	1.1
ABE	1.8	0.0	4.1	1.1	1.0	1.3	0.4	0.0	1.1
GED preparation	9.4	1.1	20.6	2.2	0.0	5.1	0.4	0.0	1.1
High school	0.9	0.0	2.1	2.8	0.0	6.4	0.0	0.0	0.0
Basic skills upgrade[a]	2.8	3.3	2.1	1.7	3.0	0.0	0.0	0.0	0.0
College	1.3	2.2	0.0	12.0	20.1	1.3	1.2	2.0	0.0
Participated in education, excluding client-initiated education (%)	13.0	3.3	25.8	3.9	4.0	3.8	1.3	0.0	3.4

(continued)

Appendix Table C.l (continued)

Activity Measure	Atlanta			Grand Rapids			Riverside		
	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED	Participation Sample	Full High School Diploma or GED	No High School Diploma or GED
Participated in vocational training[b] (%)	11.8	16.7	5.2	14.9	22.1	5.4	5.0	6.1	3.4
Participated in vocational training, excluding client-initiated training (%)	8.1	11.1	4.1	6.5	10.0	1.9	3.5	5.1	1.1
Participated in work experience (%)	14.1	20.0	6.2	9.6	9.0	10.4	0.6	1.0	0.0
Unpaid work experience	10.6	17.8	6.2	7.1	6.0	8.5	0.6	1.0	0.0
On-the-job training	0.6	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paid work'		1.1	0.0	3.3	3.0	3.8	0.0	0.0	0.0
Participated in life management skills workshops (%)	0.4	0.0	1.0	0.0	0.0	0.0	3.5	5.1	1.1
Participated in formal assessment (%)	0.4	0.0	1.0	2.2	2.0	2.5	1.1	1.0	1.1
Employed at least 15 hours per week while mandatory for JOBS (%)	13.8	13.3	14.4	25.4	27.1	23.1	54.0	55.6	51.7
Became no longer JOBS-mandatory (%)	43.4	48.9	36.1	52.0	57.8	44.3	72.5	70.7	75.3
Sample size	187	90	97	219	104	115	188	99	89

SOURCE: MDRC calculations from MDRC-collected JOBS case file data.

NOTES: [a]Refers to activities in which individuals who have earned a high school diploma or GED are participating in a basic educational component to "brush up" on their reading or math skills.

[b]Includes entrepreneurial training.

'Denotes situations in which individuals were combining college work-study or part-time employment with participation in a JOBS activity to meet a 20 hour per week participation goal.

Appendix Table C.2

Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site, Based on Client Survey Data Only

Labor Force Attachment Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	*Labor Force Attachment Group (LFAs)*	*LFA Control Group*	*Difference (Impact)*
Atlanta									
Participated in:									
Any activity	44.9	17.3	27.5 ***	197.4	87.7	109.7 ***	*439.7*	*507.0*	*-67.3*
Job search	29.7	4.0	25.6 ***	50.4	4.0	46.5 ***	*169.8*	*99.3*	*70.5*
Education or training activity	25.1	14.8	10.4 ***	147.0	83.7	63.2 **	*585.6*	*565.8*	*19.8*
Basic education	15.2	4.8	10.4 ***	75.3	15.8	59.5 ***	*495.4*	*329.8*	*165.6 **
ABE or GED	14.1	4.8	[illegible] ***	69.5	15.9	53.6 ***	*493.0*	*331.4*	*161.7 **
ESL	0.4	0.0	0.493 *	3.3	0.0 [a]	3.5 *	*829.9*	*0.0*	*829.9*
High school	1.2	0.0	1.2 **	2.5	0.0 [a]	2.4	*205.9*	*0.0*	*205.9*
College	2.9	3.6	-0.7	17.2	25.9	-8.7	*592.8*	*719.3*	*-126.5*
Vocational training	9.0	7.0	2.0	54.5	42.0	12.5	*605.3*	*600.1*	*5.2*
Work experience or on-the-job training	7.0	1.4	5.6 ***	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[b]	16.0	4.9	11.2 ***	n/a	n/a		*n/a*	*n/a*	
Sample size	393	454		393	454		*(varies)*	*(varies)*	

(continued)

Appendix Table C.2 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	*Labor Force Attachment Group (LFAs)*	*LFA Control Group*	*Difference (Impact)*
Grand Rapids									
Participated in:									
Any activity	55.8	41.1	14.7 ***	239.7	276.5	-36.8	429.5	672.8	-243.3 ***
Job search	30.1	6.1	24.0 ***	42.3	3.6	38.7 ***	140.6	58.8	81.8 ***
Education or training activity	33.7	37.3	-3.5	197.4	272.9	-75.6 *	585.6	731.7	-146. I
Basic education	12.9	13.7	-0.8	50.2	80.3	-30.2	388.8	586.3	-197.5
ABE or GED	10.1	10.3	-0.3	29.7	48.7	-19.0	294.1	472.9	-178.8
ESL	1.4	0.6	0.9	3.3	3.5	-0.2	233.4	585.0	-351.6
High school	2.1	3.7	-1.5	17.2	28.1	-10.9	818.1	759.4	58.7
College	16.5	17.3	-0.8	100.2	126.0	-25.9	607.1	728.5	-121.4
Vocational training	7.9	10.5	-2.6	47.0	66.6	-19.6	595.4	634.2	-38.8
Work experience or on-the-job training	4.2	1.6	2.6 *	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[b]	35.1	6.7	28.4 ***	n/a	n/a		*n/a*	*n/a*	
Sample size	294	272		294	272		*(varies)*	*(varies)*	

(continued)

Appendix Table C.2 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Riverside									
Participated in:									
Any activity	54.9	30.1	24.9 ***	206.7	136.1	70.7 ***	376.6	452.0	-75.4
Job search	38.1	6.2	31.9 ***	45.0	8.9	36.1 ***	118.1	144.0	-26.0
Education or training activity	23.6	25.1	-1.5	161.8	127.1	34.6	685.4	506.5	179.0 **
Basic education	6.2	8.6	-2.4	25.4	20.5	4.9	410.3	238.7	171.6 **
ABE or GED	3.9	5.1	-1.2	11.6	9.0	2.6	297.7	177.1	120.7 **
ESL	1.6	1.4	0.3	9.2	3.7	5.5	572.9	263.3	309.6
High school	1.5	2.5	-1.0	4.7	7.8	-3.1	310.7	312.3	-1.6
College	12.4	10.8	1.5	92.1	68.9	23.2	742.9	638.2	104.7
Vocational training	7.3	8.9	-1.6	44.2	37.7	6.5	605.5	423.3	182.2
Work experience or on-the-job training	2.7	2.0	0.7	n/a	n/a		n/a	n/a	
Sanctioned (%)[b]	15.2	3.9	11.2 ***	n/a	n/a		n/a	n/a	
Sample size	393	758		393	758		(varies)	(varies)	

SOURCE: MDRC calculations from the JOBS Two-Year Client Survey.

NOTES: Survey respondents were interviewed between month 25 and month 31, counting the month in which random assignment occurred as month 1.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Numbers may not add up to 100% because of rounding.

Sample sizes for individual measures vary because of missing values.

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]The adjusted control mean is actually slightly negative.

[b]Sanctioned between date of random assignment and date of survey interview.

N/a = not available or applicable.

Appendix Table C.3

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Labor Force Attachment Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Atlanta									
Participated in:									
Job search	63.2	5.4	57.8	106.8	5.2	101.5	168.8	96.0	72.8
Basic education	9.1	2.7	6.4	59.8	6.9	52.9	657.3	258.5	398.8
Post-secondary program	7.5	9.2	-1.7	50.3	62.8	-12.4	670.8	680.6	-9.7
Vocational training	17.6	12.4	5.2	108.0	86.1	21.9	614.3	693.1	-78.8
Work experience or on-the-job training	23.6	0.9	22.8	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	14.5	3.2	11.3	n/a	n/a		n/a	n/a	
Sample size	220	202		220	202		(varies)	(varies)	

(continued)

Appendix Table C.3 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	*Labor Force Attachment Group (LFAs)*	*LFA Control Group*	*Difference (Impact)*
Grand Rapids									
Participated in:									
Job search	56.3	6.1	50.2	80.2	2.4	77.7	142.4	39.3	103. I
Basic education	6.4	4.8	1.6	13.7	38.2	-24.5	214.9	799.7	-584.8
Post-secondary program	42.8	34.7	8.0	299.0	255.7	43.3	699.2	736.0	-36.8
Vocational training	19.2	18.0	1.2	130.5	118.6	11.9	680.6	660.5	20.1
Work experience or on-the-job training	13.7	2.0	11.6	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	29.0	6.3	22.7	n/a	n/a		*n/a*	*n/a*	
Sample size	178	163		178	163		*(varies)*	*(varies)*	
Riverside									
Participated in:									
Job search	38.4	6.3	32.1	47.2	11.5	35.7	122.9	182.9	-60.0
Basic education	1.5	2.2	-0.7	6.4	4.6	1.9	430.0	209.4	220.6
Post-secondary program	21.8	18.5	3.3	164.8	124.8	40.0	756.1	675. I	81.0
Vocational training	7.1	8.9	-1.7	25.1	37.5	-12.4	352.2	423.4	-71.2
Work experience or on-the-job training	1.8	3.0	-1.2	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	13.1	3.6	9.4	n/a	n/a		*n/a*	*n/a*	
Sample size	200	245		200	245		*(varies)*	*(varies)*	

SOURCE and NOTES: See Table 5.5.

Appendix Table C.4

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Labor Force Attachment Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Particpiation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Atlanta									
Participated in:									
lob search	70.9	9.7	65.6	120.2	5.4	114.9	169.6	100.6	69.0
Basic education	38.4	0.0	28.7	174.4	32.8	141.6	453.7	337.0	116.7
College	0.0	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational training	11.8	7.6	4.2	69.5	30.4	39.1	589. I	397.8	191.2
Work experience or on-the-job trahling	5.8	2.3	3.5	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	17.6	7.3	10.3	n/a	n/a		n/a	n/a	
Sample size	173	252		173	252		(varies)	(varies)	

(continued)

Appendix Table C.4 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Particpiation Among Participants		
	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (impact)
Grand Rapids									
Participated in:									
Job search	52.2	9.0	43.2	69.5	9.2	60.4	133.3	102.6	30.7
Basic education	45.6	41.3	4.2	219.2	225.2	-6.0	481.1	544.6	-63.5
College	4.5	8.5	-4.0	6.7	61.0	-54.2	151.1	717.1	-565.9
Vocational training	9.7	10.5	-0.9	37.2	78.1	-40.9	385.0	740. z	-355. z
Work experience or on-the-job training	5.2	1.0	4.2	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	46.3	6.7	39.7	n/a	n/a		n/a	n/a	
Sample size	116	109		116	109		(varies)	(varies)	
Riverside									
Participated in:									
Job search	62.2	7.7	54.5	69.9	9.9	60.0	ZZ2.5	128.8	-16.3
Basic education	13.3	14.8	-4.2	56.8	41.0	15.8	426.6	234. Z	192.5
College	4.8	9.5	-0.1	34.3	23.0	11.3	720.8	475.7	245.0
Vocational training	8.1		-1.5	63.9	40.8	23.1	791.6	427.2	364.3
Work experience or on-the-job training	2.5	1.2	1.3	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	16.8	4.2	12.6	n/a	n/a		n/a	n/a	
Sample size	193	513		193	513		(varies)	(varies)	

SOURCE and NOTES: See Table 5.5.

APPENDIX D

SUPPLEMENTARY TABLES
ON HCD PARTICIPATION PATTERNS

Appendix Table D.l

Rates of Participation in JOBS Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and Site

Human Capital Development Approach

Activity Measure	Atlanta			Grand Rapids			Riverside
	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED	No High School Diploma or GED
Participated in any activity (job search, education, training, work experience, or life management skills) (%)	61.3	59.3	63.6	66.8	67.1	66.3	51.1
Participated in any activity, excluding client-initiated education or training (%)	55.1	49.5	61.6	43.4	41.5	46.0	50.0
Participated in job search (%)	12.1	16.5	7.1	13.7	15.1	11.9	18.1
Job club	9.8	12.1	7.1	10.4	9.9	11.1	17.0
Individual job search	3.0	5.5	0.0	5.2	7.2	2.7	2.1
Participated in any education or training (%)	57.0	53.9	60.6	57.9	54.3	62.7	46.8
Participated in education (%)	37.0	17.6	59.6	41.8	30.6	56.3	44.7
Basic education	35.3	14.3	59.6	31.8	12.8	56.3	44.7
ESL	0.0	0.0	0.0	2.7	2.0	3.7	4.3
ABE	5.0	3.3	7.1	9.6	4.0	17.0	24.5
GED preparation	28.0	7.7	51.5	9.9	0.0	22.7	17.0
High school	0.0	0.0	0.0	6.8	0.0	15.7	0.0
Basic skills upgrade[a]	2.7	3.3	2.0	3.9	6.9	0.0	6.9
College	1.8	3.3	0.0	11.5	17.7	3.5	0.0
Participated in education, excluding client-initiated education (%)	34.3	14.3	57.6	22.9	15.5	32.4	43.6
Participated in vocational training[b] (%)	27.2	42.9	9.1	23.4	29.6	15.5	10.6

(continued)

Appendix Table D. 1 (continued)

Activity Measure	Atlanta Full Participation Sample	Atlanta High School Diploma or GED	Atlanta No High School Diploma or GED	Grand Rapids Full Participation Sample	Grand Rapids High School Diploma or GED	Grand Rapids No High School Diploma or GED	Riverside No High School Diploma or GED
Participated in vocational training, excluding client-initiated training (%)	23.1	35.2	9.1	13.5	14.1	12.7	9.6
Participated in work experience (%)	8.5	13.2	3.0	10.8	13.1	7.8	0.0
Unpaid work experience	7.4	12.1	2.0	6.9	9.5	3.5	0.0
On-the-job training	0.6	1.1	0.0	0.4	0.0	0.8	0.0
Paid work'	0.5	0.0	1.0	3.6	3.6	3.5	0.0
Participated in life management skills workshops (%)	4.4	5.5	3.0	0.0	0.0	0.0	7.5
Participated in formal assessment (%)	2.0	1.1	3.0	60.4	62.5	57.7	1.1
Employed at least 15 hours per week while mandatory for JOBS (%)	10.4	17.6	2.0	23.0	24.0	21.6	34.0
Became no longer JOBS-mandatory (%)	42.3	44.0	40.4	49.4	49.4	49.5	72.3
Sample size	190	91	99	215	104	111	94

SOURCE: MDRC calculations from MDRC-collected JOBS case file data.

NOTES: [a]Refers to activities in which individuals who have earned a high school diploma or GED are participating in a basic educational component to "brush up" on their reading or math skills.

[b]Includes entrepreneurial training.

'Denotes situations in which individuals were combining college work-study or part-time employment with participation in a JOBS activity to meet a 20 hour per week participation goal.

Appendix Table D.2

Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site, Based on Client Survey Data Only

Human Capital Development Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	*Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
Atlanta									
Participated in:									
Any activity	50.9	17.3	33.6 ***	313.4	87.7	225.7 ***	615.8	507.0	*108.8*
Job search	15.0	4.0	11.0 ***	20.8	4.0	16.8 ***	138.3	99.3	*39.0*
Education or training activity	41.1	14.8	26.3 ***	292.7	83.7	209.0 ***	712.1	565.8	*146.4* **
Basic education	24.3	4.8	19.5 ***	169.0	15.8	153.1 ***	695.3	329.8	*365.5* ***
ABE or GED	24.1	4.8	19.3 ***	158.8	15.9	142.9 ***	658.9	331.4	*327.5* ***
ESL	0.0	0.0	0.0	0.0	0.0 [a]	0.2	0.0	0.0	*0.0*
High school	0.9	0.0	0.9	10.1	0.0 [a]	10.1 **	1125.6	0.0	*1125.6*
College	4.1	3.6	0.5	22.2	25.9	-3.7	542.5	719.3	*-176.8*
Vocational training	15.3	7.0	8.3 ***	101.5	42.0	59.5 ***	663.3	600.1	*63.2*
Work experience or on-the-job training	5.9	1.4	4.5 ***	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[b]	24.3	4.9	19.4 ***	n/a	n/a		*n/a*	*n/a*	
Sample size	542	454		542	454		*(varies)*	*(varies)*	

(continued)

Appendix Table D.2 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	*Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
Grand Rapids									
Participated in:									
Any activity	*68.7*	*41.1*	27.6 ***	413.8	*276.5*	*137.3* ***	*602.3*	*672.8*	*-70.5*
Job search	*20.2*	*6.1*	14.2 ***	35.5	*3.6*	*32.0* ***	*176.0*	*58.8*	*117.1* **
Education or training activity	*59.2*	*37.3*	21.9 ***	378.2	*272.9*	*105.3* **	*638.9*	*731.7*	*-92.8*
Basic education	*28.5*	*13.7*	14.8 ***	141.2	*80.3*	*60.9* **	*495.6*	*586.3*	*-90.7*
ABE or GED	*23.3*	*10.3*	12.9 ***	97.1	*48.7*	*48.3* ***	*416.5*	*472.9*	*-56.4*
ESL	1.1	*0.6*	0.5	4.1	*3.5*	*0.6*	*370.2*	*585.0*	*-214.8*
High school	*5.4*	*3.7*	1.7	40.1	*28.1*	*12.0*	*742.8*	*759.4*	*-16.6*
College	*19.9*	*17.3*	2.6	129.4	*126.0*	*3.4*	*650.3*	*728.5*	*-78.1*
Vocational training	*19.9*	10.5	9.4 ***	107.6	*66.6*	*41.0*	*540.6*	*634.2*	*-93.6*
Work experience or on-the-job training	3.8	1.6	2.1	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[b]	*32.3*	*6.7*	*25.6* ***	n/a	n/a		*n/a*	*n/a*	
Sample size	266	272		266	272		*(varies)*	*(varies)*	

(continued)

Appendix Table D.2 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Riverside'									
Participated in:									
Any activity	67.8	27.3	40.5 ***	317.2	99.1	218.1 ***	467.8	363.0	104.8 **
Job search	28.2	6.4	21.8 ***	37.7	7.8	29.9 ***	133.8	121.9	11.9
Education or training activity	58.6	23.3	35.4 ***	279.4	91.3	188.1 ***	476.8	391.8	85.0
Basic education	50.4	13.6	36.8 ***	210.1	32.9	177.2 ***	416.9	242.3	174.6 ***
ABE or GED	38.8	7.6	31.2 ***	132.8	14.3	118.5 ***	342.3	188.0	154.3 **
ESL	9.0	2.4	6.6 ***	57.3	6.4	50.9 ***	636.8	266.5	370.3 *
High school	5.7	4.2	1.5	20.0	12.3	7.7	350.6	292.0	58.5
College	6.4	4.4	2.1	25.3	20.7	4.6	395. I	469.5	-74.4
Vocational training	9.1	8.6	0.5	44.0	37.7	6.3	483.8	438.2	45.6
Work experience or on-the-job training	2.1	1.2	0.9	n/a	n/a		n/a	n/a	
Sanctioned (%)[b]	22.1	4.2	18.0 ***	n/a	n/a		n/a	n/a	
Sample size	435	513		435	513		(varies)	(varies)	

SOURCE: MDRC calculations from the JOBS Two-Year Client Survey.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Numbers may not add up to 100 % because of rounding.

