

Executive Summary
National Evaluation
of Welfare-to-Work Strategies

**Implementation, Participation Patterns, Costs,
and Two-Year Impacts of the Detroit
Welfare-to-Work Program**

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**Prepared by:
Mary Farrell
with
Gayle Hamilton
Christine Schwartz
Laura Storto**

**Manpower Demonstration
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Contents

List of Tables and Figures	v
Acknowledgments	ix
Executive Summary	ES-1
 Chapter	
1 Introduction	1
I. The Evolution of Welfare-to-Work Policy in Detroit	2
A. The MOST Program: May 1992 - October 1994	2
B. The Work First Program: October 1994 - Present	5
C. Other Policy Changes Not Affecting the Sample Until Three Years After Random Assignment	5
II. The Setting	6
A. The Program Environment	6
B. Sample Characteristics	8
III. The Detroit Evaluation	8
A. The Enrollment Process and Its Effect on Eligibility for Random Assignment and Sample Composition	11
B. Comparisons With Other Programs in the NEWWS Evaluation	14
C. Data Sources	14
 2 The Implementation of Detroit’s Welfare-to-Work Program	 17
I. The Implementation of MOST: May 1992 - October 1994	17
A. Organizational Structure and Program Staffing	17
B. The MOST Program Message	22
C. Staff Management and Job Satisfaction	25
D. Personalized Attention and Encouragement	25
E. Participation Monitoring	28
F. Rule Enforcement and Sanctioning	30
G. Child Care and Support Service Payments	30
H. Perceptions of the Helpfulness of MOST	33
II. The Implementation of Work First: October 1994 -1997	33
A. Organizational Structure and Program Staffing	33
B. The Work First Program Message	36
C. The Role of Contractors	37
D. Participation Monitoring	37
E. Rule Enforcement and Sanctioning	38
 3 Participation and Costs	 39
I. Service Sequence and Emphasis in the MOST and Work First Programs	39
A. Assignment to Activities in the MOST Program	40
B. Assignment to Activities in the Work First Program	41
II. Participation in the Detroit Program	41
A. Estimating Program-Related Participation	41

B. Work First Referral and Participation	42
C. Participation Length of Stay and Coverage	47
III. A Comparison of Program and Control Group Participation Levels	49
IV. Impacts on Attainment of Education or Training Credentials	53
V. Costs per Program Group Member	53
A. Major Components of the Cost Analysis	53
B. Program-Related Cost per Program Group Member	56
C. Gross Cost per Program Group Member	62
D. Gross Cost per Control Group Member	63
E. Net Costs	63
F. Costs by District Office	63
G. Costs by Educational Attainment Subgroup	63
4 Impacts on Employment and Public Assistance Outcomes	66
I. A Summary of Impact Findings	66
II. Data and Analytical Issues	67
III. Impacts on Employment and Earnings	67
A. Two-Year Impacts for the Full Sample	67
B. Employment and Earnings Over Time	70
C. Impacts by District Office	74
IV. Impacts on Public Assistance	77
A. Impacts on AFDC Receipt and Payments	77
B. Impacts on Food Stamp Receipt and Payments	79
C. Impacts on Employment and Welfare Status After Two Years	79
D. Impacts on Combined Income from Earnings, AFDC, and Food Stamps	79
V. Impacts for Key Subgroups	81
VI. Effects of Program Changes on Employment, Earnings, and AFDC	81
A. Delayed Effect of the MOST Program	83
B. Immediate Effect of the Work First Program	83
C. Effect of the Sequential Treatment	87
D. Looking Ahead	87
Appendices	
Appendix A: Supplementary Table to Chapter 1	89
Appendix B: Supplementary Tables to Chapter 2	93
Appendix C: Supplementary Participation Tables	101
Appendix D: Supplementary Cost Tables	109
Appendix E: Supplementary Tables to Chapter 4	113
References	147

List of Tables and Figures

Table

1	Two-Year Program-Related, Gross, and Net Costs (in 1993 Dollars)	ES-11
2	Two-Year Impacts on Employment, Earnings, and AFDC	ES-13
3	Three-Year Impacts on Employment, Earnings, and AFDC for Sample Members Randomly Assigned Through December 1993	ES-14
4	Two-Year Impacts on Employment, Earnings, and AFDC, by District Office and Random Assignment Cohort	ES-16
5	Two-Year Impacts on Total Earnings and Total AFDC Payments for All 11 Programs in the NEWS Evaluation	ES-18
1.1	Characteristics of the Program Environment	7
1.2	Selected Characteristics of Sample Members	9
2.1	Caseloads and Characteristics of MOST and Income Maintenance Staff	19
3.1	Ranges of Participation in Program-Related Activities Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and District Office	43
3.2	Selected Characteristics of Program Group Members Referred and Not Referred to Work First Within Two Years	44
3.3	Participation in the Detroit Work First Program Within Two and Three Years, by Research Group and District Office	46
3.4	Length of Participation Within a Two-Year Follow-Up Period, by High School Diploma/GED Status and District Office	48
3.5	Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning	51
3.6	Two-Year Impacts on Degree Attainment, by High School Diploma/GED Status and District Office	54
3.7	Estimated Unit Costs for Employment-Related Activities (in 1993 Dollars)	58
3.8	Estimated Cost per Program Group Member Within Two Years After Orientation, by Agency (in 1993 Dollars)	60
3.9	Estimated Support Service Cost per Program Group Member Within Two Years After Orientation (in 1993 Dollars)	61