Sample sizes for individual measures vary because of missing values.

A two-tailed t-test was applied to differences between outcomes for the HCD and HCD control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]The adjusted control mean is actually slightly negative.

[b]Sanctioned between date of random assignment and date of survey interview.

'Includes only individuals without a high school diploma or GED.

N/a = not available or applicable.

Appendix Table D.3

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Human Capital Development Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	*Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
Atlanta									
Participated in:									
Job search	20.8	5.4	15.4	28.3	5.2	23.1	136.0	96.0	40.0
Basic education	17.6	2.7	14.9	128.5	6.9	121.5	731.8	258.5	473.4
College	10.8	9.2	1.6	51.9	62.8	-10.9	479.4	680.6	-201.1
Vocational training	44.9	12.4	32.4	309.0	86.1	222.9	688.6	693.1	*4.4*
Work experience or on-the-job training	11.8	0.9	11.0	n/a	n/a				
Sanctioned (%)[a]	23.1	3.2	19.9	n/a	n/a		*n/a*	*n/a*	
Sample size	245	202		245	202		*(varies)*	*(varies)*	
Grand Rapids									
Participated in:									
Job search	21.2	6.1	15.1	33.6	2.4	31.2	158.5	39.3	119.2
Basic education	19.8	4.8	15.1	111.2	38.2	73.1	560.7	799.7	-239.0
College	41.5	34.7	6.8	281.8	255.7	26.1	679.2	736.0	-56.8
Vocational training	31.3	18.0	13.3	166.2	118.6	47.6	531.1	660.5	-129.4
Work experience or on-the-job training	21.5	2.0	19.5	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	26.0	6.3	19.7	n/a	n/a		*n/a*	*n/a*	
Sample size	147	163		147	163		(varies)	*(varies)*	

SOURCE and NOTES: See Table 6.5.

Appendix Table D.4

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by Site

Human Capital Development Approach

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	*Human Capital Development Group (HCDs)*	*HCD Control Group*	*Difference (Impact)*
Atlanta									
Participated in:									
Job search	14.7	5.3	9.4	19.5	5.4	14.2	132.6	100.6	32.0
Basic education	65.7	9.7	55.9	460.9	32.8	428.1	701.9	337.0	364.9
College	1.1	0.0	1.1	16.0	0.0	16.0	1520.0	0.0	1520.0
Vocational training	10.3	7.6	2.7	60.6	30.4	30.3	588.6	397.8	190.7
Work experience or on-the-job training	3.0	2.3	0.6	n/a	n/a		*n/a*	*n/a*	
Sanctioned (%)[a]	26.1	7.3	18.9	n/a	nla		*n/a*	*n/a*	
Sample size	297	252		297	252		*(varies)*	*(varies)*	

(continued)

Appendix Table D.4 (continued)

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Grand Rapids									
Participated in:									
Job search	15.3	9.0	6.3	33.2	9.2	24.0	217.0	102.6	114.4
Basic education	84.5	41.3	43.1	445.8	225.2	220.6	527.9	544.6	-16.7
College	11.6	8.5	3.1	81.0	61.0	20.0	700.7	717.1	-16.3
Vocational training	32.5	10.5	22.0	155.2	78.1	77.1	476.9	740.1	-263.1
Work experience or on-the-job training	7.7	1.0	6.7	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	42.4	6.7	35.8	n/a	n/a		n/a	n/a	
Sample size	119	109		119	109		(varies)	(varies)	
Riverside									
Participated in:									
Job search	37.0	7.7	29.3	49.6	9.9	39.7	134.1	128.8	5.3
Basic education	74.6	17.5	57.1	319.4	41.0	278.4	427.9	234.1	193.8
College	7.1	4.8	2.3	26.8	23.0	3.8	378.4	475.7	-97.3
Vocational training	8.4	9.5	-1.2	36.2	40.8	-4.6	433.2	427.2	5.9
Work experience or on-the-job training	2.1	1.2	0.9	n/a	n/a		n/a	n/a	
Sanctioned (%)[a]	22.1	4.2	18.0	n/a	n/a		n/a	n/a	
Sample size	435	513		435	513		(varies)	(varies)	

SOURCE and NOTES: See Table 6.5.

APPENDIX E

SUPPLEMENTARY TABLES ON LFA IMPACTS

Appendix Table E.l

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	59.1	53.6	5.4 ***	10.2
Year 1	43.7	39.1	4.5 **	11.5
Year 2	51.4	45.2	6.3 ***	13.9
Quarter of random assignment	17.0	15.8	1.1	7.2
Quarter 2	21.3	19.7	1.6	8.2
Quarter 3	25.7	23.9	1.7	7.2
Quarter 4	29.5	24.7	4.8 **	19.4
Quarter 5	31.6	26.5	5.1 ***	19.4
Quarter 6	34.6	27.7	7.0 ***	25.2
Quarter 7	36.4	30.7	5.8 ***	18.8
Quarter 8	35.8	30.9	4.8 **	15.6
Quarter 9	37.5	31.7	5.8 ***	18.4
Average quarterly employment rate (%)				
Years l-2	31.6	27.0	4.6 ***	17.0
Year 1	27.0	23.7	3.3 **	14.0
Year 2	36.1	30.2	5.8 ***	19.3
If ever employed in years 1-2:				
Total quarters employed	4.27	4.02	0.25 [a]	6.2
Quarter of first employment	4.07	4.23	-0.07 [a]	-1.6
Quarters in first employment spell	3.75	3.40	0.34 [a]	10.1
Average total earnings ($)				
Years l-2	4,511	3,410	1,100 ***	32.3
Year 1	1,683	1,335	347 ***	26.0
Year 2	2,828	2,075	753 ***	36.3
Quarter of random assignment	156	167	-11	-6.6
Quarter 2	283	212	71 **	33.3
Quarter 3	407	320	87 **	27.1
Quarter 4	449	372	77 *	20.8
Quarter 5	544	431	113 **	26.1
Quarter 6	652	444	208 ***	46.9
Quarter 7	699	502	197 ***	39.2
Quarter 8	718	534	184 ***	34.5
Quarter 9	759	595	164 ***	27.6
Average earnings per quarter employed ($)				
Years Z-2	1, 787	1,581	206 [a]	13.1
Year 1	1,557	1,408	148 [a]	10.5
Year 2	1,959	1,715	244 [a]	14.2

(continued)

Appendix Table E.l (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	48.6	54.8	-6.3 ***	--
$1 - $1,999	18.6	19.1	-0.5	--
$2,000 - $4,999	12.4	9.4	3.0 **	--
$5,000 - $9,999	11.2	9.7	1.5	--
$10,000 - $19,999	8.2	6.5	1.7	--
$20,000 or more	1.0	0.4	0.6 *	--
If employed:				
$1 - $1,999	36.2	42.4	-6.2 [a]	--
$2,000 - $4,999	24.1	20.9	3.2 [a]	--
$5,000 - $9,999	21.8	21.5	0.3 [a]	
$10,000 - $19,999	16.0	14.4	1.6 [a]	
$20,000 or more	1.9	0.8	1.1 [a]	--
Ever received any AFDC payments (%)				
Years l-2	97.7	98.1	-0.4	-0.5
Year 1	97.4	97.8	-0.4	-0.5
Year 2	82.0	86.1	-4.1 ***	-4.8
Quarter of random assignment	98.3	98.3	0.0	0.0
Quarter 2	96.7	97.7	-1.0 *	-1.0
Quarter 3	91.7	93.6	-1.9 *	-2.1
Quarter 4	86.9	88.2	-1.3	-1.5
Quarter 5	81.9	85.1	-3.2 **	-3.8
Quarter 6	79.0	82.9	-3.9 **	-4.7
Quarter 7	75.3	79.6	-4.3 **	-5.4
Quarter 8	71.5	77.7	-6.2 ***	-8.0
Quarter 9	68.4	74.8	-6.4 ***	-8.6
Average number of months receiving AFDC payments				
Years l-2	18.66	19.69	-1.03 ***	-5.2
Year 1	10.27	10.63	-0.36 ***	-3.4
Year 2	8.39	9.06	-0.67 ***	-7.4
AFDC receipt in years l-2				
Number of months in first AFDC spell	17.56	18.84	-1.28 ***	-6.8
Received, continuously (%) [b]	57.3	63.7	-6.3 ***	-10.0
Ever off (%) [c]	42.7	36.3	6.3 ***	17.5
If ever off: [c]				
Month first off AFDC	13.37	14.22	-0.85 [a]	-6.0
Returned to AFDC (%)	32.1	31.8	0.3 [a]	1.1
If returned:				
Months on AFDC after first spell	3.42	2.69	0.73 [a]	27.2

(continued)

Appendix Table E.l (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	4,959	5,327	-368 ***	-6.9
Year 1	2,757	2,887	-130 ***	-4.5
Year 2	2,202	2,440	-238 ***	-9.8
Quarter of random assignment	794	797	-3	-0.3
Quarter 2	770	780	-10	-1.3
Quarter 3	711	745	-34 ***	-4.5
Quarter 4	656	698	-42 ***	-6.0
Quarter 5	620	665	-44 ***	-6.7
Quarter 6	590	644	-53 ***	-8.3
Quarter 7	556	616	-60 ***	-9.8
Quarter 8	540	601	-61 ***	-10.1
Quarter 9	515	579	-63 ***	-10.9
Average** AFDC payment **per month received ($)				
Years l-2	***266***	***270***	***-5*** [a]	***-1.8***
Year 1	***268***	***272***	***-3*** [a]	***-1.2***
Year 2	***262***	***269***	***-7*** [a]	***-2.5***
Sample size (total = 1,929)	946	983		

SOURCES: MDRC calculations from Georgia unemployment insurance (UI) earnings records and AFDC records.

NOTES: Samples for impact analyses consist of individuals who were randomly assigned during the following periods: Atlanta (January 1992 - December 1992); Grand Rapids (September 1991-December 1992); Riverside (June 1991-December 1992). These samples constitute 60 percent of the projected complete JOBS impact samples.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Italicized estimates cover only periods of employment or AFDC receipt. Differences between program group members and controls for such "conditional" estimates are not true experimental comparisons.

"Percentage difference" equals 100 times "difference" divided by "control group."

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups. Statistical significance levels are indicated as: * 10 percent; ** = 5 percent; *** = 1 percent.

[a] Not a true experimental comparison; statistical tests were not performed.

[b] "Received continuously" is defined as never having experienced two consecutive months with zero AFDC payments, starting with the first month of quarter 2.

[c] "Ever off" is defined as having experienced at least one two-month period with zero AFDC payments, starting with the first month of quarter 2.

Appendix Table E.2

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	***74.4***	***65.3***	9.1 ***	13.9
Year 1	***60.3***	***49.4***	10.9 ***	22.1
Year 2	***63.4***	***55.6***	7.8 ***	14.0
Quarter of random assignment	***29.3***	***23.7***	5.5 ***	23.3
Quarter 2	***37.1***	***24.0***	13.1 ***	54.4
Quarter 3	***37.4***	***27.0***	10.4 ***	38.5
Quarter 4	***38.6***	***29.1***	9.4 ***	32.4
Quarter 5	***37.5***	***32.7***	4.7 **	14.4
Quarter 6	***40.3***	***32.5***	7.8 ***	23.9
Quarter 7	***40.6***	***33.7***	6.8 ***	20.3
Quarter 8	***40.8***	***36.5***	4.3 **	11.7
Quarter 9	***43.6***	***39.0***	4.6 **	11.8
Average quarterly employment rate (%)				
Years l-2	***39.5***	***31.8***	7.6 ***	24.0
Year 1	***37.6***	***28.2***	9.4 ***	33.3
Year 2	***41.3***	***35.4***	5.9 ***	16.6
If ***ever employed in years*** l-2:				
Total quarters employed	***4.24***	***3.90***	0.34 [a]	8.8
Quarter of jirst employment	***3.55***	***4.07***	-0.52 [a]	-12.7
Quarters in first employment spell	***3.29***	***3.00***	0.28 [a]	9.5
Average total earnings ($)				
Years l-2	***4,935***	***3,916***	1,019 ***	26.0
Year 1	***2,077***	***1,533***	543 ***	35.4
Year 2	***2,858***	***2,383***	475 **	19.9
Quarter of random assignment	***210***	***178***	32	17.7
Quarter 2	***425***	***260***	165 ***	63.3
Quarter 3	***518***	***361***	157 ***	43.5
Quarter 4	***570***	***417***	153 ***	36.8
Quarter 5	***563***	***495***	68	13.8
Quarter 6	***613***	***500***	113 **	22.7
Quarter 7	***673***	***514***	159 ***	31.0
Quarter 8	***741***	***627***	114 *	18.2
Quarter 9	***830***	***742***	89	11.9
Average earnings per quarter employed ($)				
Years l-2	***1,563***	***1,538***	2.5 [a]	1.6
Year 1	***1,380***	***1,358***	22 [a]	1.6
Year 2	***1730***	***1681***	49 [a]	2.9

(continued)

Appendix Table E.2 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	36.6	44.4	-7.8 ***	--
$1 - $1,999	25.3	23.1	2.3	--
$2,000 - $4,999	16.5	13.7	2.8 *	--
$5,000 - $9,999	13.4	12.5	0.9	--
$10,000 - $19,999	7.5	5.8	1.7	--
$20,000 or more	0.6	0.4	0.1	--
If employed:				
$1 - $1,999	40.0	41.5	-1.5 [a]	--
$2, ooo - $4,999	26.1	24.7	1.4 [a]	--
$5,000 - $9,999	21.2	22.5	-1.3 [a]	--
$10,000 - $19,999	11.9	IO.5	1.4 [a]	--
$20, 000 or more	0.9	0.8	0.1 [a]	--
Ever received any AFDC payments (%)				
Years l-2	95.7	97.4	-1.8 **	-1.8
Year 1	95.1	97.1	-2.0 **	-2.1
Year 2	74.5	79.9	-5.4 ***	-6.8
Quarter of random assignment	97.7	98.1	-0.4	-0.4
Quarter 2	92.6	95.7	-3.1 ***	-3.2
Quarter 3	83.5	89.8	-6.3 ***	-7.0
Quarter 4	76.8	84.2	-7.4 ***	-8.7
Quarter 5	71.7	79.3	-7.6 ***	-9.6
Quarter 6	67.7	76.8	-9.1 ***	-11.9
Quarter 7	63.5	71.6	-8.1 ***	-11.4
Quarter 8	61.9	68.9	-7.0 ***	-10.2
Quarter 9	58.1	65.1	-7.0 ***	-10.8
Average number of months receiving AFDC payments				
Years l-2	15.97	17.94	-1.97 ***	-11.0
Year 1	9.03	9.99	-0.96 ***	-9.6
Year 2	6.93	7.95	-1.01 ***	-12.7
AFDC receipt in years l-2				
Number of months in first AFDC spell	13.79	16.57	-2.79 ***	-16.8
Received continuously (%) [b]	37.8	50.6	-12.7 ***	-25.2
Ever off (%) [c]	62.2	49.4	12.7 ***	25.8
If ever off: [c]				
Month first off AFDC	11.94	13.38	-1.44 [a]	-10.8
Returned to AFDC (%)	44.1	35.8	8.3 [a]	23.2
If returned:				
Months on AFDC after first spell	4.94	3.80	1.14 [a]	29.9

(continued)

Appendix Table E.2 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years 1-2	6,301	7,639	-1,338 ***	-17.5
Year 1	3,556	4,245	-688 ***	-16.2
Year 2	2,744	3,394	-650 ***	-19.1
Quarter of random assignment	1,135	1,152	-17	-1.5
Quarter 2	1,064	1,176	-112 ***	-9.5
Quarter 3	894	1,077	-182 ***	-16.9
Quarter 4	831	1,020	-188 ***	-18.5
Quarter 5	766	972	-206 ***	-21.2
Quarter 6	737	926	-189 ***	-20.4
Quarter 7	704	871	-167 ***	-19.2
Quarter 8	670	825	-155 ***	-18.8
Quarter 9	633	772	-139 ***	-18.0
Average** AFDC payment **per month received ($)				
Years 1-2	***395***	***426***	***-31*** [a]	***-7.3***
Year 1	***394***	***425***	***-31*** [a]	***-7.3***
Year 2	***396***	***427***	***-31*** [a]	***-7.3***
Sample size (total = 1,922)	994	928		

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings records and AFDC records.