Table

3.10	Estimated Total Gross Costs and Net Costs Within Two Years After Orientation (in 1993 Dollars) for the Full Sample, by High School Diploma/GED Status and District Office	64
4.1	Two-Year Impacts on Employment, Earnings, AFDC, Food Stamps, and Combined Income	68
4.2	Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Randomly Assigned Through December 1993	72
4.3	Two- and Three-Year Impacts on Employment, Earnings, and AFDC, by District Office	76
4.4	Impacts on Employment, Earnings, and AFDC for Selected Subgroups	82
4.5	Rate of Referral of Sample Members to Work First, by Research Group, District Office, and Random Assignment Cohort	86
A.1	Selected Characteristics of Sample Members, by Period of Random Assignment	90
B.1	Selected Income Maintenance and Integrated Staff Survey Measures	94
B.2	Selected JOBS and Integrated Staff Survey Measures	96
B.3	Selected Client Survey Measures	99
C.1	Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, for Sample Members With a High School Diploma or GED	102
C.2	Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, for Sample Members Without a High School Diploma or GED	103
C.3	Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, for Sample Members in the Fullerton-Jeffries Office	104
C.4	Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, for Sample Members in the Hamtramck Office	105
C.5	Rates of Participation in Work First Within a Two- and Three-Year Follow-Up Period for Program Group Members, by District Office and Random Assignment Cohort	106
C.6	Rates of Participation in Work First Within a Two- and Three-Year Follow-Up Period for Control Group Members, by District Office and Random Assignment Cohort	107

Table

D.1	Estimated JOBS Cost per Control Group Member Within Two Years After Orientation (in 1993 Dollars)	110
D.2	Estimated Cost per Program Group Member Within Two Years After Orientation, by Agency and District Office (in 1993 Dollars)	111
D.3	Estimated Cost per Program Group Member Within Two Years After Orientation, by Agency and by High School Diploma/GED Status (in 1993 Dollars)	112
E.1	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps	114
E.2	Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Randomly Assigned Through December 1993	117
E.3	Impacts on Employment, Earnings, and AFDC, by Research Group and Period of Random Assignment	120
E.4	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members in the Fullerton-Jeffries Office	121
E.5	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members in the Hamtramck Office	124
E.6	Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Randomly Assigned Through December 1993 by District Office: Fullerton-Jeffries	129
E.7	Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Randomly Assigned Through December 1993 by District Office: Hamtramck	132
E.8	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Without a High School Diploma or GED by District Office: Hamtramck	135
E.9	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members With a High School Diploma or GED	138
E.10	Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps, for Sample Members Without a High School Diploma or GED	141
E.11	Two-Year Impacts on Employment, Earnings, and AFDC, by District Office and Random Assignment Cohort	144

Figure

1	Rates of Participation, by Research Group Status	ES-10
1.1	Steps Leading From Income Maintenance or Call-In to Attendance at MOST Orientation and Random Assignment	12

Figure

2.1	Relations Between Income Maintenance Workers and MOST	21
2.2	Employment Preparation Strategy	23
2.3	Staff Supervision, Evaluation, and Training	26
2.4	Personalized Attention and Encouragement	27
2.5	Participation Monitoring	29
2.6	Rule Enforcement and Sanctioning	31
2.7	Perceptions of the Effectiveness of MOST	34
3.1	AFDC, Employment, and Participation Statuses Within a Two-Year Follow-Up Period, by Follow-Up Month	50
3.2	Major Components of Gross and Net Costs	55
4.1	Relative Contributions of Employment Duration, Earnings on the Job, and Job-Finding to the Two-Year Earnings Impact	71
4.2	Quarterly Impacts on Earnings and AFDC Payments	75
4.3	Quarterly Impacts on Earnings and AFDC Payments, by District Office	78
4.4	Employment and AFDC Status at the End of Year 2	80
4.5	Estimated Proportion of Program Group Members Required to Participate, by Calendar Month	84
4.6	Quarterly Impacts on Earnings and AFDC Payments, by District Office and Random Assignment Cohort	85
E.1	Relative Contributions of Employment Duration, Earnings on the Job, and Job-Finding to the Two-Year Earnings Impact for Sample Members in the Fullerton-Jeffries Office	127
E.2	Relative Contributions of Employment Duration, Earnings on the Job, and Job-Finding to the Two-Year Earnings Impact for Sample Members in the Hamtramck Office	128

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Executive Summary

Michigan's current welfare-to-work program evolved over the past decade from one that emphasized participation in education and training activities to one that focused on quick job entry as the route to financial independence for welfare recipients. In addition, it shifted many of the responsibilities previously performed by the welfare department to private and public organizations outside the welfare department and exempted fewer welfare recipients from participating in the program. The program that emerged became one of the keystones of Michigan's overall welfare reform program, which was approved for implementation under the 1996 law.

This report examines the welfare-to-work programs operated in two of Detroit's welfare districts: Fullerton-Jeffries and Hamtramck. It describes Michigan Opportunity and Skills Training (MOST), an education-focused program that was in place in these two offices in 1992 at the start of the evaluation, and the transition to Work First, an employment-focused program emphasizing job search services that was implemented in October 1994 and is one component of Michigan's current welfare reform program. It follows for two years the welfare recipients who were assigned to MOST, almost one-quarter of whom were referred to the Work First program within the two-year period, and examines the types of services and messages that they received, the cost of both strategies, and the effects of the treatment received on welfare receipt, employment, and earnings. It follows an early group of individuals for three years.

The Detroit welfare-to-work program is being evaluated as part of the National Evaluation of Welfare-to-Work Strategies (NEWWS Evaluation; formerly called the JOBS Evaluation), conducted by the Manpower Demonstration Research Corporation (MDRC) under contract to the U.S. Department of Health and Human Services, with support from the U.S. Department of Education and the W. K. Kellogg Foundation. NEWWS is a comprehensive study of 11 welfare-to-work programs in seven sites. Throughout this report, comparisons are made between the Detroit program and the other NEWWS programs. Two recently released reports provide a more comprehensive comparison among all programs, including results on children's well-being, child care use while employed, supports provided to individuals who leave welfare for employment, and additional measures of self-sufficiency.¹ A future report will examine five-year results for all programs and will compare program benefits with program costs.