NOTES: See Appendix Table E. 1.

Appendix Table E.3

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	59.3	45.1	14.3 ***	31.6
Year 1	49.1	34.0	15.2 ***	44.6
Year 2	44.8	37.1	7.7 ***	20.7
Quarter of random assignment	22.5	18.2	4.3 ***	23.6
Quarter 2	31.4	19.5	11.9 ***	60.7
Quarter 3	33.4	22.0	11.4 ***	51.7
Quarter 4	33.0	22.9	10.1 ***	44.3
Quarter 5	33.0	22.9	10.1 ***	43.9
Quarter 6	31.5	24.3	7.2 ***	29.6
Quarter 7	31.9	25.4	6.6 ***	25.9
Quarter 8	30.6	26.3	4.3 ***	16.2
Quarter 9	31.0	27.2	3.8 ***	13.9
Average quarterly employment rate (%)				
Years l-2	32.0	23.8	8.2 ***	34.2
Year 1	32.7	21.8	10.9 ***	49.7
Year 2	31.3	25.8	5.5 ***	21.1
If ever employed *in years* l-2:				
Total quarters employed	4.31	4.23	0.08 [a]	2.0
Quarter of jirst employment	3.43	3.90	-0.47 [a]	-12.0
Quarters in first employment spell	3.75	3.67	0.08 [a]	2.3
Average total earnings ($)				
Years l-2	5,386	4,174	1,212 ***	29.0
Year 1	2,407	1,756	651 ***	37.1
Year 2	2,979	2,418	561 ***	23.2
Quarter of random assignment	231	237	-6	-2.6
Quarter 2	454	362	92 ***	25.4
Quarter 3	618	451	166 ***	36.9
Quarter 4	646	453	193 ***	42.6
Quarter 5	690	490	200 ***	40.7
Quarter 6	715	545	170 ***	31.3
Quarter 7	748	582	167 ***	28.6
Quarter 8	747	625	122 ***	19.4
Quarter 9	768	666	103 **	15.4
Average earnings per quarter employed ($)				
Years l-2	2,106	2,191	-85 [a]	-3.9
Year 1	1,841	2,011	-170 [a]	-8.5
Year 2	2,383	2,342	40 [a]	1.7

(continued)

Appendix Table E.3 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	55.2	62.9	-7.7 ***	--
$1 - $1,999	13.3	11.5	1.8 *	--
$2,000 - $4,999	10.3	8.4	2.0 **	--
$5,000 - $9,999	10.3	8.4	1.9 **	--
$10,000 - $19,999	8.8	7.4	1.4 *	--
$20,000 or more	2.1	1.4	0.7 *	--
If employed:				
$I- $1,999	29.6	31.0	-1.4 [a]	--
$2, ooo - $4,999	23.1	22.6	0.6 [a]	--
$5, ooo - $9,999	23.0	22.7	0.3 [a]	--
$10,000 - $19,999	19.6	19.9	-0.3 [a]	--
$20,000 or more	4.7	3.8	0.9 [a]	--
Ever received any AFDC payments (%)				
Years l-2	93.3	93.4	-0.1	-0.1
Year 1	92.7	92.9	-0.1	-0.2
Year 2	62.8	68.7	-5.9 ***	-8.5
Quarter of random assignment	96.4	96.5	-0.1	-0.1
Quarter 2	91.5	91.7	-0.2	-0.2
Quarter 3	80.5	83.8	-3.3 ***	-4.0
Quarter 4	71.2	75.4	-4.3 ***	-5.6
Quarter 5	63.6	69.6	-6.0 ***	-8.6
Quarter 6	58.8	65.2	-6.4 ***	-9.8
Quarter 7	55.3	61.4	-6.1 ***	-9.9
Quarter 8	52.4	58.7	-6.2 ***	-10.6
Quarter 9	50.0	55.9	-5.8 ***	-10.4
Average number of months receiving AFDC payments				
Years l-2	14.72	16.01	-1.29 ***	-8.1
Year 1	8.61	9.12	-0.51 ***	-5.6
Year 2	6.11	6.89	-0.78 ***	-11.3
AFDC receipt in years l-2				
Number of months in first AFDC spell	13.59	14.87	-1.28 ***	-8.6
Received continuously (%) [b]	38.5	44.5	-6.0 ***	-13.5
Ever off (%) [c]	61.5	55.5	6.0 ***	10.8
If ever off: [c]				
Month first off AFDC	*11.30*	11.77	-0.47 [a]	-4.0
Returned to AFDC (%)	*25.0*	24.3	0.7 [a]	3.1
Zf returned:				
Months on AFDC after first spell	*4.54*	*4.70*	-0.16 [a]	-3.3

(continued)

Appendix Table E.3 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)		Percentage Difference (%)
Average total AFDC payments received ($)					
Years l-2	8,385	9,652	-1,267	***	-13.1
Year 1	4,940	5,521	-581	***	-10.5
Year 2	3,445	4,131	-686	***	-16.6
Quarter of random assignment	1,616	1,628	-12		-0.8
Quarter 2	1,537	1,599	-62	***	-3.9
Quarter 3	1,289	1,439	-149	***	-10.4
Quarter 4	1,116	1,292	-176	***	-13.6
Quarter 5	998	1,192	-194	***	-16.3
Quarter 6	936	1,120	-184	***	-16.4
Quarter 7	877	1,056	-179	***	-16.9
Quarter 8	830	1,006	-175	***	-17.4
Quarter 9	802	950	-148	***	-15.5
Average AFDC payment per month received ($)					
Years 1-2	***570***	***603***	***-33*** [a]		***-5.5***
Year 1	***574***	***605***	***-32*** [a]		***-5.2***
Year 2	***564***	***599***	***-36*** [a]		***-6.0***
Sample size (total = 4,975)	2,497	2,478			

SOURCES: MDRC calculations from California unemployment insurance (UI) earnings records and county AFDC records.

NOTES: See Appendix Table E.1.

Appendix Table E.4

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	66.1	59.6	6.4 **	10.8
Year 1	51.1	44.6	6.5 **	14.7
Year 2	57.7	50.8	6.8 **	13.4
Quarter of random assignment	21.0	17.6	3.4 *	19.1
Quarter 2	24.7	22.5	2.2	10.0
Quarter 3	29.8	27.1	2.7	10.0
Quarter 4	36.3	28.8	7.5 ***	26.1
Quarter 5	39.3	30.1	9.2 ***	30.6
Quarter 6	41.6	32.1	9.4 ***	29.4
Quarter 7	41.8	34.5	7.3 **	21.3
Quarter 8	41.2	35.3	5.9 **	16.7
Quarter 9	42.2	36.6	5.6 *	15.4
Average quarterly employment rate (%)				
Years l-2	37.1	30.9	6.2 ***	20.2
Year 1	32.5	27.1	5.4 ***	20.0
Year 2	41.7	34.6	7.1 ***	20.4
If ever employed in years l-2:				
Total quarters employed	4.49	4.14	0.35 [a]	8.5
Quarter of first employment	3.93	4.03	-0.09 [a]	-2.3
Quarters in first employment spell	3.97	3.53	***0.44*** [a]	12.6
Average total earnings ($)				
Years l-2	5,614	4,135	1,479 ***	35.8
Year 1	2,068	1,593	***475 ******	29.9
Year 2	3,546	2,543	***1,003 ******	39.5
Quarter of random assignment	196	182	***14***	7.4
Quarter 2	310	232	***79 **	34.0
Quarter 3	483	375	108 *	28.7
Quarter 4	555	460	94	20.5
Quarter 5	720	526	195 ***	37.0
Quarter 6	852	534	317 ***	59.4
Quarter 7	894	590	304 ***	51.5
Quarter 8	864	665	199 **	30.0
Quarter 9	937	754	183 **	24.2
Average earnings per quarter employed ($)				
Years l-2	***I, 891***	1,675	216 [a]	12.9
Year I	***I,590***	I, 469	121 [a]	8.2
Year 2	2 , 1 2	6I, 836	***290*** [a]	***15.8***

(continued)

Appendix Table E.4 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings year 2				
None	42.3	49.2	-6.8 **	--
$1 - $1,999	18.1	21.3	-3.2	--
$2,000 - $4,999	13.9	8.7	5.2 ***	--
$5,000 - $9,999	14.2	11.6	2.7	--
$10,000 - $19,999	9.9	9.0	0.9	--
$20,000 or more	1.5	0.3	1.2 **	--
If employed:				
$1 - $1,999	*31.3*	*41.8*	*-10.5* [a]	--
$2,000 - $4,999	*24.1*	*17.0*	*7.1* [a]	--
$5,000 - $9,999	*24.7*	*22.8*	*1.9* [a]	--
$10,000 - $19,999	*17.2*	*17.7*	*-0.5* [a]	--
$20,000 or more	*2.6*	*0.6*	*2.0* [a]	--
Ever received any AFDC payments (%)				
Years l-2	97.8	97.8	0.0	0.0
Year 1	97.6	97.4	0.1	0.1
Year 2	77.9	84.3	-6.4 ***	-7.6
Quarter of random assignment	98.0	98.0	0.0	0.0
Quarter 2	96.4	97.3	-0.9	-0.9
Quarter 3	90.8	92.3	-1.5	-1.7
Quarter 4	84.3	87.3	-3.0	-3.5
Quarter 5	77.7	83.6	-5.9 ***	-7.1
Quarter 6	73.9	81.2	-7.3 ***	-9.0
Quarter 7	71.5	77.5	-6.0 **	-7.7
Quarter 8	67.8	74.8	-7.0 ***	-9.3
Quarter 9	64.4	71.3	-6.9 **	-9.7
Average number of months receiving AFDC payments				
Years l-2	17.80	19.17	-1.37 ***	-7.2
Year 1	9.93	10.46	-0.53 ***	-5.0
Year 2	7.87	8.71	-0.85 ***	-9.7
AFDC receipt in years l-2				
Number of months in first AFDC spell	16.38	18.17	-1.79 ***	-9.8
Received continuously (%) [b]	51.3	58.8	-7.6 ***	-12.9
Ever off (%) [c]	48.7	41.2	7.6 ***	18.4
If ever off: [c]				
Month first off AFDC	*12.81*	*14.21*	*-1.40* [a]	-9.9
Returned to AFDC (%)	*34.8*	*33.3*	*1.5* [a]	4.5
If returned:				
Months on AFDC after first spell	*4.07*	*3.01*	*1.06* [a]	35.3

(continued)

Appendix Table E.4 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years 1-2	4,612	5,093	-481 ***	-9.5
Year 1	2,592	2,784	-193 ***	-6.9
Year 2	2,020	2,309	-289 ***	-12.5
Quarter of random assignment	772	778	-6	-0.8
Quarter 2	740	755	-15	-2.0
Quarter 3	676	717	-41 ***	-5.7
Quarter 4	611	672	-60 ***	-9.0
Quarter 5	564	640	-76 ***	-11.9
Quarter 6	539	618	-79 ***	-12.8
Quarter 7	511	586	-76 ***	-12.9
Quarter 8	497	566	-68 ***	-12.1
Quarter 9	473	539	-66 ***	-12.2
Average AFDC payment per month received ($)				
Years 1-2	***259***	***266***	***-7*** [a]	***-2.5***
Year 1	***261***	***266***	***-5*** [a]	***-2.0***
Year 2	***257***	***265***	***-8*** [a]	***-3.1***
Sample size (total = 1,091)	522	569		

SOURCES and NOTES: See Appendix Table E. 1.

Appendix Table E.5

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	50.4	45.8	4.6	9.9
Year 1	34.2	32.5	1.7	5.4
Year 2	43.5	37.9	5.6 *	14.8
Quarter of random assignment	12.2	13.6	-1.4	-10.3
Quarter 2	17.0	16.5	0.5	3.2
Quarter 3	20.2	20.3	-0.1	-0.5
Quarter 4	20.8	20.2	0.6	3.1
Quarter 5	21.8	22.1	-0.3	-1.2
Quarter 6	25.9	22.0	4.0	18.0
Quarter 7	29.5	26.2	3.3	12.7
Quarter 8	28.7	25.8	2.8	11.0
Quarter 9	31.3	25.9	5.4 *	20.8
Average quarterly employment rate (%)				
Years l-2	24.4	22.4	2.0	9.1
Year 1	20.0	19.8	0.2	1.0
Year 2	28.8	25.0	3.9	15.5
If ever *employed in years l-2:*				
Total quarters employed	3.88	3.91	-0.03 [a]	-0.8
Quarter of first employment	4.31	4.26	0.05 [a]	1.1
Quarters in first employment spell	3.35	3.26	0.09 [a]	2.8
Average total earnings ($)				
Years l-2	3,057	2,623	434	16.5
Year 1	1,160	1,072	88	8.2
Year 2	1,897	1,550	346	22.3
Quarter of random assignment	113	149	-37	-24.5
Quarter 2	243	196	47	23.9
Quarter 3	299	269	30	11.3
Quarter 4	303	280	23	8.3
Quarter 5	315	328	-13	-3.9
Quarter 6	392	346	45	13.1
Quarter 7	447	412	34	8.3
Quarter 8	526	388	138 **	35.5
Quarter 9	532	404	129 *	31.9
Average earnings per quarter employed ($)				
Years l-2	1,566	1,465	loo [a]	6.8
Year 1	1,453	1,356	97 [a]	7.1
Year 2	1,644	1,552	92 [a]	5.9

(continued)

Appendix Table E.5 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	56.5	62.1	-5.6 *	--
$1 - $1,999	19.2	15.9	3.3	--
$2,000 - $4,999	10.5	10.6	-0.1	--
$5,000 - $9,999	7.5	7.7	-0.2	--
$10,000 - $19,999	6.1	3.2	2.9 **	--
$20,000 or more	0.2	0.6	-0.4	--
If *employed:*				
$1 - $1,999	44.1	41.8	2.3 [a]	--
$2,000 - $4,999	24.1	28.0	-3.9 [a]	--
$5,000 - $9,999	17.2	20.2	-3.0 [a]	--
$10,000 - $19,999	14.1	8.4	5.7 [a]	--
$20,000 or more	0.4	1.5	-1.1 [a]	--
Ever received any AFDC payments (%)				
Years l-2	97.6	98.5	-0.8 **	-0.9
Year 1	97.1	98.2	-1.1 *	-1.1
Year 2	86.9	88.1	-1.2	-1.3
Quarter of random assignment	98.5	98.5	0.0 **	0.0
Quarter 2	97.1	98.2	-1.1 *	-1.1
Quarter 3	92.9	95.3	-2.4 *	-2.5
Quarter 4	90.3	89.1	1.2	1.3
Quarter 5	87.2	86.7	0.5	0.6
Quarter 6	85.3	84.8	0.4	0.5
Quarter 7	79.9	82.2	-2.3	-2.8
Quarter 8	76.1	81.1	-5.0 *	-6.2
Quarter 9	73.1	78.8	-5.7 **	-7.2
Average number of months receiving AFDC payments				
Years l-2	19.72	20.29	-0.57	-2.8
Year 1	10.70	10.83	-0.13	-1.2
Year 2	9.02	9.46	-0.44	-4.7
AFDC receipt in years l-2				
Number of months in first AFDC spell	19.04	19.62	-0.58	-3.0
Received continuously (%)[b]	64.8	69.5	-4.6	-6.7
Ever off (%)[c]	35.2	30.5	4.6	15.2
If ever off:[c]				
Month first off AFDC	14.40	14.15	0.25 [a]	1.7
Returned to AFDC (%)	26.8	29.1	-2.3 [a]	-7.8
If returned:				
Months on AFDC after first spell	2.55	2.33	0.23 [a]	9.8

(continued)

Appendix Table E.5 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	5,392	5,606	-214 *	-3.8
Year 1	2,966	3,009	-43	-1.4
Year 2	2,426	2,597	-171 **	-6.6
Quarter of random assignment	822	821	2	0.2
Quarter 2	807	811	-3	-0.4
Quarter 3	756	778	-22	-2.8
Quarter 4	712	727	-16	-2.2
Quarter 5	691	693	-2	-0.3
Quarter 6	653	675	-21	-3.2
Quarter 7	611	652	-41 *	-6.3
Quarter 8	593	643	-50 **	-7.7
Quarter 9	568	627	-59 **	-9.4
Average** AFDC payment **per month received ($)				
Years l-2	***273***	***276***	***-3*** [a]	***-1.0***
Year 1	***277***	***278***	***-1*** [a]	***-0.2***
Year 2	***269***	***274***	***-6*** [a]	***-2.0***
Sample size (total = 838)	424	414		

SOURCES and NOTES: See Appendix Table E. 1.

Appendix Table E.6

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments:

Grand Rapids Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	78.7	70.6	8.1 ***	11.5
Year 1	64.3	55.9	8.3 ***	14.9
Year 2	67.3	59.1	8.1 ***	13.8
Quarter of random assignment	31.8	26.7	5.1 **	19.0
Quarter 2	38.6	27.5	11.1 ***	40.3
Quarter 3	38.9	30.8	8.1 ***	26.2
Quarter 4	41.0	32.6	8.4 ***	25.7
Quarter 5	42.4	37.9	4.5	11.9
Quarter 6	45.0	37.6	7.4 **	19.7
Quarter 7	45.8	38.9	6.9 **	17.8
Quarter 8	44.6	41.1	3.5	8.5
Quarter 9	46.8	44.5	2.4	5.3
Average quarterly employment rate (%)				
Years l-2	42.9	36.4	6.5 ***	18.0
Year 1	40.2	32.2	8 0 ***	24.9
Year 2	45.6	40.5	5:o **	12.4
If ever employed in years l-2:				
Total quarters employed	4.36	4.12	0.24 [a]	5.8
Quarter of first employment	3.57	3.87	-0.30 [a]	-7.6
Quarters in first employment spell	3.44	3.22	0.22 [a]	6.8
Average total earnings ($)				
Years l-2	5,678	4,974	704	14.2
Year 1	2,329	1,915	414 **	21.6
Year 2	3,349	3,059	290	9.5
Quarter of random assignment	238	201	37	18.3
Quarter 2	467	325	142 ***	43.7
Quarter 3	564	464	99	21.4
Quarter 4	631	512	119 *	23.3
Quarter 5	668	614	54	8.7
Quarter 6	727	628	99	15.8
Quarter 7	810	664	146 *	22.1
Quarter 8	879	805	73	9.1
Quarter 9	933	962	-29	-3.0
Average earnings per quarter employed ($)				
Years l-2	1,655	1,710	-55 [a]	-3.2
Year 1	1,447	1,486	-39 [a]	-2.6
Year 2	1,838	1,888	-50 [a]	-2.6

(continued)

Appendix Table E.6 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	32.7	40.9	-8.1 ***	--
$1 - $1,999	23.2	19.0	4.2 *	--
$2,000 - $4,999	18.6	14.2	4.4 *	--
$5,000 - $9,999	15.1	16.8	-1.7	--
$10,000 - $19,999	9.5	8.5	1.0	--
$20,000 or more	0.9	0.6	0.2	--
If employed:				
$1 - $1,999	34.5	32.2	2.3 [a]	--
$2,000 - $4,999	27.6	24.0	3.6 [a]	--
$5,000 - $9,999	22.5	28.5	-6.0 [a]	--
$10,000 - $19,999	14.1	14.3	-0.2 [a]	--
$20,000 or more	1.3	1.0	0.2 [a]	--
Ever received any AFDC payments (%)				
Years l-2	95.5	97.4	-1.9 *	-1.9
Year 1	95.2	97.2	-2.0 *	-2.1
Year 2	71.5	75.4	-3.8	-5.1
Quarter of random assignment	97.5	98.4	-0.9	-1.0
Quarter 2	92.8	96.0	-3.1 **	-3.3
Quarter 3	82.7	89.2	-6.5 ***	-7.3
Quarter 4	76.8	81.6	-4.8 **	-5.9
Quarter 5	70.2	75.9	-5.7 **	-7.5
Quarter 6	65.1	72.4	-7.2 ***	-10.0
Quarter 7	59.7	67.8	-8.1 ***	-11.9
Quarter 8	57.5	63.6	-6.1 **	-9.6
Quarter 9	53.3	59.8	-6.6 **	-11.0
Average number of months receiving AFDC payments				
Years l-2	15.40	17.10	-1.70 ***	-9.9
Year 1	8.94	9.75	-0.81 ***	-8.3
Year 2	6.46	7.35	-0.89 ***	-12.1
AFDC receipt in years l-2				
Number of months in first AFDC spell	13.43	15.92	-2.49 ***	-15.6
Received continuously (%) [b]	34.7	46.8	-12.1 ***	-26.0
Ever off (%) [c]	65.3	53.2	12.1 ***	22.8
If ever off: [c]				
Month first off AFDC	12.20	13.22	-1.03 [a]	-7.8
Returned to AFDC (%)	41.1	31.8	9.3 [a]	29.2
If returned:				
Months on AFDC after first spell	4.80	3.72	1.08 [a]	29.2

(continued)

Appendix Table E.6 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)		Percentage Difference (%)
Average total AFDC payments received ($)					
Years l-2	5,976	7,206	-1,230	***	-17.1
Year 1	3,471	4,108	-637	***	-15.5
Year 2	2,505	3,098	-593	***	-19.1
Quarter 2f random assignment	1,114	1,145	-31		-2.7
Quarter 3	1,057 869	1,044 1,170	-113 -175	*** ***	-16.7 -9.7
Quarter 4	815	977	-162	***	-16.6
Quarter 5	730	918	-188	***	-20.5
Quarter 6	693	864	-171	***	-19.8
Quarter 7	651	806	-155	***	-19.2
Quarter 8	600	742	-142	***	-19.2
Quarter 9	562	687	-125	***	-18.2
Average AFDC payment per month received ($)					
Years l-2	***388***	***421***	***-33***	***a***	***-7.9***
Year 1	***388***	***421***	***-33***	***a***	***-7.9***
Year 2	***388***	***422***	***-34***	***a***	***-8.0***
Sample size (total = 1,122)	570	552			

SOURCES: See Appendix Table E.2.

NOTES: See Appendix Table E. 1.

Appendix Table E.7

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Labor Force Attachment Approach

Outcome	Labor. Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	67.9	58.2	9.7 ***	16.7
Year 1	54.1	40.2	13.8 ***	34.4
Year 2	57.2	51.1	6.2 *	12.1
Quarter of random assignment	25.9	19.6	6.3 **	32.0
Quarter 2	34.5	19.2	15.3 ***	79.6
Quarter 3	34.9	21.8	13.1 ***	60.1
Quarter 4	34.8	24.1	10.7 ***	44.3
Quarter 5	30.1	25.4	4.7	18.5
Quarter 6	33.4	25.4	8.0 ***	31.6
Quarter 7	32.7	26.7	6.0 *	22.6
Quarter 8	34.9	30.2	4.6	15.4
Quarter 9	38.4	31.7	6.8 **	21.5
Average quarterly employment rate (%)				
Years l-2	34.2	25.6	8.7 ***	33.9
Year 1	33.6	22.6	10.9 ***	48.4
Year 2	34.9	28.5	6.4 ***	22.4
If ever employed in years 1-2:				
Total quarters employed	4.03	3.51	0.52 [a]	14.7
Quarter of first employment	3.54	4.43	-0.89 [a]	-20.1
Quarters in first employment spell	3.03	2.62	0.42 [a]	*16.0*
Average total earnings ($)				
Years 1-2	3,848	2,439	1,409 ***	*57.8*
Year 1	1,701	992	708 ***	*71.4*
Year 2	2,148	1,447	701 ***	*48.5*
Quarter of random assignment	170	147	23	*15.7*
Quarter 2	363	171	192 ***	*112.3*
Quarter 3	449	213	236 ***	*110.6*
Quarter 4	478	284	194 ***	*68.5*
Quarter 5	411	325	86	*26.5*
Quarter 6	450	326	124 **	*38.2*
Quarter 7	480	304	177 ***	*58.1*
Quarter 8	543	382	161 **	42.2
Quarter 9	675	436	239 ***	54.9
Average earnings per quarter employed ($)				
Years l-2	*1,406*	*1,193*	213 [a]	*17.9*
Year I	*1,266*	*1,096*	*170* [a]	*15.5*
Year 2	1,541	1,270	*271* [a]	*21.3*

(continued)

Appendix Table E.7 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	42.8	48.9	-6.2 *	--
$1 - $1,999	28.0	29.0	-1.0	--
$2,000 - $4,999	13.6	13.3	0.2	--
$5,000 - $9,999	10.7	6.5	4.3 **	--
$10,000 - $19,999	4.8	2.0	2.7 **	--
$20,000 or more	0.2	0.3	-0.1	--
If employed:				
$1 - $1,999	48.9	56.7	-7.8 [a]	--
$2,000 - $4,999	23.7	*26.1*	-2.4 [a]	--
$5,000 - $9,999	18.8	12.7	6.1 [a]	--
$10,000 - $19,999	8.3	4.0	4.3 [a]	--
$20,000 or more	0.3	0.5	-0.2 [a]	--
Ever received any AFDC payments (%)				
Years 1-2	95.8	97.6	-1.7	-1.8
Year 1	94.9	97.1	-2.2 *	-2.3
Year 2	78.7	86.7	-7.9 ***	-9.1
Quarter of random assignment	98.0	97.6	0.3	0.4
Quarter 2	92.2	95.5	-3.3 **	-3.5
Quarter 3	84.7	91.0	-6.3 ***	-6.9
Quarter 4	77.0	88.2	-11.2 ***	-12.7
Quarter 5	73.7	84.7	-11.0 ***	-13.0
Quarter 6	71.3	83.6	-12.3 ***	-14.7
Quarter 7	68.6	77.3	-8.7 ***	-11.2
Quarter 8	68.1	76.4	-8.3 ***	-10.9
Quarter 9	64.9	12.5	-7.6 **	-10.4
Average number of months receiving AFDC payments				
Years 1-2	16.77	19.18	-2.41 ***	-12.6
Year 1	9.16	10.38	-1.22 ***	-11.7
Year 2	7.61	8.80	-1.19 ***	-13.6
AFDC receipt in years 1-2				
Number of months in first AFDC spell	14.30	17.58	-3.28 ***	-18.7
Received continuously (%) [b]	42.4	55.9	-13.5 ***	-24.1
Ever off (%) [c]	57.6	44.1	13.5 ***	30.6
If ever off: [c]				
Month first off AFDC	*11.51*	13.84	-2.32 [a]	-16.8
Returned to AFDC (%)	*49.3*	42.2	7.1 [a]	16.9
If returned:				
Months on AFDC after first spell	*5.01*	3.78	1.22 [a]	32.4

(continued)

Appendix Table E.7 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)		Percentage Difference (%)
Average total AFDC payments received ($)					
Years l-2	6,770	8,265	-1,495	***	-18.1
Year 1	3,684	4,455	-771	***	-17.3
Year 2	3,087	3,810	-723	***	-19.0
Quarter of random assignment	1,166	1,162	4		0.4
Quarter 2	1,078	1,188	-110	***	-9.3
Quarter 3	932	1,126	-194	***	-17.2
Quarter 4	856	1,086	-230	***	-21.2
Quarter 5	817	1,055	-238	***	-22.5
Quarter 6	800	1,018	-219	***	-21.5
Quarter 7	780	964	-184	***	-19.1
Quarter 8	770	940	-170	***	-18.0
Quarter 9	737	888	-151	***	-17.1
Average AFDC payment *per* month *received ($)*					
Years l-2	404	431	-27	a	-6.3
Year I	402	429	-27	a	-6.3
Year 2	406	433	-27	a	-6.3
Sample size (total = 800)	424	376			

SOURCES: See Appendix Table E.2.

NOTES: See Appendix Table E. 1.

Appendix Table E.8

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	65.2	53.2	12.1 ***	22.7
Year 1	55.3	40.9	14.4 ***	35.1
Year 2	51.6	43.5	8.1 ***	18.6
Quarter of random assignment	26.6	22.6	4.0 ***	17.7
Quarter 2	36.2	24.6	11.5 ***	46.9
Quarter 3	39.1	28.2	10.9 ***	38.5
Quarter 4	39.3	29.5	9.8 ***	33.4
Quarter 5	38.2	28.3	10.0 ***	35.2
Quarter 6	37.7	30.0	7.8 ***	26.0
Quarter 7	37.2	31.2	6.0 ***	19.4
Quarter 8	37.0	31.6	5.4 ***	17.1
Quarter 9	38.2	32.4	5.8 ***	17.9
Average quarterly employment rate (%)				
Years l-2	37.9	29.5	8.4 ***	28.5
Year 1	38.2	27.6	10.6 ***	38.2
Year 2	37.5	31.3	6.3 ***	20.0
If *ever employed in years l-2:*				
Total quarters employed	4.64	4.43	0.21 [a]	4.8
Quarter of first employment	3.29	3.78	-0.49 [a]	-13.0
Quarters in first employment spell	4.06	3.96	0.10 [a]	2.5
Average total earnings ($)				
Years l-2	7,205	5,581	1,624 ***	29.1
Year 1	3,206	2,426	781 ***	32.2
Year 2	3,999	3,155	843 ***	26.7
Quarter of random assignment	323	320	3	0.9
Quarter 2	605	500	105 ***	21.1
Quarter 3	835	628	207 ***	33.0
Quarter 4	864	622	242 ***	38.9
Quarter 5	902	676	226 ***	33.5
Quarter 6	946	722	224 ***	31.1
Quarter 7	988	763	226 ***	29.6
Quarter 8	1,021	812	209 ***	25.7
Quarter 9	1,043	858	185 ***	21.5
Average earnings per quarter employed ($)				
Years l-2	2,378	2,368	10 [a]	0.4
Year 1	2,098	2,193	-95 [a]	-4.3
Year 2	2,663	2,522	141 [a]	5.6

(continued)

Appendix Table E.8 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	48.4	56.5	-8.1 ***	--
$1 - $1,999	13.1	12.3	0.8	--
$2,000 - $4,999	11.2	9.4	1.8	--
$5,000 - $9,999	11.4	9.4	1.9 *	--
$10,000 - $19,999	12.8	10.5	2.3 **	--
$20,000 or more	3.3	2.0	1.3 ***	--
If *employed:*				
$1 - $1,999	25.3	28.3	-3.0 [a]	--
$2,000 - $4,999	21.6	21.5	*0.1* [a]	--
$5,000 - $9,999	22.0	21.6	0.4 [a]	--
$10,000 - $19,999	24.7	24.0	0.7 [a]	--
$20,000 or more	6.4	4.6	1.8 [a]	--
Ever received any AFDC payments (%)				
Years l-2	92.7	92.7	0.0	-0.1
Year 1	92.3	92.2	0.1	0.1
Year 2	57.8	64.6	-6.9 ***	-10.6
Quarter of random assignment	96.5	96.4	0.1	0.1
Quarter 2	90.8	90.7	0.1	0.1
Quarter 3	78.4	80.8	-2.4	-2.9
Quarter 4	67.2	72.0	-4.8 ***	-6.7
Quarter 5	59.4	66.0	-6.6 ***	-10.0
Quarter 6	53.9	61.3	-7.4 ***	-12.1
Quarter 7	50.9	57.9	-7.0 ***	-12.1
Quarter 8	47.6	54.7	-7.1 ***	-13.0
Quarter 9	45.2	51.9	-6.8 ***	-13.0
Average number of months receiving AFDC payments				
Years l-2	13.76	15.15	-1.39 ***	-9.2
Year 1	8.22	8.72	-0.50 ***	-5.7
Year 2	5.54	6.43	-0.89 ***	-13.9
AFDC receipt in years l-2				
Number of months in first AFDC spell	12.64	13.86	-1.23 ***	-8.9
Received continuously (%) [b]	33.7	40.2	-6.5 ***	-16.1
Ever off (%) [c]	66.3	59.8	6.5 ***	10.8
If ever off: [c]				
Month first off AFDC	*11.09*	11.28	-0.19 [a]	-1.7
Returned to AFDC (%)	*22.7*	23.9	-1.2 [a]	-5.0
If returned:				
Months on AFDC after first spell	*4.95*	*5.39*	*-0.43* [a]	-8.1

(continued)

Appendix Table E.8 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)		Percentage Difference (%)
Average total AFDC payments received ($)					
Years 1-2	7,629	8,731	-1,102	***	-12.6
Year 1	4,578	5,053	-474	***	-9.4
Year 2	3,050	3,678	-628	***	-17.1
Quarter of random assignment	1,575	1,570	5		0.3
Quarter 2	1,469	1,490	-22		-1.4
Quarter 3	1,201	1,310	-109	***	-8.3
Quarter 4	1,011	1,177	-166	***	-14.1
Quarter 5	898	1,076	-178	***	-16.6
Quarter 6	831	997	-166	***	-16.7
Quarter 7	789	942	-152	***	-16.2
Quarter 8	732	899	-166	***	-18.5
Quarter 9	698	841	-143	***	-17.0
Average AFDC payment per month received ($)					
Years 1-2	554	576	-22	a	-3.8
Year 1	557	579	-22	a	-3.9
Year 2	551	572	-21	a	-3.7
Sample size (total = 2,689)	1,343	1,346			

SOURCES: See Appendix Table E.3.