This report examines the implementation of the MOST and Work First programs and analyzes data on participation, AFDC and Food Stamp receipt, employment, and earnings. Its results are based

¹See *Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*, prepared by Stephen Freedman, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, and Laura Storto, MDRC; and *Impacts on Children and Families Two Years After Enrollment: Findings from the Child Outcomes Study*, prepared by Sharon M. McGroder, Martha J. Zaslow, Kristin A. Moore, and Suzanne M. LeMenestrel, Child Trends. (Child Trends, as a subcontractor, is working with MDRC on detailed child outcomes.) Both of these 1999 reports were published by the U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation, and the U.S. Department of Education, Office of the Under Secretary and Office of Vocational and Adult Education.

on a random assignment research design, in which welfare recipients were randomly assigned to one of two groups: the *program group*, whose members were assigned initially to MOST and were subject to MOST participation requirements; and the *control group*, whose members were not subject to any participation requirements for three years, but who could seek out, on their own, education and training programs available in the community and who were eligible for child care and transportation assistance provided by the MOST office. Program group members who were still on AFDC in the fall of 1994, and were mandatory, were referred to the new Work First program.

For this report, the combination of MOST and Work First services that program group members received during the follow-up period is referred to as the “Detroit program.” Program group members who were randomly assigned early in the evaluation received more MOST program services and those randomly assigned later in the evaluation received more Work First services (but some MOST services). Thus, the early enrollees experienced a program that was very different from the program experienced by the later enrollees.

The report sample consists of 4,459 single-parent sample members (2,226 program group members and 2,233 control group members) who were randomly assigned to the MOST program between May 1992 and June 1994. The two groups are tracked over time, and the differences between the groups’ particular outcomes (for example, average two-year earnings) constitute the effects, or “impacts,” of the Detroit welfare-to-work program. The impacts discussed below are statistically significant unless otherwise noted.²

I. An Overview in Brief

To assess the magnitude of Detroit’s results, this report makes a number of comparisons, primarily between program and control group members. In addition, it compares the program’s effects in the two district offices. The report also discusses impacts for subgroups defined by education level and cohorts defined by assignment date. Finally, it compares Detroit’s impacts with those of the other programs in the NEWS Evaluation to show the relative effectiveness of Detroit’s approach. (See the accompanying text box for a brief description of the programs in the evaluation.)

The key findings include the following:

- **While the Detroit MOST program communicated to enrollees the importance of participating in MOST and the penalties for not doing so, it did not strongly enforce the mandate to participate.** The MOST staff recommended that clients enroll in education and training activities; however, they did not monitor participation closely and rarely requested financial sanctions (reductions in AFDC grants) for noncompliant clients.

²Statistical significance indicates the probability that the program actually produced the observed difference.

The National Evaluation of Welfare-to-Work Strategies

The National Evaluation of Welfare-to-Work Strategies is assessing the effectiveness of 11 welfare-to-work programs in seven sites, including Detroit. Four sites in the evaluation operated two programs simultaneously in order to test the strengths and limitations of two different program approaches. Three of these four sites — Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California — ran two programs that used different employment preparation strategies: one, called the Labor Force Attachment (LFA) approach, is based on the view that the workplace is where welfare recipients can best learn work habits and skills, and thus emphasizes placing people into jobs quickly, even at low wages. The second, called the Human Capital Development (HCD) approach, emphasizes education and training as a precursor to employment, reflecting the belief that the required skills 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. The goal of the LFA programs was rapid employment, and job search was the prescribed first activity for virtually the entire caseload. In contrast, most people in the HCD programs were first assigned to education or training; basic education was the most common activity because of the generally low educational attainment of the enrollees at program entry.

In the fourth site — Columbus, Ohio — different case management approaches were compared side by side. “Traditional” case management required clients to interact with two staff members: one worker who processed welfare benefits and another worker who enrolled people in employment activities. “Integrated” case management required clients to interact with one worker for both welfare eligibility and employment services.

The study in the other two sites — Oklahoma City, Oklahoma, and Portland, Oregon — tested the net effects of the sites’ welfare-to-work programs (similar to the study in Detroit). The Columbus and Oklahoma City programs primarily utilized an HCD approach. The Portland program can be considered to be a blend of strong LFA elements and moderate HCD elements.

In total, the 11 evaluation programs ranged from strongly LFA-focused to strongly HCD-focused and from somewhat voluntary to highly mandatory. The program sites offered diverse geographic locations, caseload demographics, labor markets, and AFDC grant levels. However, because of NEWWS Evaluation selection criteria, the programs were all “mature” programs, relatively free of the transitional problems associated with the start-up of a complex, multi-component welfare-to-work program. These programs, while not representing all programs in the nation, represent a wide range of welfare-to-work options.

- **Control group members' levels of participation in employment and training activities were high for a NEWWS program. Relative to the control group's participation, the Detroit program produced only a small increase in the use of employment-related activities.** More than 40 percent of controls participated in an employment-related activity within two years of follow-up. The Detroit program increased participation in any employment-related activity by only 9 percentage points above the control group rate. Much of this increase was accounted for by the greater use of vocational training and job search by Hamtramck program group members. Work First accounted for less than half of the job search participation.
- **During the first two years of the follow-up period, the Detroit program only modestly increased employment and earnings and reduced AFDC receipt; impacts grew larger in the third year.** During the first two years of follow-up, Detroit increased employment for program group members by 4 percentage points and earnings by \$367 (or 9 percent over that of the control group). The program did not generate AFDC savings until the second year, when it reduced average AFDC payments by \$139 (or 3.5 percent). While statistically significant, these impacts are among the smallest found for a NEWWS program and reflect the small increases in rates of participation.