NOTES: See Appendix Table E. 1.

Appendix Table E.9

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Labor Force Attachment Approach

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	54.8	38.8	15.9 ***	41.1
Year 1	44.4	28.6	15.7 ***	55.0
Year 2	39.5	32.1	7.4 ***	22.9
Quarter of random assignment	19.3	14.8	4.5 ***	30.4
Quarter 2	27.7	15.6	12.1 ***	77.5
Quarter 3	28.9	17.2	11.8 ***	68.3
Quarter 4	28.1	17.8	10.4 ***	58.3
Quarter 5	29.0	18.8	10.1 ***	54.0
Quarter 6	26.8	20.0	6 8 ***	33.8
Quarter 7	27.9	20.9	7:o ***	33.3
Quarter 8	25.6	22.2	3.4 *	15.1
Quarter 9	25.4	23.2	2.2	9.6
Average quarterly employment rate (%)				
Years l-2	27.4	19.5	8.0 ***	40.9
Year 1	28.4	17.3	11.1 ***	63.9
Year 2	26.4	21.6	4.8 ***	22.4
If ever employed in *years* l-2:				
Total quarters employed	***4.01***	4.01	***-0.01*** [a]	-0.1
Quarter of first employment	***3.56***	4.02	-0.46 [a]	-11.4
Quarters in first employment spell	***3.47***	3.36	0.11 [a]	3.3
Average total earnings ($)				
Years l-2	3,982	3,088	894 ***	29.0
Year 1	1,790	1,240	551 ***	44.4
Year 2	2,192	1,848	343 *	18.6
Quarter of random assignment	160	173	-13	-7.5
Quarter 2	337	256	81 **	31.8
Quarter 3	450	315	135 ***	42.8
Quarter 4	478	322	155 ***	48.2
Quarter 5	526	347	179 ***	51.7
Quarter 6	537	408	129 **	31.5
Quarter 7	563	442	121 **	27.3
Quarter 8	536	481	54	11.3
Quarter 9	556	517	40	7.7
Average earnings per quarter employed ($)				
Years l-2	***1,815***	1,983	-168 [a]	-8.5
Year 1	***1,574***	***1,787***	-213 [a]	-11.9
Year 2	***2,075***	2,141	-66 [a]	-3.1

(continued)

Appendix Table E.9 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Annual Earnings Year 2				
None	60.5	67.9	-7.4 ***	--
$1 - $1,999	13.4	10.9	2.5 *	--
$2,000 - $4,999	9.7	7.6	2.1 *	--
$5,000 - $9,999	9.5	7.7	1.8	--
$10,000 - $19,999	5.7	5.0	0.7	--
$20,000 or more	1.2	1.0	0.2	--
If *employed:*				
$1 - $1,999	*33.9*	33.9	0.0 [a]	--
$2,000 - $4,999	*24.6*	23.6	*1.0* [a]	--
$5,000 - $9,999	*24.1*	23.9	*0.1* [a]	--
$10,000 - $19,999	*14.4*	*15.5*	*-1.1* [a]	--
$20,000 or more	*3.0*	3.0	*0.0* [a]	--
Ever received any AFDC payments (%)				
Years l-2	93.8	93.9	-0.1	-0.1
Year 1	93.1	93.4	*-0.3*	-0.3
Year 2	*66.7*	71.7	*-5.1* ***	-7.1
Quarter of random assignment	*96.4*	96.6	*-0.2*	-0.2
Quarter 2	92.1	92.4	*-0.3*	-0.4
Quarter 3	82.1	86.2	*-4.1* ***	-4.7
Quarter 4	74.2	78.0	*-3.8* **	-4.9
Quarter 5	66.8	72.3	*-5.5* ***	-7.6
Quarter 6	62.6	68.2	*-5.6* ***	-8.2
Quarter 7	58.8	64.2	*-5.4* ***	-8.4
Quarter 8	56.2	61.7	*-5.5* ***	-9.0
Quarter 9	53.8	58.9	*-5.1* **	-8.6
Average number of months receiving AFDC payments				
Years l-2	15.47	16.68	*-1.21* ***	-7.3
Year 1	8.91	9.43	*-0.52* ***	-5.5
Year 2	6.55	7.25	*-0.69* ***	-9.6
AFDC receipt in years l-2				
Number of months in first AFDC spell	14.32	15.65	*-1.33* ***	-8.5
Received continuously (%) [b]	42.1	47.8	*-5.7* ***	-11.8
Ever off (%) [c]	57.9	52.2	*5.7* ***	10.8
If ever off: [c]				
Month first off AFDC	*11.49*	12.21	*-0.72* [a]	-5.9
Returned to AFDC (%)	*27.0*	24.6	*2.5* [a]	10.0
If returned:				
Months on AFDC after first spell	*4.23*	*4.17*	*0.06* [a]	*1.4*

(continued)

Appendix Table E.9 (continued)

Outcome	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	8,970	10,364	-1,394 ***	-13.5
Year 1	5,219	5,883	-664 ***	-11.3
Year 2	3,751	4,481	-730 ***	-16.3
Quarter of random assignment	1,648	1,674	-25	-1.5
Quarter 2	1,589	1,683	-94 ***	-5.6
Quarter 3	1,357	1,538	-180 ***	-11.7
Quarter 4	1,198	1,381	-183 ***	-13.3
Quarter 5	1,075	1,281	-206 ***	-16.1
Quarter 6	1,017	1,215	-198 ***	-16.3
Quarter 7	945	1,144	-199 ***	-17.4
Quarter 8	906	1,088	-182 ***	-16.8
Quarter 9	883	1,034	-151 ***	-14.6
Average AFDC payment per month received ($)				
Years l-2	*580*	*621*	*-42* [a]	*-6.7*
Year 1	*586*	*624*	*-38* [a]	*-6.1*
Year 2	*572*	*618*	*-46* [a]	*-7.4*
Sample size (total = 2,286)	1,154	1,132		

SOURCES: See Appendix Table E.3.

NOTES: See Appendix Table E. 1.

APPENDIX F

SUPPLEMENTARY TABLES ON HCD IMPACTS

Appendix Table F.l

Two-Year Impacts of JOBS on Employment, Earnlngs, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	56.0	53.6	2.4	4.5
Year 1	41.5	39.1	2.3	5.9
Year 2	49.1	45.2	4.0 *	8.8
Quarter of random assignment	15.8	15.8	0.0	-0.2
Quarter 2	20.0	19.7	0.3	1.5
Quarter 3	24.0	23.9	0.1	0.4
Quarter 4	29.2	24.7	4.5 **	18.1
Quarter 5	29.4	26.5	3.0	11.2
Quarter 6	32.1	27.7	4.5 **	16.1
Quarter 7	35.3	30.7	4.7 **	15.2
Quarter 8	35.5	30.9	4.6 **	14.9
Quarter 9	37.1	31.7	5.4 ***	17.0
Average quarterly employment rate (%)				
Years l-2	30.3	27.0	3.4 **	12.5
Year 1	25.7	23.7	2.0	8.2
Year 2	35.0	30.2	4.8 ***	15.8
If ever employed *in years* l-2:				
Total quarters employed	4.33	4.02	0.31 [a]	7.7
Quarter of first employment	4.03	4.13	*-0.10* [a]	-2.5
Quarters in first employment spell	3.65	3.40	0.24 [a]	7.1
Average total earnings ($)				
Years l-2	3,990	3,410	580 **	17.0
Year 1	1,519	1,335	184	13.8
Year 2	2,471	2,075	396 **	19.1
Quarter of random assignment	144	167	-23	-13.9
Quarter 2	261	212	49	23.3
Quarter 3	355	320	34	10.8
Quarter 4	445	372	73 *	19.7
Quarter 5	458	431	27	6.2
Quarter 6	505	444	62	13.9
Quarter 7	617	502	114 **	22.8
Quarter 8	662	534	128 **	24.0
Quarter 9	686	595	92	15.4
Average earnings per quarter employed ($)				
Years l-2	*1,644*	1,581	64 [a]	4.0
Year 1	*1,480*	1,408	72 [a]	*5.1*
Year 2	1,764	I, 715	49 [a]	2.8

(continued)

Appendix Table F.l (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	50.9	54.8	-4.0 *	--
$1 - $1,999	17.4	19.1	-1.7	--
$2,000 - $4,999	12.4	9.4	2.9 **	--
$5,000 - $9,999	12.2	9.7	2.5 *	--
$10,000 - $19,999	6.6	6.5	0.1	--
$20,000 or more	0.5	0.4	0.2	--
If *employed:*				
$1 - $1,999	*35.4*	42.4	-6.9 [a]	--
$2, 000 - $4,999	*25.2*	20.9	4.2 [a]	--
$5, ooo - $9,999	*24.8*	21.5	3.3 [a]	--
$10,000 - $19,999	*13.5*	14.4	-0.9 [a]	--
$20,000 or more	*1.1*	0.8	0.3 [a]	--
Ever received any AFDC payments (%)				
Years l-2	97.3	98.1	-0.9 **	-0.9
Year 1	97.2	97.8	-0.6	-0.7
Year 2	*83.3*	86.1	-2.9 *	-3.3
Quarter of random assignment	*98.2*	98.3	-0.1	-0.1
Quarter 2	*96.7*	97.7	-1.0 **	-1.1
Quarter 3	*92.9*	93.6	-0.7	-0.7
Quarter 4	*88.0*	88.2	-0.3	-0.3
Quarter 5	*83.4*	85.1	-1.7	-2.0
Quarter 6	*80.2*	82.9	-2.7	-3.3
Quarter 7	*77.0*	79.6	-2.6	-3.3
Quarter 8	*73.4*	77.7	-4.3 **	-5.5
Quarter 9	*70.7*	74.8	-4.1 **	-5.4
Average number of months receiving AFDC payments				
Years l-2	19.03	19.69	-0.66 **	-3.4
Year 1	10.42	10.63	-0.21 *	-2.0
Year 2	8.61	9.06	-0.45 **	-5.0
AFDC receipt in years l-2				
Number of months in first AFDC spell	17.92	18.84	-0.92 ***	-4.9
Received continuously (%) [b]	58.2	63.7	-5.5 ***	-8.6
Ever off (%) [c]	41.8	36.3	5.5 ***	15.1
If ever off: [c]				
Month first off AFDC	*13.87*	14.22	-0.35 [a]	-2.5
Returned to AFDC (%)	*32.6*	31.8	0.8 [a]	2.5
If returned:				
Months on AFDC after first spell	*3.43*	2.69	*0.74* [a]	*27.4*

(continued)

Appendix Table F.l (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	4,994	5,327	-333 ***	-6.3
Year 1	2,760	2,887	-127 ***	-4.4
Year 2	2,233	2,440	-206 ***	-8.5
Quarter of random assignment	793	797	-4	-0.5
Quarter 2	767	780	-13 *	-1.6
Quarter 3	713	745	-32 ***	-4.3
Quarter 4	657	698	-40 ***	-5.8
Quarter 5	623	665	-42 ***	-6.3
Quarter 6	592	644	-52 ***	-8.0
Quarter 7	571	616	-46 ***	-7.4
Quarter 8	547	601	-54 ***	-9.0
Quarter 9	523	579	-55 ***	-9.6
Average AFDC payment per month received ($)				
Years l-2	***262***	***270***	***-8*** [a]	***-3.0***
Year 1	***265***	***272***	***-7*** [a]	***-2.5***
Year 2	***259***	***269***	***-10*** [a]	***-3.6***
Sample size (total = 1,953)	970	983		

SOURCES and NOTES: See Appendix Table E. 1.

Appendix Table F.2

Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	70.9	65.3	5.6 ***	8.6
Year 1	53.8	49.4	4.4 **	8.9
Year 2	60.7	55.6	5.1 **	9.2
Quarter of random assignment	22.2	23.7	-1.6	-6.6
Quarter 2	26.3	24.0	2.3	9.5
Quarter 3	31.2	27.0	4.2 **	15.4
Quarter 4	34.8	29.1	5.7 ***	19.6
Quarter 5	36.1	32.7	3.4	10.4
Quarter 6	36.7	32.5	4.2 **	12.9
Quarter 7	36.9	33.7	3.2	9.5
Quarter 8	40.7	36.5	4.2 *	11.5
Quarter 9	43.4	39.0	4.4 **	11.3
Average quarterly employment rate (%)				
Years l-2	35.8	31.8	3.9 ***	12.4
Year 1	32.1	28.2	3.9 **	13.8
Year 2	39.4	35.4	4.0 **	11.3
If ever employed in years 1-2:				
Total quarters employed	4.04	3.90	0.14 [a]	3.5
Quarter of first employment	4.00	4.07	-0.07 [a]	-1.8
Quarters in first employment spell	3.27	3.00	0.27 [a]	9.0
Average total earnings ($)				
Years l-2	4,502	3,916	586 **	15.0
Year 1	1,670	1,533	136	8.9
Year 2	2,833	2,383	450 **	18.9
Quarter of random assignment	171	178	-8	-4.3
Quarter 2	288	260	28	10.6
Quarter 3	386	361	25	7.1
Quarter 4	449	417	32	7.7
Quarter 5	546	495	51	10.3
Quarter 6	586	500	86 *	17.3
Quarter 7	666	514	152 ***	29.6
Quarter 8	752	627	125 **	20.0
Quarter 9	828	742	86	11.7
Average earnings per quarter employed ($)				
Years l-2	1,573	I, 538	3.5 [a]	2.3
Year 1	1,300	1,358	-58 [a]	-4.3
Year 2	I, 796	1,681	115 [a]	6.8

(continued)

Appendix Table F.2 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year2				
None	39.3	44.4	-5.1 **	--
$1 - $1,999	24.2	23.1	1.1	--
$2,000 - $4,999	17.3	13.7	3.6 **	--
$5,000 - $9,999	11.6	12.5	-1.0	--
$10,000 - $19,999	6.6	5.8	0.8	--
$20,000 or more	1.0	0.4	0.6 *	--
If employed:				
$1 - $1,999	39.8	41.5	-1.7 [a]	--
$2,000 - $4,999	28.5	24.7	3.8 [a]	--
$5,000 - $9,999	19.1	22.5	-3.5 [a]	--
$10,000 - $19,999	10.9	10.5	0.5 [a]	--
$20,000 or more	1.7	0.8	0.9 [a]	--
Ever received any AFDC payments (%)				
Years 1-2	97.1	97.4	-0.3	-0.4
Year 1	96.9	97.1	-0.2	-0.2
Year 2	77.1	79.9	-2.8	-3.5
Quarter of random assignment	97.7	98.1	-0.4	-0.4
Quarter 2	95.7	95.7	0.0	0.0
Quarter 3	88.1	89.8	-1.7	-1.9
Quarter 4	81.1	84.2	-3.0 *	-3.6
Quarter 5	76.3	79.3	-3.0	-3.8
Quarter 6	71.4	76.8	-5.5 ***	-7.1
Quarter 7	67.2	71.6	-4.4 **	-6.2
Quarter 8	62.4	68.9	-6.5 ***	-9.4
Quarter 9	58.8	65.1	-6.3 ***	-9.6
Average number of months receiving AFDC payments				
Years 1-2	16.85	17.94	-1.09 ***	-6.1
Year 1	9.66	9.99	-0.33 **	-3.3
Year 2	7.18	7.95	-0.76 ***	-9.6
AFDC receipt in years 1-2				
Number of months in first AFDC spell	15.23	16.57	-1.35 ***	-8.1
Received continuously (%) [b]	41.0	50.6	-9.6 ***	18.9
Ever off (%) [c]	59.0	49.4	9.6 ***	19.3
If ever off: [c]				
Month first off AFDC	13.51	13.38	0.13 [a]	0.9
Returned to AFDC (%)	37.5	35.8	1.7 [a]	4.6
If returned:				
Months on AFDC after first spell	4.32	3.80	0.52 [a]	13.6

(continued)

Appendix Table F.2 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	6,813	7,639	-826 ***	-10.8
Year 1	3,934	4,245	-311 ***	-7.3
Year 2	2,879	3,394	-514 ***	-15.2
Quarter of random assignment	1,160	1,152	8	0.7
Quarter 2	1,147	1,176	-29	-2.5
Quarter 3	1,009	1,077	-68 ***	-6.3
Quarter 4	915	1,020	-105 ***	-10.3
Quarter 5	863	972	-110 ***	-11.3
Quarter 6	804	926	-121 ***	-13.1
Quarter 7	750	871	-122 ***	-14.0
Quarter 8	683	825	-141 ***	-17.2
Quarter 9	642	772	-130 ***	-16.8
Average AFDC payment per month received ($)				
Years l-2	404	426	-21 [a]	-5.0
Year 1	407	425	-18 [a]	-4.2
Year 2	401	427	-26 [a]	-6.2
Sample size (total = 1,913)	985	928		

SOURCES: See Appendix Table E.2.