Another year of follow-up data are available for people who entered the study by December 1993 (74 percent of the full research sample). In year 3, average earnings for this group increased by \$585 (or 16 percent) and AFDC payments decreased by \$183 (or 5 percent).

- **The impact of the MOST program alone is reflected in the experiences of sample members enrolled in the program early on. The Hamtramck office generated increases in employment and earnings for an early cohort who did not receive Work First services within the first two years, while the Fullerton-Jeffries office did not.** An early cohort of sample members who were assigned to the program between May and December 1992 received only the MOST "treatment" within the first two years of follow-up. For this cohort, the Hamtramck program increased employment by 12 percentage points and earnings by \$1,291 (or 54 percent). The Fullerton-Jeffries program did not generate similar impacts within two years, although impacts emerged in the third year. Hamtramck's impacts may be attributable in part to its success in increasing the number of program group members who obtained a trade license or certificate, which may have increased their ability to find employment or find higher-paying employment.
- **The effects of the Work First program are reflected in the impacts of a later cohort who received fewer months of MOST services and were more likely to be referred to and have participated in Work First. Impacts for the later Fullerton-Jeffries cohort emerged in the second year of follow-up, which suggests that the Work First program was having a positive effect on Fullerton-Jeffries program group members' employment and welfare outcomes.** The Fullerton-Jeffries program referred 58 percent of program group members randomly assigned between January and June 1994 to Work First within two years. For this cohort, earnings increased in year 2 by a large and statistically

significant \$1,032 (or 35 percent) and AFDC payments declined by a statistically significant \$441 (or 11 percent). Hamtramck, which referred 37 percent of its program group members to Work First, did not produce impacts on earnings for this later cohort.

- **The impacts by office and random assignment cohort suggest that both MOST and Work First programs can produce positive results. However, the implementation practices of each office likely influenced the results.** The Hamtramck MOST program's emphasis on vocational training may explain its larger employment and earnings impacts relative to Fullerton-Jeffries' impacts for the early cohort. The Fullerton-Jeffries office referred a greater portion of its sample to Work First relative to Hamtramck — this may explain its larger impacts for the later cohort.

Following a brief discussion of the context of the Detroit program, this summary describes the implementation of the MOST and Work First programs, the levels of participation by both the program and control groups, cost findings, and the effects on employment, earnings, and welfare receipt for the full sample and defined cohorts.

II. Detroit's Evaluation Context

The results in this report should be considered in the context of Detroit's research sample and program environment. Detroit is the largest urban area in the NEWWS Evaluation and provides the opportunity to evaluate the effectiveness of a welfare-to-work program under conditions found in many inner-city welfare offices and employment programs. Fullerton-Jeffries, an inner-city Detroit office, serves a predominately black caseload. Hamtramck, which is located in the northeast section of Wayne County and includes parts of Detroit, serves a more racially and ethnically diverse caseload that has a majority of blacks, but also Eastern European, Middle Eastern, and other immigrants.

Detroit had a more disadvantaged sample than the other six sites in the evaluation. It had the lowest percentage employed in the year prior to random assignment (approximately 20 percent), and the highest percentage who had received public assistance for two years or more on their own or spouse's case (almost 75 percent). In addition, almost half (42 percent) did not have a high school diploma or GED certificate at the time of random assignment.

Throughout the follow-up period, Detroit's labor market was improving, with increasing employment and decreasing unemployment rates. Still, it was less robust than in the other six sites.

III. The Implementation of MOST

- **The Detroit MOST program emphasized building clients' human capital through education and training rather than moving clients into the labor market quickly.**

The Detroit MOST staff urged enrollees to obtain education and training before seeking employment. Program group members without a high school diploma or GED were encouraged to obtain a GED; those with this credential were encouraged to enroll in vocational training or college.

- **The income maintenance (IM) staff knew little about the MOST program and had little discussion with clients regarding their participation in MOST.**

MOST staff relied on IM staff to refer clients to the MOST program, impose and lift financial sanctions, and alert them to circumstances that could affect clients' participation. Staff surveys established that fewer IM workers knew about MOST and fewer reported that they received helpful training on MOST than IM staff from any other program in the NEWWS Evaluation. MOST staff mentioned that they preferred to control the flow of information regarding the program, ensuring that they communicated consistent messages to clients.

- **Assessment was not a strong component of the MOST program.**

Fewer MOST staff members in Detroit tried to learn in depth about their clients, tried to identify and remove barriers, and encouraged and provided positive reinforcement to clients than in any other program in the NEWWS Evaluation. This is supported by results from the Two-Year Client Survey: few Detroit program group members felt that their case manager knew a lot about them and their family or would help them resolve their problems.

- **The Detroit MOST program communicated to enrollees the importance of participating in MOST and the penalties for not doing so. However, the MOST program was considerably less mandatory than other programs in the NEWWS Evaluation.**

As evidenced by both the client and staff surveys, the majority of program group members were informed about penalties for noncompliance. Nonetheless, field research findings suggest that Detroit staff did not closely monitor individuals in program activities and follow up quickly when attendance problems arose, as staff did in other programs. In addition, the client and staff surveys indicate that MOST staff rarely imposed financial sanctions in response to noncompliance. Only 3 percent of Detroit program group members reported that they had been sanctioned, the smallest sanctioning rate of any program in the NEWWS Evaluation. Almost all MOST staff reported that they delayed requesting sanctions for noncompliant clients. There was no substantial difference in the degree of mandatoriness between the two district offices.