NOTES: See Appendix Table E. 1.

Appendix Table F.3

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years 1-2	64.4	59.6	4.7 *	7.9
Year 1	47.8	44.6	3.2	7.2
Year 2	58.2	50.8	7.3 **	14.4
Quarter of random assignment	19.5	17.6	1.9	10.8
Quarter 2	24.3	22.5	1.8	8.1
Quarter 3	29.4	27.1	2.3	8.4
Quarter 4	35.6	28.8	6.9 ***	23.9
Quarter 5	35.8	30.1	5.8 **	19.2
Quarter 6	38.8	32.1	6.7 **	20.7
Quarter 7	44.6	34.5	10.1 ***	29.3
Quarter 8	42.9	35.3	7.5 ***	21.3
Quarter 9	44.6	36.6	8.0 ***	21.9
Average quarterly employment rate (%)				
Years 1-2	37.0	30.9	6.1 ***	19.9
Year 1	31.3	27.1	4.2 **	15.5
Year 2	42.7	34.6	8.1 ***	23.3
If *ever employed in years 1-2:*				
Total quarters employed	4.60	*4.14*	0.46 [a]	*11.1*
Quarter of first employment	3.95	*4.03*	-0.07 [a]	-1.8
Quarters in first employment spell	3.89	*3.53*	0.37 [a]	10.4
Average total earnings ($)				
Years 1-2	5,095	4,135	960 **	23.2
Year 1	1,937	1,593	344 *	21.6
Year 2	3,158	2,543	616 **	24.2
Quarter of random assignment	177	182	-5	-2.9
Quarter 2	322	232	90 **	39.0
Quarter 3	443	375	68	18.1
Quarter 4	571	460	111 *	24.0
Quarter 5	601	526	76	14.4
Quarter 6	649	534	115	21.6
Quarter 7	817	590	227 ***	38.5
Quarter 8	843	665	178 **	26.8
Quarter 9	849	754	95	12.6
Average earnings per quarter employed ($)				
Years 1-2	*1,722*	*1,675*	47 [a]	2.8
Year 1	1,548	*1,469*	78 [a]	5.3
Year 2	1,849	*1,836*	14 [a]	0.7

(continued)

Appendix Table F.3 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	41.8	49.2	-7.3 **	--
$1 - $1,999	18.7	21.3	-2.6	--
$2,000 - $4,999	14.0	8.7	5.3 ***	--
$5,000 - $9,999	16.2	11.6	4.7 **	--
$10,000 - $19,999	8.6	9.0	-0.4	--
$20,000 or more	0.6	0.3	0.3	--
If *employed:*				
$1 - $1,999	*32.1*	41.8	*-9.7* [a]	--
$2,000 - $4,999	*24.1*	17.0	*7.0* [a]	--
$5,000 - $9,999	*27.9*	22.8	*5.2* [a]	--
$10,000 - $19,999	*14.8*	17.7	*-3.0* [a]	--
$20,000 or more	*1.1*	0.6	*0.5* [a]	--
Ever received any AFDC payments (%)				
Years l-2	96.4	97.8	-1.4 **	-1.5
Year 1	96.4	97.4	-1.1	-1.1
Year 2	79.4	84.3	-5.0 **	-5.9
Quarter of random assignment	98.0	98.0	-0.1	-0.1
Quarter 2	95.8	97.3	-1.5 *	-1.5
Quarter 3	91.3	92.3	-1.0	-1.1
Quarter 4	85.5	87.3	-1.8	-2.1
Quarter 5	80.0	83.6	-3.6	-4.3
Quarter 6	75.9	81.2	-5.2 **	-6.5
Quarter 7	72.2	77.5	-5.3 **	-6.8
Quarter 8	69.3	74.8	-5.5 **	-7.3
Quarter 9	66.8	71.3	-4.5 *	-6.3
Average number of months receiving AFDC payments				
Years l-2	18.18	19.17	-0.99 **	-5.2
Year 1	10.09	10.46	-0.36 **	-3.5
Year 2	8.09	8.71	-0.62 **	-7.2
AFDC receipt in years l-2				
Number of months in first AFDC spell	16.99	18.17	-1.17 **	-6.5
Received continuously (%)[b]	53.2	58.8	-5.6 *	-9.6
Ever off (%)[c]	46.8	41.2	5.6 *	13.7
If ever *off:* [c]				
Month first off AFDC	*13.45*	14.21	-0.76 [a]	-5.4
Returned to AFDC (%)	*30.8*	33.3	-2.5 [a]	-7.5
If returned:				
Months on AFDC after first spell	*3.85*	*3.01*	*0.84* [a]	*27.9*

(continued)

Appendix Table F.3 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	4,689	5,093	-404 ***	-7.9
Year 1	2,627	2,784	-157 ***	-5.7
Year 2	2,062	2,309	-247 ***	-10.7
Quarter of random assignment	777	778	-1	-0.1
Quarter 2	744	755	-12	-1.5
Quarter 3	682	717	-35 **	-4.9
Quarter 4	618	672	-54 ***	-8.0
Quarter 5	583	640	-57 ***	-8.9
Quarter 6	552	618	-66 ***	-10.7
Quarter 7	524	586	-62 ***	-10.6
Quarter 8	504	566	-62 ***	-10.9
Quarter 9	481	539	-57 ***	-10.6
Average AFDC payment per month received ($)				
Years l-2	***258***	***266***	***-8*** [a]	***-2.9***
Year 1	***260***	***266***	***-6*** [a]	***-2.3***
Year 2	***255***	***26.5***	***-10*** [a]	***-3.8***
Sample size (total = 1,091)	522	569		

SOURCES and NOTES: See Appendix Table E. 1.

Appendix Table F.4

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Atlanta Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	45.8	45.8	0.0	0.1
Year 1	33.4	32.5	0.9	2.9
Year 2	38.4	37.9	0.5	1.4
Quarter of random assignment	10.7	13.6	-3.0	-21.9
Quarter 2	14.3	16.5	-2.2	-13.2
Quarter 3	17.3	20.3	-3.0	-15.0
Quarter 4	21.0	20.2	0.8	4.2
Quarter 5	21.7	22.1	-0.4	-1.9
Quarter 6	24.2	22.0	2.3	10.4
Quarter 7	24.3	26.2	-1.9	-7.3
Quarter 8	26.5	25.8	0.6	2.5
Quarter 9	28.0	25.9	2.0	7.9
Average quarterly employment rate (%)				
Years l-2	22.2	22.4	-0.2	-1.0
Year 1	18.6	19.8	-1.2	-6.1
Year 2	25.7	25.0	0.8	3.1
If ever employed in years l-2:				
Total quarters employed	3.87	3.91	-0.04 [a]	-1.0
Quarter of first employment	4.21	4.26	-0.05 [a]	-1.3
Quarters in first employment spell	3.21	3.26	-0.05 [a]	-1.5
Average total earnings ($)				
Years l-2	2,604	2,623	-19	-0.7
Year 1	995	1,072	-78	-7.3
Year 2	1,609	1,550	59	3.8
Quarter of random assignment	99	149	-50 *	-33.8
Quarter 2	186	196	-11	-5.4
Quarter 3	244	269	-25	-9.1
Quarter 4	286	280	6	2.1
Quarter 5	279	328	-48	-14.8
Quarter 6	327	346	-19	-5.5
Quarter 7	368	412	-45	-10.8
Quarter 8	434	388	46	11.7
Quarter 9	481	404	77	19.1
Average earnings per quarter employed ($)				
Years l-2	1,469	1,465	4 [a]	0.3
Year 1	1,339	1,356	-17 [a]	-1.3
Year 2	1,563	1,552	11 [a]	0.7

(continued)

Appendix Table F.4 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	61.6	62.1	-0.5	--
$1 - $1,999	16.3	15.9	0.5	--
$2,000 - $4,999	10.4	10.6	-0.2	--
$5,000 - $9,999	7.1	7.7	-0.6	--
$10,000 - $19,999	4.2	3.2	1.0	--
$20,000 or more	0.4	0.6	-0.2	--
If employed:				
$1 - $1,999	*42.5*	41.8	0.7 [a]	--
$2,000 - $4,999	*27.1*	28.0	-0.9 [a]	--
$5, 000 - $9,999	*18.4*	20.2	-1.8 [a]	--
$10,000 - $19,999	*11.0*	8.4	2.5 [a]	--
$20,000 or more	*1.1*	*1.5*	-0.4 [a]	--
Ever received any AFDC payments (%)				
Years l-2	98.3	*98.5*	-0.1	-0.1
Year 1	98.1	*98.2*	-0.1	-0.1
Year 2	88.3	88.1	0.2	0.2
Quarter of random assignment	98.5	98.5	0.0 **	0.0
Quarter 2	97.6	98.2	-0.6	-0.6
Quarter 3	94.8	95.3	-0.4	-0.5
Quarter 4	91.2	89.1	2.1	2.3
Quarter 5	87.8	86.7	1.1	1.3
Quarter 6	85.7	84.8	0.9	1.1
Quarter 7	83.0	82.2	0.8	1.0
-Quarter 8	79.2	81.1	-1.9	-2.4
Quarter 9	76.2	78.8	-2.6	-3.3
Average number of months receiving AFDC payments				
Years l-2	20.14	20.29	-0.15	-0.7
Year 1	10.84	10.83	0.01	0.1
Year 2	9.30	9.46	-0.16	-1.7
AFDC receipt in years l-2				
Number of months in first AFDC spell	19.11	19.62	-0.51	-2.6
Received continuously (%) [b]	65.0	69.5	-4.5	-6.5
Ever off (%) [c]	35.0	30.5	4.5	14.8
If ever off: [c]				
Month first off AFDC	*14.50*	14.15	0.35 [a]	2.5
Returned to AFDC (%)	*35.9*	29.1	6.8 [a]	23.2
If returned:				
Months on AFDC after first spell	*2.89*	*2.33*	*0.56* [a]	*24.0*

(continued)

Appendix Table F.4 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	5,386	5,606	-220 *	-3.9
Year 1	2,928	3,009	-81	-2.7
Year 2	2,458	2,597	-139 *	-5.4
Quarter of random assignment	812	821	-9	-1.0
Quarter 2	797	811	-14	-1.8
Quarter 3	750	778	-28 **	-3.6
Quarter 4	707	727	-20	-2.8
Quarter 5	674	693	-19	-2.7
Quarter 6	644	675	-31	-4.5
Quarter 7	630	652	-23	-3.5
Quarter 8	605	643	-38 *	-5.9
Quarter 9	579	627	-48 **	-7.6
Average AFDC payment per month received ($)				
Years 1-2	***267***	***276***	***-9 [a]***	***-3.2***
Year I	***270***	***278***	***-8 [a]***	***-2.8***
Year 2	***264***	***274***	***-10 [a]***	***-3.7***
Sample size (total = 861)	447	414		

SOURCES and NOTES: See Appendix Table E. 1.

Appendix Table F.5

For Sample Members with a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	76.2	70.6	5.6 **	8.0
Year 1	59.9	55.9	3.9	7.0
Year 2	66.3	59.1	7.2 ***	12.2
Quarter of random assignment	27.6	26.7	0.9	3.2
Quarter 2	32.2	27.5	4.8 *	17.3
Quarter 3	38.0	30.8	7.1 ***	23.2
Quarter 4	40.1	32.6	7.5 ***	23.0
Quarter 5	41.6	37.9	3.7	9.7
Quarter 6	42.5	37.6	4.9 *	13.2
Quarter 7	43.6	38.9	4.7	12.1
Quarter 8	45.7	41.1	4.6	11.2
Quarter 9	49.6	44.5	5.1 *	11.5
Average quarterly employment rate (%)				
Years l-2	41.7	36.4	5.3 ***	14.6
Year 1	38.0	32.2	5.8 ***	17.9
Year 2	45.4	40.5	4.8 **	12.0
If *ever employed in years l-2:*				
Total quarters employed	4.38	4.12	0.25 [a]	6.1
Quarter of first employment	3.81	3.87	-0.05 [a]	-1.4
Quarters in first employment spell	3.57	3.22	0.36 [a]	11.1
Average total earnings ($)				
Years l-2	5,779	4,974	805 *	16.2
Year 1	2,183	1,915	269	14.0
Year 2	3,595	3,059	536 *	17.5
Quarter of random assignment	227	201	25	12.6
Quarter 2	384	325	59	18.3
Quarter 3	500	464	36	7.8
Quarter 4	584	512	72	14.1
Quarter 5	715	614	101	16.4
Quarter 6	740	628	112	17.8
Quarter 7	864	664	201 **	30.2
Quarter 8	945	805	139	17.3
Quarter 9	1,047	962	84	8.8
Average earnings per quarter employed ($)				
Years 1-2	1,734	1,710	24 [a]	1.4
Year 1	1,437	1,486	-49 [a]	-3.3
Year 2	1,982	1,888	94 [a]	5.0

(continued)

Appendix Table F.5 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	33.7	40.9	-7.2 ***	--
$1 - $1,999	23.1	19.0	4.1	--
$2,000 - $4,999	18.7	14.2	4.5 **	--
$5,000 - $9,999	13.3	16.8	-3.6 *	--
$10,000 - $19,999	9.6	8.5	1.1	--
$20,000 or more	1.7	0.6	1.1 *	--
If employed:				
$I- $1,999	34.8	32.2	2.6 [a]	--
$2, ooo - $4,999	28.2	24.0	4.2 [a]	--
$5,000 - $9,999	20.0	28.5	-8.5 [a]	--
$10,000 - $19,999	14.4	14.3	*0.1* [a]	--
$20,000 or more	2.6	*1.0*	1.6 [a]	--
Ever received any AFDC payments (%)				
Years l-2	96.8	*97.4*	-0.5	-0.5
Year 1	96.5	*97.2*	-0.7	-0.7
Year 2	73.7	75.4	-1.6	-2.2
Quarter of random assignment	97.2	98.4	-1.2	-1.2
Quarter 2	95.2	96.0	-0.8	-0.8
Quarter 3	86.6	89.2	-2.6	-2.9
Quarter 4	79.0	81.6	-2.6	-3.2
Quarter 5	73.1	75.9	-2.8	-3.6
Quarter 6	67.5	72.4	-4.9 *	-6.7
Quarter 7	63.3	67.8	-4.5	-6.6
Quarter 8	57.8	63.6	-5.8 **	-9.1
Quarter 9	54.2	59.8	-5.6 *	-9.3
Average number of months receiving AFDC payments				
Years l-2	16.02	17.10	-1.09 **	-6.4
Year 1	9.39	9.75	-0.36 *	-3.7
Year 2	6.62	7.35	-0.73 **	-9.9
AFDC receipt in years l-2				
Number of months in first AFDC spell	14.39	15.92	-1.53 ***	-9.6
Received continuously (%) [b]	36.6	46.8	-10.2 ***	-21.9
Ever off (%) [c]	63.4	53.2	10.2 ***	19.2
If ever off: [c]				
Month first off AFDC	*13.22*	13.22	0.00 [a]	0.0
On AFDC at end of period (%) [e]	*19.5*	17.2	2.3 [a]	13.5
Returned to AFDC (%)	*35.0*	31.8	3.2 [a]	10.2
On AFDC at start [d]	*35.1*	31.5	3.6 [a]	11.4
Off AFDC at start [d]	*34. I*	34.9	-0.9 [a]	- 2 . 5
If returned:				
Months on AFDC after first spell	4.64	3.72	0.92 [a]	24.8

(continued)

Appendix Table F.5 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	6,421	7,206	-785 ***	-10.9
Year 1	3,798	4,108	-310 ***	-7.5
Year 2	2,623	3,098	-475 ***	-15.4
Quarter of random assignment	1,133	1,145	-11	-1.0
Quarter 2	1,113	1,170	-57 **	-4.8
Quarter 3	979	1,044	-65 **	-6.2
Quarter 4	887	977	-90 ***	-9.2
Quarter 5	819	918	-98 ***	-10.7
Quarter 6	752	864	-112 ***	-13.0
Quarter 7	680	806	-126 ***	-15.6
Quarter 8	615	742	-126 ***	-17.0
Quarter 9	575	687	-111 ***	-16.2
Average AFDC payment per month received ($)				
Years 1-2	***401***	***421***	***-20*** [a]	***-4.9***
Year 1	***404***	***421***	***-17*** [a]	***-4.0***
Year 2	***396***	***422***	***-26*** [a]	***-6.0***
Sample size (total = 1,118)	566	552		

SOURCES: See Appendix Table E.2.

NOTES: See Appendix Table E. 1.