There are several explanations for the MOST program's weak monitoring of participation and low sanctioning. It was not fully staffed during the evaluation,³ and case managers reported spending most of their limited time working with clients who were participating on their own initiative, and who requested child care and other support services. Also, unlike some programs in the evaluation, the education and training service providers supplied staff with very little information on clients' attendance problems and progress. Therefore, program staff often did not know the full extent to which their caseload was noncompliant. Finally, staff believed that clients should be given numerous opportunities to come into compliance; they used sanctioning only when all else failed.

IV. The Implementation of Work First

- **The Work First program introduced a new system for delivering services that relied on contractual arrangements with private and public organizations to provide case management and service responsibilities.**

³One manager noted that the offices were operating under a hiring freeze during part of the evaluation and the MOST program was hampered by staffing shortages of up to 40 percent at a given time.

Prior to the implementation of Work First, the state welfare department's MOST program performed case management duties, which included assigning individuals to activities, monitoring the participation, referring noncompliant clients for sanctioning, and arranging child care and other support services. Most of the employment and training services were provided by outside organizations. After Work First was implemented, many of the case management and service responsibilities shifted to the Work First program, overseen by the Jobs Commission, a cabinet-level agency. Specifically, Work First had contractual arrangements with public and private organizations in the area that were responsible for assigning clients to activities and for monitoring their participation (the MOST program continued to handle child care administration and sanctioning responsibilities).

- **Work First emphasized immediate employment rather than participation in longer-term education and training activities.**

Work First sought to move clients immediately into the labor market. As a result, a large majority of Work First participants were initially assigned to job search. Those who found employment, including part-time employment, met their Work First requirements and were not expected to continue in the program.

- **Almost half of all program group members were referred to Work First within three years after enrolling in MOST.**

Less than one-quarter of program group members were referred to Work First within two years; two-fifths were referred within three years. Program group members were referred to Work First after October 1994 if they met three criteria: (1) they were still on AFDC, (2) they were not exempt from participating in the program, and (3) they were not enrolled in and making satisfactory progress in an education or training activity that was to be completed soon. Because more advantaged program group members were likely to leave AFDC quickly, those who were still on AFDC later and were referred to Work First tended to be more disadvantaged than the full sample. In addition, for the same reason, those referred to Work First tended to be those randomly assigned to a research group later in the study.

- **Contrary to the research design, some control group members were referred to the Work First program.**

The research design used for the evaluation specified that control group members were not to be referred to MOST, and later Work First, for at least three years following random assignment. Nevertheless, almost one-quarter of all controls were referred to the program between years 2 and 3. While only 8 percent of them actually participated in Work First within three years, the referral itself may have influenced some control group members' behavior. This departure from the research design mitigates the influence of Work First on the Detroit program's impacts. Still, program group members were more likely than control group members to be referred to Work First, especially program group members who were randomly assigned later in the evaluation.

V. Participation in Employment-Related Activities by Program and Control Group Members

- **Control group members' levels of participation in employment and training activities were high for a NEWWS program.**

A sizable proportion of control group members (42 percent) participated in employment-related activities on their own within two years. This level of participation was higher than that in any other

program in the evaluation except Grand Rapids. Basic education had the highest participation (almost half of all sample members did not have a high school diploma or GED at the point of random assignment), followed by college and then vocational training. Few controls participated in job search.

Several factors contributed to the high level of participation by controls. First, as was true for the other programs in the NEWWS Evaluation, Detroit control group members who participated on their own were entitled to child care services. Detroit controls were also eligible for bus passes. While control group members were not required to participate, the child care and transportation entitlement likely allowed some individuals to participate who would not have participated otherwise. Second, as discussed earlier, the governor and state legislature implemented a series of welfare reforms throughout the evaluation period that generated considerable publicity and perhaps encouraged *all* AFDC clients to find and enroll in programs on their own initiative throughout the state. Finally, because of resource constraints, which limited the number of clients who could be served by MOST, the program maximized the use of these scarce slots and first selected those individuals for random assignment who volunteered for the program. Consequently, a relatively high percentage of Detroit control group members were participating in an education and training activity at random assignment. Moreover, education and training services were extensively available in the Detroit community.

- **The Detroit program modestly increased the use of vocational training and job search among program group members.**

Figure 1 shows that the Detroit program increased the likelihood of participating in vocational training by 7 percentage points over the control group level and increased job search participation by 7 percentage points (half through MOST and half through Work First). The lack of increases in the other activities reflects the very high participation rate by the control group and the low enforcement of the participation mandate for the program group, discussed above. Most of the increase in training and job search was among program group members in the Hamtramck program.

Data from the Work First management information system show that participation by program group members in Work First employment-related activities within two years after random assignment increased by 4 percentage points over the control group level, virtually all due to an increase in job search participation. Within three years, the program increased participation rates by less than 6 percentage points.

- **The Hamtramck district office increased the number of individuals who obtained a vocational training certificate.**

More than 12 percent of program group members assigned to the Hamtramck MOST program received a training credential during the two-year follow-up period, a gain of 10 percentage points over the control group level (the highest reported in the NEWWS Evaluation). The increase was even more pronounced for those Hamtramck program group members who entered the program without a high school diploma or GED. For this subgroup, almost 18 percent of program group members received a trade license or certificate within the two years of follow-up, resulting in an impact of about 14 percentage points. Fullerton-Jeffries did not produce an increase in the receipt of licenses or certificates.

VI. The Cost of the Detroit Program

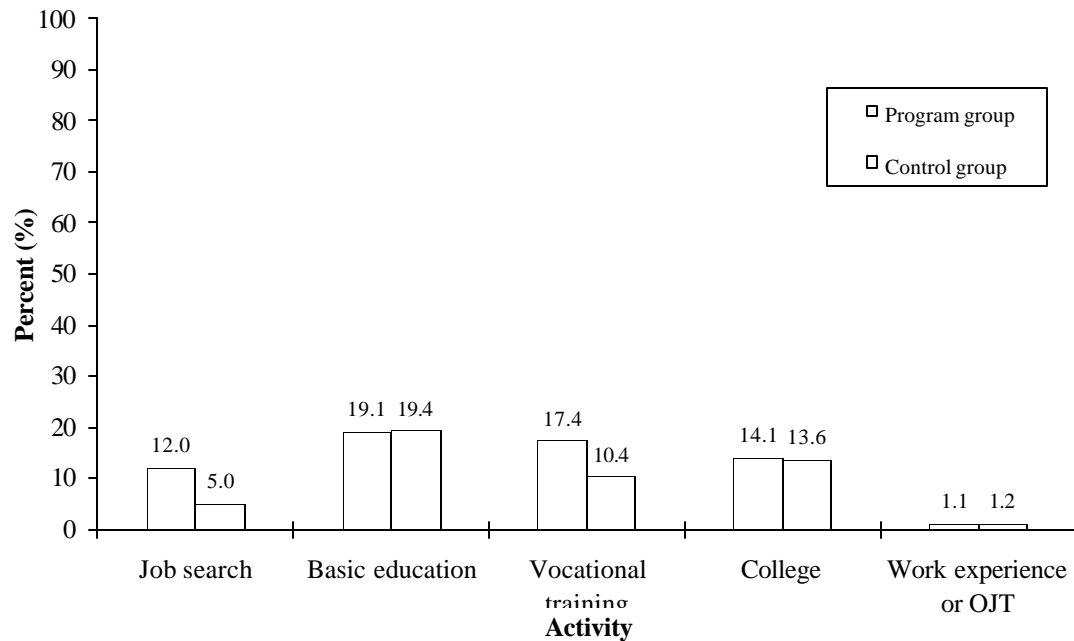
- **The two-year cost of the MOST and Work First programs was estimated to be \$2,955, most of which was spent on MOST services, making the Detroit program a relatively low-cost education-focused program.**

The Detroit program cost is the sum of the expenses incurred by the welfare department, the Jobs Commission, and area education and training providers that provide MOST and Work First services to program group members. Approximately 85 percent of the Detroit cost was attributable to the MOST program, excluding support services, and 4 percent was attributable to the Work First program. Child care and other support services accounted for the remaining 11 percent of the costs (see Table 1).

The Detroit cost is lower than the average program-related cost for the three education-focused programs studied as part of the NEWS Evaluation (the average cost of the Atlanta, Grand Rapids, and Riverside education-focused programs was \$3,883). While the MOST program had relatively high monthly costs per program participant, they were mitigated by relatively low levels of participation among program group members. Also, few program group members participated in Work First within the two-year follow-up period, resulting in a very low Work First cost. In addition, the welfare department spent less on child care and other support services than did almost all other welfare departments in the evaluation.

Figure 1

Rates of Participation, by Research Group Status



SOURCES: MDRC calculations from the Two-Year Client Survey and Michigan Work First management information system records.

Table 1**Two-Year Program-Related, Gross, and Net Costs (in 1993 Dollars)**

Program	Program-Related Cost per Program Group Member (\$)	Gross Cost per Program Group Member (\$)	Gross Cost per Control Group Member (\$)	Net Cost per Program Group Member (\$)
Detroit				
Operating costs	2,643	3,491	1,750	1,762
Support services	312	421	318	104
Total	2,955	3,913	2,067	1,845
Average of 3 employment-focused programs				
Operating costs	1,958	2,768	1,546	1,222
Support services	434	499	171	328
Total	2,391	3,267	1,717	1,550
Average of 3 education-focused programs				
Operating costs	3,327	4,088	1,481	2,607
Support services	556	637	166	471
Total	3,883	4,724	1,647	3,077

SOURCES: MDRC calculations of Detroit costs are based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC calculations of the three employment-focused and education-focused programs are from Evaluating Two Welfare-to-Work Program Approaches: Two-Year Findings on the Labor Force Attachment and Human Capital Development Programs in Three Sites. Prepared by Gayle Hamilton, Thomas Brock, Mary Farrell, Daniel Friedlander, and Kristen Harknett, MDRC. 1997. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

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

- **Excluding spending that would have occurred in the absence of a mandatory welfare-to-work program, the two-year net per person cost of Detroit's program was \$1,845. This net cost is lower than the average net cost for the three education-focused programs.**

Overall, it cost the government an estimated \$3,913 per program group member, over a two-year period, to provide education and employment-related services through either the MOST or Work First program or through self-initiated activity outside both programs (referred to as the gross cost in Table 1). Control group members made use of similar services outside the program at a cost of \$2,067 per person.

The difference between the program and control group costs results in a net cost to the government of \$1,845. This net cost was the additional investment that taxpayers made to provide services for the program group above and beyond the cost of services obtained by control group members. This net cost is much lower than the average net cost per person for the three education-focused programs (\$3,077).

The cost analysis by district office shows that Fullerton-Jeffries had higher gross costs for both the program group and control group compared with Hamtramck, due to higher levels of participation in employment-related activities for both groups. Fullerton-Jeffries' net cost per program group member is equivalent to Hamtramck's.

VII. Impacts on Employment, Earnings, and Welfare Receipt

- **During the first two years of the follow-up period, the Detroit program modestly increased employment rates and earnings and reduced the AFDC receipt rate. These small impacts were concentrated in the second year of follow-up.**

Table 2 shows that the Detroit program produced a small increase of \$367 in the average earnings of program group members (a 9 percent increase over the control group average). Earnings increased from a statistically insignificant \$57 in the first year to a statistically significant \$311 in the second year. Earnings impacts occurred primarily because it helped some individuals find jobs who would not have found employment on their own and, secondarily, because it helped some individuals who would have been employed to increase their earnings.