Appendix Table F.6

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Grand Rapids Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	64.1	58.2	***5.9*** *	10.1
Year 1	45.9	40.2	***5.7*** *	14.2
Year 2	53.5	51.1	***2.4***	4.8
Quarter of random assignment	14.3	19.6	***-5.3*** **	-27.1
Quarter 2	18.6	19.2	***-0.7***	-3.4
Quarter 3	22.4	21.8	***0.6***	2.9
Quarter 4	27.9	24.1	***3.8***	15.7
Quarter 5	29.2	25.4	***3.8***	15.2
Quarter 6	29.0	25.4	***3.7***	14.5
Quarter 7	28.3	26.7	***1.6***	5.9
Quarter 8	34.2	30.2	***4.0***	13.1
Quarter 9	35.5	31.7	***3.8***	12.1
Average quarterly employment rate (%)				
Years l-2	28.1	25.6	***2.6***	10.1
Year 1	24.5	22.6	1.9	8.4
Year 2	31.7	28.5	***3.3***	11.5
If ever ***employed in years I-2:***				
Total quarters employed	***3.51***	3.51	***0.00*** [a]	0.0
Quarter of first employment	***4.28***	4.43	***-0.15*** [a]	-3.3
Quarters in first employment spell	***2.81***	2.42	***0.19*** [a]	7.3
Average total earnings ($)				
Years l-2	***2,786***	2,439	***347***	14.2
Year 1	***994***	992	***2***	0.2
Year 2	1,792	1,447	***345*** *	23.9
Quarter of random assignment	95	‘147	***-51*** **	-35.0
Quarter 2	161	171	-10	-5.6
Quarter 3	237	213	***24***	11.5
Quarter 4	273	284	-11	-3.8
Quarter 5	322	325	-2	-0.7
Quarter 6	372	326	46	14.3
Quarter 7	395	304	91	29.9
Quarter 8	487	382	105	27.6
Quarter 9	538	436	102	23.5
Average earnings per quarter employed ($)				
Years l-2	***1,238***	1,193	45 [a]	3.7
Year 1	***1,013***	1,096	-83 [a]	-7.6
Year 2	***1,411***	1,270	141 [a]	***11.1***

(continued)

Appendix Table F.6 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year2				
None	46.5	48.9	-2.4	--
$1 - $1,999	26.0	29.0	-3.0	--
$2,000 - $4,999	15.4	13.3	2.1	--
$5,000 - $9,999	9.4	6.5	2.9	--
$10,000 - $19,999	2.7	2.0	0.6	--
$20,000 or more	0.1	0.3	-0.2 **	--
If *employed:*				
$1 - $1,999	48.6	56.7	-8.1 [a]	--
$2,000 - $4,999	28.8	26.1	2.7 [a]	--
$5,000 - $9,999	17.5	12.7	4.8 [a]	--
$10,000 - $19,999	5.0	4.0	*1.0* [a]	--
$20,000 or more	0.1	0.5	-0.4 [a]	--
Ever received any AFDC payments (%)				
Years l-2	97.3	97.6	-0.3	-0.3
Year 1	97.3	97.1	0.3	0.3
Year 2	81.6	86.7	-5.0 *	-5.8
Quarter of random assignment	98.2	97.6	0.6	0.6
Quarter 2	96.2	95.5	0.7	0.7
Quarter 3	89.7	91.0	-1.3	-1.4
Quarter 4	83.6	88.2	-4.6 *	-5.2
Quarter 5	80.1	84.7	-4.6 *	-5.4
Quarter 6	76.3	83.6	-7.3 ***	-8.8
Quarter 7	72.5	77.3	-4.7	-6.1
Quarter 8	68.6	76.4	-7.8 **	-10.2
Quarter 9	65.0	72.5	-7.5 **	-10.3
Average number of months receiving AFDC payments				
Years l-2	17.91	19.18	-1.27 **	-6.6
Year 1	9.98	10.38	-0.40 *	-3.9
Year 2	7.93	8.80	-0.87 ***	-9.9
AFDC receipt in years l-2				
Number of months in first AFDC spell	16.27	17.58	-1.32 **	-7.5
Received continuously (%)[b]	46.7	55.9	-9.2 ***	-16.5
Ever off (%)[c]	53.3	44.1	9.2 ***	20.9
If ever off: [c]				
Month first off AFDC	*13.88*	13.84	0.04 [a]	0.3
Returned to AFDC (%)	*41.8*	42.2	-0.4 [a]	-0.9
If returned:				
Months on AFDC after first spell	*3.93*	*3.78*	*0.15* [a]	*4.0*

(continued)

Appendix Table F.6 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	7,313	8,265	-952 ***	-11.5
Year 1	4,092	4,455	-363 ***	-8.2
Year 2	3,222	3,810	-589 ***	-15.5
Quarter of random assigmnent	1,195	1,162	33	2.8
Quarter 2	1,189	1,188	2	0.1
Quarter 3	1,042	1,126	-84 **	-7.5
Quarter 4	946	1,086	-140 ***	-12.9
Quarter 5	914	1,055	-141 ***	-13.4
Quarter 6	871	1,018	-147 ***	-14.5
Quarter 7	843	964	-121 ***	-12.6
Quarter 8	775	940	-164 ***	-17.5
Quarter 9	733	888	-156 ***	-17.5
Average AFDC payment per month received ($)				
Years 1-2	*408*	*431*	*-23* [a]	*-5.3*
Year 1	*410*	*429*	*-19* [a]	*-4.5*
Year 2	*406*	*433*	*-27* [a]	*-6.2*
Sample size (total = *793*)	*417*	*376*		

SOURCES: See Appendix Table E.2.

NOTES: See Appendix Table E. 1.

Appendix Table F.7

For Sample Members Without a High School Diploma or GED: Two-Year Impacts of JOBS on Employment, Earnings, AFDC Receipt, and AFDC Payments

Riverside Human Capital Development Approach

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Years l-2	46.9	38.8	8.1 ***	20.8
Year 1	35.1	28.7	6.5 ***	22.5
Year 2	35.9	32.2	3.7 **	11.5
Quarter of random assignment	14.6	14.8	-0.2	-1.3
Quarter 2	18.6	15.6	3.0 *	19.3
Quarter 3	20.8	17.2	3.6 **	20.8
Quarter 4	21.4	17.8	3.6 **	20.5
Quarter 5	20.9	18.9	2.0	10.6
Quarter 6	22.3	20.0	2.3	11.3
Quarter 7	23.8	20.9	2.9 *	13.8
Quarter 8	23.8	22.3	1.5	6.8
Quarter 9	23.1	23.2	-0.1	-0.3
Average quarterly employment rate (%)				
Years l-2	21.8	19.5	2.4 *	12.1
Year 1	20.4	17.4	3.1 **	17.6
Year 2	23.2	21.6	1.6	7.6
If ever employed in years l-2:				
Total quarters employed	3.72	4.01	-0.29 [a]	-7.2
Quarter of first employment	3.99	4.02	-0.03 [a]	-0.8
Quarters in first employment spell	3.25	3.36	-0.11 [a]	-3.3
Average total earnings ($)				
Years l-2	3,278	3,090	188	6.1
Year 1	1,389	1,241	148	12.0
Year 2	1,889	1,849	39	2.1
Quarter of random assignment	148	173	-25	-14.7
Quarter 2	274	256	19	7.3
Quarter 3	348	315	33	10.4
Quarter 4	371	323	48	14.9
Quarter 5	396	347	49	14.1
Quarter 6	434	409	26	6.3
Quarter 7	472	443	29	6.5
Quarter 8	498	481	17	3.5
Quarter 9	484	517	-33	-6.3
Average earnings per quarter employed ($)				
Years l-2	1,877	1,983	-106 [a]	-5.4
Year I	1,701	I, 787	-86 [a]	-4.8
Year 2	2,031	2,141	-110 [a]	-5.1

(continued)

Appendix Table F.7 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Annual earnings, year 2				
None	64.1	67.8	-3.7 **	--
$1 - $1,999	13.5	10.9	2.6 *	--
$2,000 - $4,999	8.3	7.6	0.7	--
$5,000 - $9,999	7.6	7.7	-0.1	--
$10,000 - $19,999	5.7	5.0	0.7	--
$20,000 or more	0.8	1.0	-0.1	--
If *employed:*				
$1 - $1,999	37.5	33.9	3.6 [a]	--
$2,000 - $4,999	23. I	23.6	-0.5 [a]	--
$5,000 - $9,999	21.3	23.9	-2.7 [a]	--
$10,000 - $19,999	15.8	15.6	0.2 [a]	--
$20,000 or more	2.4	3.0	-0.7 [a]	--
Ever received any AFDC payments (%)				
Years l-2	93.8	93.9	-0.1	-0.1
Year 1	93.1	93.4	-0.3	-0.4
Year 2	69.2	71.8	-2.6	-3.7
Quarter of random assignment	96.4	96.6	-0.2	-0.2
Quarter 2	92.0	92.5	-0.4	-0.5
Quarter 3	81.4	86.2	-4.9 ***	-5.7
Quarter 4	73.7	78.1	-4.4 **	-5.6
Quarter 5	68.1	72.4	-4.2 **	-5.9
Quarter 6	65.3	68.2	-2.9	-4.3
Quarter 7	61.1	64.2	-3.1	-4.8
Quarter 8	58.0	61.8	-3.8 *	-6.1
Quarter 9	54.9	58.9	-4.0 **	-6.8
Average number of months receiving AFDC payments				
Years l-2	15.75	16.68	-0.93 ***	-5.6
Year 1	8.98	9.43	-0.45 ***	-4.8
Year 2	6.77	7.25	-0.49 **	-6.7
AFDC receipt in years 1-2				
Number of months in first AFDC spell	14.55	15.66	-1.11 ***	-7.1
Received continuously (%) [b]	42.4	47.8	-5.4 ***	-11.4
Ever off (%) [c]	57.6	52.2	5.4 ***	10.4
If ever off: [c]				
Month first off AFDC	Il. 79	12.21	-0.42 [a]	-3.5
Returned to AFDC (%)	25.9	24.6	I.3 [a]	5.4
If returned:				
Months on AFDC after first spell	*4.65*	*4.17*	0.48 [a]	*Il.5*

(continued)

Appendix Table F.7 (continued)

Outcome	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)	Percentage Difference (%)
Average total AFDC payments received ($)				
Years l-2	9,235	10,369	-1,134 ***	-10.9
Year 1	5,353	5,885	-532 ***	-9.0
Year 2	3,882	4,484	-602 ***	-13.4
Quarter of random assignment	1,671	1,674	-3	-0.2
Quarter 2	1,618	1,684	-65 **	-3.9
Quarter 3	1,378	1,538	-160 ***	-10.4
Quarter 4	1,227	1,381	-154 ***	-11.2
Quarter 5	1,130	1,282	-152 ***	-11.9
Quarter 6	1,058	1,215	-157 ***	-12.9
Quarter 7	995	1,144	-150 ***	-13.1
Quarter 8	941	1,089	-148 ***	-13.6
Quarter 9	887	1,035	-147 ***	-14.3
Average AFDC payment per month received ($)				
Years I-2	***586***	***621***	***-35 a***	***-5.7***
Year 1	***596***	***624***	***-28 a***	***-4.5***
Year 2	***573***	***618***	***-45 a***	***-7.2***
Sample size (total = 2,328)	1,196	1,132		

SOURCES: See Appendix Table E.3.

NOTES: See Appendix Table E.1.

APPENDIX G

A PRELIMINARY COMPARISON OF IMPACT ESTIMATES CALCULATED FROM SURVEY AND RECORDS DATA

I. Overview of Findings

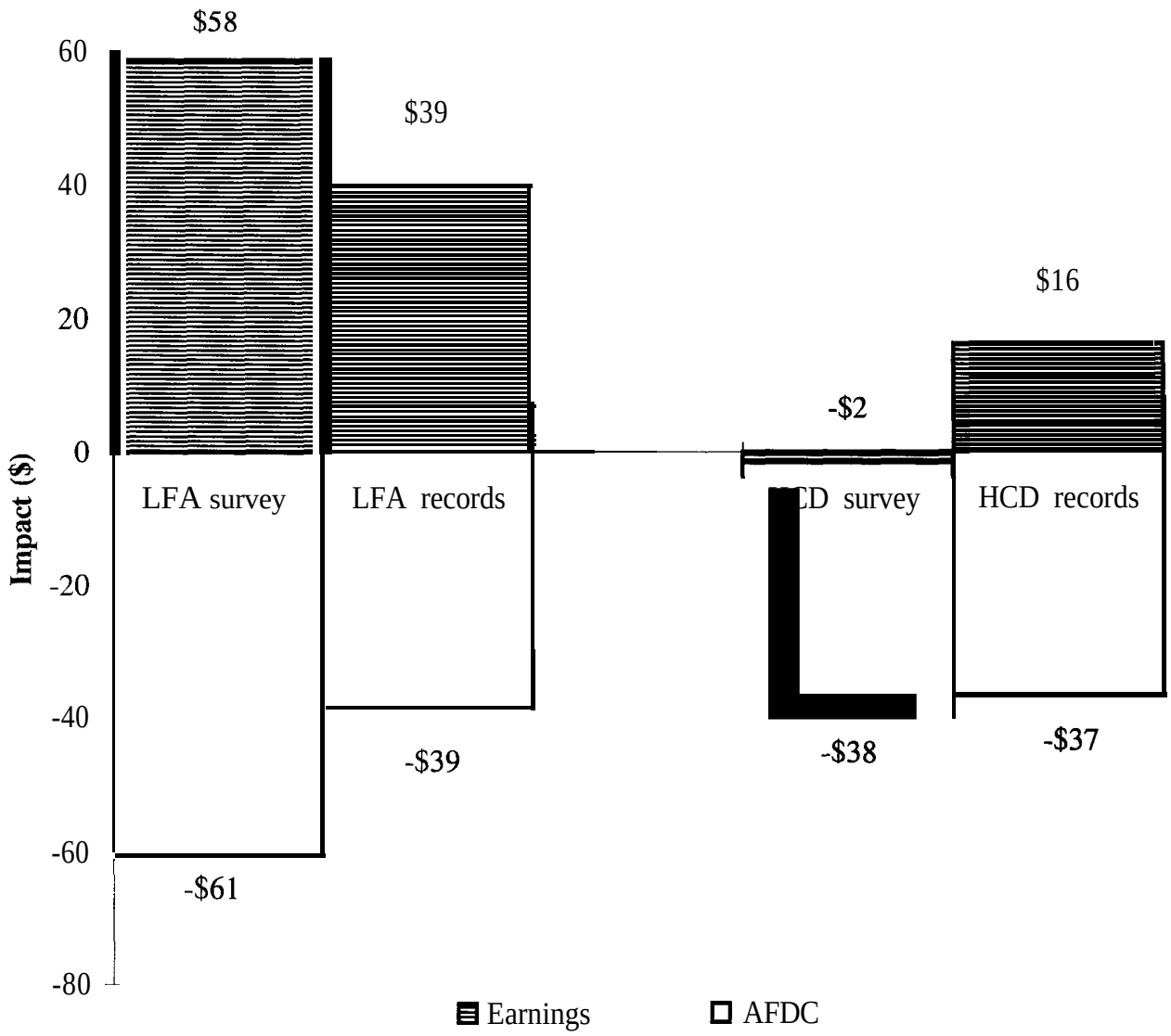
This appendix compares (a) results from a previously published report, which were based on self-reported employment and welfare receipt from survey data and pooled across three study sites, with (b) results in this report, which were computed from UI and AFDC records data. When the estimates in this report are also pooled across sites, they yield conclusions about program impacts that are roughly similar to those in the previous report. In this appendix, "pooling" means that impact estimates from the three sites are combined into a single estimate by an averaging procedure. The principal differences between pooled survey and records estimates are that survey data produce somewhat larger earnings and AFDC impacts for LFAs and records data produce a somewhat larger earnings impact for HCDs. This appendix constitutes a preliminary analysis of issues involved in survey-records comparisons. The analysis presented here will be carried out in detail when the full survey sample becomes available.

The fundamental comparisons between pooled survey results and pooled records results are illustrated in Figure G.l. This figure shows across-site pooled impacts on earnings and AFDC payments from the survey in approximately the 24th month of follow-up. The survey impacts were reported in Early *Findings on Program Impacts in Three Sites* (Freedman and Friedlander, 1995). Alongside these results, the figure, also shows the quarter 9 impacts from this report pooled across sites and converted to monthly amounts by dividing by 3. Although the time periods and samples are different, these two sets of estimates best support conclusions about impacts at the end of two years that might be drawn from the two reports. Figure G.l shows that conclusions about the magnitudes of impacts based on the two separate data sources would be generally similar but not a close match. Although not shown in the figure, it should also be noted that the statistical significance for each pair of impact estimates in the figure is the same for survey and records. The principal differences in the new records results are that the LFA monthly earnings and AFDC payment impacts are smaller by about one-third and the HCD monthly earnings impact is slightly positive instead of approximately zero. As discussed below, it was found that discrepancies in reporting between sample members who had both survey and records data accounted for only a small portion of the survey-records impact differences. Differences between the smaller survey sample available for the 1995 report and the larger sample used in the current report appear to make the largest contribution to total impact differences.

Greater differences between survey and records impacts, estimated for the same sample of currently available survey respondents, are found when site-specific comparisons are made, but impact estimates are not systematically larger for survey or records. Survey data produced somewhat larger employment and earnings impacts for Grand Rapids LFAs and larger AFDC impacts for Riverside HCDs. Conversely, records data produce larger impacts on employment and AFDC receipt for Atlanta HCDs. These results suggest that discrepancies may be more important in smaller, site-specific subsamples of the survey analysis than in the larger samples of survey estimates pooled across sites.