In year 2, the Detroit program reduced AFDC payments by \$139 per program group member (or 3.5 percent) over control group payments.

Although the Detroit program reduced the proportion of program group members receiving AFDC in the last quarter of year 2, 70 percent were still receiving it at the end of the second year; 48 percent were on AFDC and not working at this time.

- **Impacts on employment, earnings, and AFDC receipt increased in the third year.**

Three-year earnings and AFDC payment data are available for individuals who entered the program through December 1993 (74 percent of the full sample). Table 3 shows that the De-

Table 2

Two-Year Impacts on Employment, Earnings, and AFDC

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Years 1-2				
Ever employed (%)	62.3	58.2	4.1 ***	7.0
Average total earnings (\$)	4,369	4,001	367 *	9.2
Average total AFDC payments received (\$)	8,457	8,615	-158	-1.8
Last quarter of year 2				
Employed (%)	38.6	35.5	3.1 **	8.7
Ever received any AFDC payments (%)	70.1	73.7	-3.6 ***	-4.8
Sample size (total=4,459)	2,226	2,233		

NOTES: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

"Percentage difference" equals 100 times "difference" divided by "control group."

Table 3

**Three-Year Impacts on Employment, Earnings, and AFDC
for Sample Members Randomly Assigned Through December 1993**

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Years 1-3				
Ever employed (%)	72.4	68.8	3.6 **	5.3
Average total earnings (\$)	8,307	7,370	937 **	12.7
Average total AFDC payments received (\$)	11,710	12,024	-314 *	-2.6
Last quarter of year 3				
Employed (%)	39.8	37.4	2.3	6.2
Received any AFDC payments (%)	58.4	62.9	-4.5 ***	-7.1
Sample size (total=3,293)	1,649	1,644		

NOTES: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

"Percentage difference" equals 100 times "difference" divided by "control group."

Table 3

troit program increased earnings by \$937 (or 13 percent) over the three years of follow-up. Earnings gains in the third year were larger than in the previous two years. Specifically, the program group earned an average of \$274 more than the control group in the second year of follow-up (not statistically significant) and \$585 more in the third year.

The Detroit program reduced AFDC payments by \$94 in year 2 (not statistically significant) and \$183 in year 3. Over the three-year follow-up period, the Detroit program produced \$314 (or 3 percent) in savings.

- **Impacts for an early cohort of individuals who received only MOST services within the first two years of follow-up reveal that the Hamtramck MOST program produced large earnings gains and welfare savings, while the Fullerton-Jeffries MOST program did not.**

Table 4 shows that the Hamtramck program produced two-year earnings impacts of \$1,291 for an early cohort of individuals who entered the research sample by December 1992 and received only MOST services within the first two years. The earnings impact was \$346 and not statistically significant in the first year, but increased to \$946 in the second year (a statistically significant increase). The Hamtramck program also reduced two-year AFDC expenditures by \$570 (or 6 percent) per program group member over the control group expenditures. In contrast, the Fullerton-Jeffries MOST program did not increase earnings or reduce AFDC expenditures during the two-year follow-up period.

As discussed earlier, Hamtramck generated increases in the proportion of program group members who participated in vocational training and the proportion who received a trade certificate. The trade licenses may have given Hamtramck participants access to certain types of jobs for which they might not otherwise qualify. In other evaluations conducted by MDRC, participation in skills training and receipt of a training certificate were associated with substantial earnings gains.⁴

- **An analysis of members of a late cohort, who were more likely than earlier cohorts to receive Work First services, shows that impacts on earnings and AFDC payments emerged in the second year for the Fullerton-Jeffries sample. Conversely, the Hamtramck program group members in this late cohort did not earn more than their control group counterparts.**

Earnings and AFDC impacts emerged in the second year of follow-up for a cohort of program group members who enrolled in the Fullerton-Jeffries program between January and June 1994. Specifically, the program increased earnings in year 2 by \$1,032 and reduced AFDC expenditures by \$441. This cohort received fewer months of MOST services and was more likely to have been referred to Work First than the earlier cohorts. Hamtramck program group members who enrolled in the program during this period did not achieve earnings gains or AFDC reductions in year 2 (although AFDC impacts emerged in the last two quarters of follow-up). This could be due to the fact that Hamtramck group members were less likely to have been referred to Work First than Fullerton-Jeffries group members (Hamtramck referred 22 percentage points

⁴In particular, the Alameda County GAIN program, the Portland NEWWS Evaluation program, Florida's Family Transition Program, the New Chance program, and the JOBSTART program.

Table 4
Two-Year Impacts on Employment, Earnings, and AFDC,
by District Office and Random Assignment Cohort

Outcome and Subgroup	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Cumulative earnings over 2 years (\$)					
Fullerton-Jeffries					
Early cohort	513	3,171	3,537	-365	-10.3
Middle cohort	994	4,348	3,975	373	9.4
Late cohort	452	5,560	4,767	793	16.6
Hamtramck					
Early cohort	531	3,687	2,396	1,291 ***	53.9
Middle cohort	1,254	4,184	4,062	122	3.0
Late cohort	712	5,350	4,962	388	7.8
Cumulative AFDC payments over 2 years (\$)					
Fullerton-Jeffries					
Early cohort	513	9,054	8,596	458 *	5.3
Middle cohort	994	8,501	8,614	-113	-1.3
Late cohort	452	7,826	8,298	-473	-5.7
Hamtramck					
Early cohort	531	8,512	9,082	-570 **	-6.3
Middle cohort	1,254	8,375	8,562	-186	-2.2
Late cohort	712	8,405	8,641	-236	-2.7

NOTES: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

"Percentage difference" equals 100 times "difference" divided by "control group."