Figure G.l

Impact on Earnings and AFDC Payments in Approximately the 24th Month of Follow-Up from the 1995 Survey Impact Report and Current Report



SOURCE: Appendix Table G.2.

NOTES: See Appendix Table G.2.

"LFA records" and "HCD records" impacts are the quarter 9 impact estimates from the current report divided by 3.

II. Possible Sources of Differences Between Survey and Records Results

The impact estimates presented in the 1995 survey impact report and in this report rely on different data sources, cover different samples, and emphasize different follow-up periods. In addition, the regression specifications used in this report differ from the last report, Any of these differences could have resulted in differences in impact estimates.

The 1995 survey impact report was based on data from the JOBS Two-Year Client Survey sample of 2,604 survey respondents. Records impacts in the current report are based on records data for almost 12,000 sample members, an early cohort of the full impact sample that will be referred to here as the "current impact sample." The difference in sample size occurs partly because samples in more months of random assignment have records data than had survey data available for the prior report. In addition, only a subsample of the full impact sample was chosen to be surveyed, whereas records data are available for the entire impact sample.

At the time of the 1995 report, survey data were available for about one-third of the subsample chosen to be surveyed. This sample included respondents who were randomly assigned through November 1992 in Atlanta, October 1992 in Grand Rapids, and April 1992 in Riverside. Because sample sizes were small for each site, the 1995 report presented only pooled results. That report emphasized impacts in the month prior to the interview, usually about two years after random assignment.

In contrast, the current report uses primarily UI and AFDC records data to estimate impacts. This report analyzes two years of follow-up data for sample members randomly assigned through the end of 1992 in each of the three sites. Because administrative records provide a quarter-by-quarter sequence of historical data, the analysis in the current report is no longer limited to the month prior to the interview. In this appendix, however, comparability with the survey is of primary importance. Records impacts will therefore be examined only for quarter 9 or will be rearranged to represent the month prior to the survey interview.

For the current report, some modifications were made to the regression specifications used in the 1995 report. These modifications were not expected to change the impact estimates noticeably, and they did not.

Currently, survey data are also available for those randomly assigned through the end of 1992, a subsample of 3,807 survey respondents, or a little more than half of the eventual survey sample. Although this sample is not the focus of the current report, it will be used for comparison in this appendix.

III. Reporting Discrepancies for Sample Members with Both Survey and Records Data

One potential source of differences in impact estimates from survey and records data would be discrepant reporting for sample members having both kinds of data. Indeed, discrepant reporting was not uncommon. Table G.l shows that a noticeable percentage of sample members in the LFA, HCD, and control groups had employment or AFDC payments in survey or records data, but not in

Appendix Table G.l

Percentage of Survey Sample Having Earnings or AFDC Payments on Survey or Records, But Not on Both

Outcome	Atlanta	Grand Rapids	Riverside
Earnings in month prior to interview			
Two-Year Client Survey only (%)	5.3	13.2	12.4
UI earnings data only (%)	12.2	10.4	6.4
AFDC in month prior to interview			
Two-Year Client Survey only (%)	3.6	1.5	12.5
AFDC records data only (%)	4.8	7.5	3.9

SOURCES: MDRC calculations from the Two-Year Client Survey partial sample randomly assigned through December 1992 in Atlanta, Grand Rapids, and Riverside as well as calculations from Georgia, Michigan, and California Unemployment Insurance (UI) earnings records and county AFDC records.

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1. The "month prior to interview" was typically month 24.

both. As shown, patterns of discrepancies differ from site to site. In Atlanta, the administrative records captured most of the employment reported on the survey and some additional employment not reported on the survey. In Grand Rapids and Riverside, about one-eighth of the sample had earnings on the survey that were not on the records, but, in Grand Rapid especially, some earnings appeared only on the records.' In Atlanta and Grand Rapids, where AFDC payments are recorded on state-wide systems, AFDC payments in records data had similar or better coverage than in the survey. In Riverside, however, where AFDC records are recorded only within county, the survey captured AFDC payments for 12.5 percent of the sample who did not have AFDC on the records. An analysis based on addresses of survey respondents indicated that more than half of this discrepancy is the result of sample members moving out of the county. In Riverside, AFDC records did not capture payments for cross-county movers, but the survey often did.

IV. Observed Patterns of Differences Between Survey and Records Results

The discrepant reporting noted in the preceding section did not create major differences in impact estimates between survey and records data. A detailed analysis revealed that differences between survey responses and records data for individual sample members accounted for only a small part of the discrepancies in impact estimates. In fact, there were *no* large effects on impacts from survey-records reporting differences. The largest dollar difference attributable to discrepant reporting on the two data sources was a $12 difference for the HCD monthly earnings impact, with no change in statistical significance. As discussed later, when other factors were held constant, none of the differences between impact estimates for pooled survey and pooled records data calculated for sample members who had both kinds of data was statistically significant.

Tables G.2 and G.3 show a step-by-step comparison of all potential sources of differences between previous survey and current records results. Employment, earnings, AFDC receipt, and AFDC payment impacts are shown in four sections. Rows 1 and 6 in each section show the impact estimates from the 1995 report and the current report, respectively. The dollar impacts in rows 1 and 6 for earnings and AFDC payments are the same ones shown in Figure G. 1. In each of the rows from 2 to 6, one factor is varied to isolate its contribution to the total difference between impacts in the last report and this one. A comparison of rows 1 ands 6 gives the total difference between impacts from the two reports; a comparison of each row with the row directly above it gives the portion of the total difference caused by the factor that was varied.

Rows l-3 compare impacts in the month prior to the interview. A comparison of rows 1 and 2 shows the difference between impacts for the 1995 survey sample (2,604 respondents) versus a larger subsample of survey respondents now available (3,807 respondents). Next, a comparison of row 2, based on survey data, and row 3, based on records data, shows the survey-records difference in impact estimates when both cover the same sample and time period and use the same regression specification. In row 3, the records data were aligned to represent as closely as possible the "month prior to interview," the point in time covered by the survey outcomes. Because these two rows

'Job descriptions based on survey responses suggest that about 40 percent (Atlanta) to 60 percent (Riverside) of sample members who had earnings only on the survey reported employment in the types of jobs not usually captured by UI records, including self-employment, some domestic work, government or military jobs, and informal child care.

Appendix Table G.2

Impact Estimates from Survey and Records Data for Single-Parent Sample Members
Labor Force Attachment Approach

	Outcome, Data Source, and Sample	Labor Force Attachment Group (LFAs)	LFA Control Group	Difference (Impact)
Employment (%)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	**42.5**	34.4	8.1 ***
(2)	Weighted: current survey sample (previous model)	**43.3**	37.4	5.9 ***
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	**39.3**	35.6	3.7 **
	Records data: quarter 9			
(4)	Weighted: current survey sample (previous model)	**40.3**	35.4	4.9 ***
(5)	Weighted: current survey sample (current model)	**39.2**	34.5	4.7 **
(6)	Full impact sample (i.e., current report impact)	**37.4**	32.6	4.7 ***
Earnings ($)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	**285**	226	58 ***
(2)	Weighted: current survey sample (previous model)	**300**	255	45 **
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	**287**	248	39 **
	Records data: quarter 9 divided by 3			
(4)	Weighted: current survey sample (previous model)	**291**	252	39 **
(5)	Weighted: current survey sample (current model)	**280**	241	39 **
(6)	Full impact sample (i.e., current report impact)	**262**	222	39 ***
Received AFDC (%)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	**57.2**	68.3	-11.1 ***
(2)	Weighted: current survey sample (previous model)	**56.8**	66.3	-9.5 ***
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	**57.3**	64.9	-7.6 ***
	Records data: quarter 9			
(4)	Weighted: current survey sample (previous model)	**60.7**	69.1	-8.4 ***
(5)	Weighted: current survey sample (current model)	**61.6**	69.6	-7.9 ***
(6)	Full impact sample (i.e., current report impact)	**58.8**	65.2	-6.4 ***
AFDC Payments ($)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	**216**	276	-61 ***
(2)	Weighted: current survey sample (previous model)	**215**	264	-49 ***
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	**221**	267	-46 ***
	Records data: quarter 9 divided by 3			
(4)	Weighted: current survey sample (previous model)	**221**	267	-46 ***
(5)	Weighted: current survey sample (current model)	**226**	269	-42 ***
(6)	Full impact sample (i.e., current report impact)	**217**	256	-39 ***

SOURCE: See Appendix Table G. 1

NOTES: Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1. The "month prior to interview" was typically month 24. For records, quarter 1 is the quarter in which random assignment occurred.

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Appendix Table 6.3

Impact Estimates from Survey and Records Data for Single-Parent Sample Members
Human Capital Development Approach

	Outcome, Data Source, and Sample	Human Capital Development Group (HCDs)	HCD Control Group	Difference (Impact)
Employment (%)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	35.1	32.4	2.6
(2)	Weighted: current survey sample (previous model)	37.5	34.0	3.4 *
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	37.8	33.5	4.3 **
	Records data: quarter 9			
(4)	Weighted: current survey sample (previous model)	39.0	33.1	5.9 ***
(5)	Weighted: current survey sample (current model)	40.5	34.5	6.1 ***
(6)	Full impact sample (i.e., current report impact)	34.5	31.3	3.2 ***
Earnings ($)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	207	209	-2
(2)	Weighted: current survey sample (previous model)	244	233	12
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	251	227	24
	Records data: quarter 9 divided by 3			
(4)	Weighted: current survey sample (previous model)	251	230	21
(5)	Weighted: current survey sample (current model)	269	241	27
(6)	Full impact sample (i.e., current report impact)	222	206	16
Received AFDC (%)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	64.6	68.8	-4.2 **
(2)	Weighted: current survey sample (previous model)	62.9	67.7	-4.9 ***
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	61.8	65.8	-4.0 **
	Records data: quarter 9			
(4)	Weighted: current survey sample (previous model)	67.7	70.7	-2.9 *
(5)	Weighted: current survey sample (current model)	66.6	69.6	-3.0 *
(6)	Full impact sample (i.e., current report impact)	61.5	66.3	-4.8 ***
AFDC Payments ($)				
	Survey data: month prior to interview			
(1)	Weighted: previous report survey sample (previous model)	247	285	-38 ***
(2)	Weighted: current survey sample (previous model)	243	279	-36 ***
	Records data: month prior to interview			
(3)	Weighted: current survey sample (previous model)	249	279	-30 ***
	Records data: quarter 9 divided by 3			
(4)	Weighted: current survey sample (previous model)	255	280	-26 ***
(5)	Weighted: current survey sample (current model)	248	269	-21 **
(6)	Full impact sample (i.e., current report impact)	228	265	-37 ***

SOURCES: See Appendix Table G. 1.

NOTES: See Appendix Table G.2.

show the difference associated with discrepant reporting, the difference between these rows will be called the *discrepant-reporting impact difference.*

Rows 3-6 show results with records data. Rows 4-6 show quarter 9 impacts. Earnings and AFDC payment dollars are divided by 3 to make them roughly comparable to the monthly estimates in the first three rows. A comparison of rows 4 and 5 shows differences in impacts resulting from changes in the regression model. Row 4 uses the regression specifications from the 1995 report and row 5 uses the specifications from the current report. Rows 5 and 6 show differences between the current survey sample and the current impact sample.

Survey and records results in Tables G.2 and G.3 are pooled across sites with the three sites equally weighted. Impact estimates for survey respondents are weighted to be representative of those in the full impact sample who were eligible to be surveyed.[2] The set of weights for the survey sample represents the inverse of the probability of being selected to be surveyed. Impacts for the current impact sample are not weighted except for equally weighting the three sites.

Tables G.2 and G.3 show that row 5 and 6 in each section are often similar. Where differences do appear, Tables G.2 and G.3 indicate that differences in reporting on survey and records, represented by the difference between row 2 and row 3 in the table, account for only a small part of the total difference. Although, in general, survey-records differences cannot be ascribed uniformly to one particular change in specification, differences between the smaller survey sample (row 1) and the current survey sample (row 2) appear to make the largest contribution to total differences. For example, updating LFA employment estimates for the survey sample with responses from additional sample members (row 1 to row 2) results in a change from 8.1 to 5.9 percentage points, which accounts for most of the difference between rows 1 and 6 in that section. A similar finding is seen for LFA AFDC payments: the difference between row 1 (-$61) and row 2 (-$49) accounts for more than half the total difference between rows 1 and 6. Two other noticeable differences-in impacts on LFA AFDC receipt and HCD earnings-were at least partially accounted for by differences between the two survey samples. These top-to-bottom differences were also partly from discrepancies in survey and records reports for the same sample (rows 2 to 3). Overall in the eight sections, however, the "discrepant-reporting impact differences" shown between survey and records in rows 2 and 3 are relatively modest.

V. Observed Differences in Survey and Records Impacts by Site

Table G.4 contains survey and records impacts for the currently available survey sample **(3,807 survey** respondents). Differences in impact estimates for the two data sources are also shown along with their statistical significance. The first two columns of the table show cross-site pooled LFA estimates and cross-site pooled HCD estimates (repeated from Tables G.2 and G.3). As stated

[2]A portion of the JOBS research sample was not eligible to be surveyed. Excluded were teen parents, parents with children under age 3 (in Atlanta and Riverside), men with children aged 3 to 5, people who did not speak either English or Spanish, and people who did not provide information prior to random assignment on their educational status and children's ages.

Appendix Table 6.4

Impacts in the Month Prior to the Interview for the Survey Sample, by Data Source, Site, and Research Group

Outcome and Data Source	Pooled Across Sites: Labor Force Attachment Group (LFAs)	Pooled Across Sites: Human Capital Development Group (HCDs)	Labor Force Attachment (LFAs): Atlanta	Labor Force Attachment (LFAs): Grand Rapids	Labor Force Attachment (LFAs): Riverside	Human Capital Development (HCDs): Atlanta	Human Capital Development (HCDs): Grand Rapids	Human Capital Development (HCDs): Riverside
Employment (%)								
Survey impact	5.9 ***	3.4 *	5.2 *	9.1 **	3.5	1.3	2.7	6.4 **
Records impact	3.7 **	4.3 **	4.7	2.2	4.3	7.0 **	2.6	3.2
Difference	2.2	-0.9	0.5	6.9	-0.9	-5.8 xx	0.1	3.3
Earnings ($)								
Survey impact	45 **	12	32	57	61 **	16	-4	21
Records impact	39 **	24	34	9	86 ***	34	-14	46 *
Difference	6	-12	-1	49	-25	-18	10	-24
Received AFDC (%)								
Survey impact	-9.5 ***	-4.9 ***	-6.6 **	-13.2 ***	-10.7 ***	-4.4	-4.2	-6.4 **
Records impact	-7.6 ***	-4.0 **	-4.9	-9.4 **	-9.9 ***	-7.8 ***	-4.5	0.0
Difference	-1.9	-0.8	-1.8	-3.8	-0.7	3.4 x	0.3	-6.4 xx
AFDC Payments ($)								
Survey impact	-49 ***	-36 ***	-20 **	-63 ***	-73 ***	-20 ***	-28	-54 ***
Records impact	-46 ***	-30 ***	-16 *	-54 ***	-71 ***	-27 ***	-30	-28
Difference	-3	-6	-4	-9	-2	7	2	-26 x
Sample size	2,564	2,482	847	566	1,151	996	538	948

SOURCES: MDRC calculations from the Two-Year Client Survey partial sample randomly assigned through December 1992 in Atlanta, Grand Rapids, and Riverside and calculations from Georgia, Michigan, and California unemployment insurance (UI) and county AFDC records.

NOTES: Estimates are regression adjusted using the regression specifications from the 1995 survey impact report.

Survey respondents were interviewed between month 25 and month 3 1, counting the month in which random assignment occurred as month 1.

A two-tailed t-test was applied to differences between outcomes for the LFA and LFA-control groups and the HCD and HCD-control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

A two-tailed t-test was applied to survey and records "difference" rows. Statistical significance levels are indicated as: x = 10 percent; xx = 5 percent; and xxx = 1 percent.

Sample sizes vary by outcome owing to item nonresponse on the survey.

earlier, survey-records differences in pooled estimates are minor, and none of the differences is statistically significant.

The remaining columns of Table G.4 show the same estimates for LFAs and HCDs separately for each site. For these smaller samples, some of the survey-records impact differences are statistically significant, but there does not appear to be a pattern showing systematically larger estimates for one data source over the other. Of the 24 pairs of site-specific impacts shown in the table, 12 show survey-records differences smaller that 2 percentage points, or $10 dollars; 7 show impacts somewhat larger for survey data; and 5 show impacts somewhat larger for records data. This latter split of 7 to 5 is nearly even. Of the four statistically significant survey-records impact differences, half are for larger survey impacts and half for larger records impacts.

The Riverside AFDC impact estimate is of special interest because a particular cause--cross-county mobility C-may be responsible for the impact differences between survey and records. Notwithstanding, although zero AFDC payments for cross-county movers resulted in somewhat lower overall rates of AFDC receipt and lower average AFDC payments in the records data than in the survey data, the effect on impact estimates does not clearly go in one direction. For HCDs, the impact estimates for records were lower than for survey; but for LFAs, the impact estimates were nearly identical for both data sources.

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*U.S. GOVERNMENT PRINTING OFFICE: 1997-616-187/90443