The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

more program group members than control group members to Work First within two years, while Fullerton-Jeffries referred 48 percentage points more of its program group members to Work First).

VIII. Comparisons With Other Programs in the NEWWS Evaluation

- **Detroit's two-year impacts on employment, earnings, and AFDC for the full sample are smaller than impacts in the other programs in the NEWWS Evaluation.**

To provide a context for gauging the magnitude of the two-year impacts presented above, it is useful to compare them with those generated by other programs in the NEWWS Evaluation. It is important, however, to keep in mind that in addition to differences in how the programs were implemented, differences in the demographics of the sample and labor market conditions may have influenced the magnitude of these impacts. Detroit had a more disadvantaged sample than the other programs in the evaluation; and while labor market conditions in Detroit improved in the course of the study, the employment growth rate was still lower and the unemployment rate was higher than in the other sites.

Table 5 presents the earnings and AFDC impacts for all 11 programs in the evaluation. The table shows that the Detroit program produced smaller reductions in welfare payments over the two years of follow-up than the other programs. In addition, two-year employment and earnings impacts were smaller than those in nearly all the other programs in the evaluation.

- **Because large impacts are emerging in the third year, two years is not enough time in which to fully assess the effectiveness of the Detroit program relative to the other programs.**

As discussed earlier, impacts grew progressively in the three-year follow-up period; earnings impacts more than doubled between the second and third years of follow-up for the group randomly assigned through December 1993. Therefore, additional follow-up for all programs in the evaluation is required to determine the full effects of the programs and the relative success of the Detroit program.

Future reports, as part of the full seven-site evaluation, will provide up to five years of follow-up on the sample members, analyze the programs' impacts on a wider array of outcomes, and compare the programs' five-year costs with their five-year benefits.

IX. Conclusion

- **Detroit's low enforcement of the participation mandate limited the program's effectiveness in increasing employment and reducing welfare receipt. A more strongly enforced program would presumably have resulted in larger impacts.**

While impacts on employment and AFDC receipt emerged in the second year, they were small compared with impacts of other programs in the NEWWS Evaluation. The low participa-

Table 5

**Two-Year Impacts on Total Earnings and Total AFDC Payments
for All 11 Programs in the NEWWS Evaluation:**

Site and Program	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
<u>Average total earnings in years 1 and 2 (\$)</u>				
Detroit	4,369	4,001	367 *	9.2
Atlanta Labor Force Attachment	5,820	5,006	813 ***	16.2
Atlanta Human Capital Development	5,502	5,006	496 **	9.9
Grand Rapids Labor Force Attachment	5,674	4,639	1,035 ***	22.3
Grand Rapids Human Capital Development	5,219	4,639	580 **	12.5
Riverside Labor Force Attachment	5,488	4,213	1,276 ***	30.3
Lacked high school diploma or basic skills	4,124	3,133	992 ***	31.7
Riverside Human Capital Development	3,450	3,133	317	10.1
Columbus Integrated	7,565	6,892	673 **	9.8
Columbus Traditional	7,569	6,892	677 ***	9.8
Oklahoma City	3,518	3,514	5	0.1
Portland	7,133	5,291	1,842 ***	34.8
<u>Average total AFDC payments received in years 1 and 2 (\$)</u>				
Detroit	8,457	8,615	-158	-1.8
Atlanta Labor Force Attachment	4,553	4,922	-369 ***	-7.5
Atlanta Human Capital Development	4,634	4,922	-288 ***	-5.8
Grand Rapids Labor Force Attachment	5,944	7,347	-1,404 ***	-19.1
Grand Rapids Human Capital Development	6,512	7,347	-835 ***	-11.4
Riverside Labor Force Attachment	8,292	9,600	-1,308 ***	-13.6
Lacked high school diploma or basic skills	8,894	10,302	-1,408 ***	-13.7
Riverside Human Capital Development	9,253	10,302	-1,049 ***	-10.2
Columbus Integrated	4,775	5,469	-694 ***	-12.7
Columbus Traditional	4,939	5,469	-530 ***	-9.7
Oklahoma City	3,391	3,624	-233 ***	-6.4
Portland	5,818	7,014	-1,196 ***	-17.1

SOURCE: Freedman et al., forthcoming.

NOTES: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

"Percentage difference" equals 100 times "difference", divided by "control group."

tion impacts, generated in part by the low enforcement of the program requirements, resulted in the program being only marginally successful in producing earnings gains and welfare reductions.

- **The findings for Hamtramck's early cohort reveal the potential of utilizing a program that stresses vocational training.**

The Hamtramck program increased participation in training and increased the receipt of training certificates, which may have led to an increase in earnings and a slight reduction in welfare. This finding is consistent with a growing body of research on the effects of vocational training. Several programs studied in the past that emphasized occupational training instruction increased participants' earnings (although they did not always reduce welfare receipt). This suggests that welfare-to-work programs that can increase welfare recipients' participation and completion of training programs may be able to substantially increase their earnings.

- **The findings from the Fullerton-Jeffries late cohort suggest that the current Work First program can be effective, in some settings, in increasing earnings and reducing welfare receipt. As this evaluation continues to study the late cohort, more will be learned about the effects of the Work First program.**

The Fullerton-Jeffries cohort that was most likely to be referred to Work First had larger earnings and lower welfare expenditures toward the end of follow-up, which suggests that the Work First program was having a positive effect on program group members' employment and welfare outcomes. This sample will be tracked for five years, and more will be learned about the effect of the Work First treatment on welfare recipients' employment, earnings, and welfare receipt.

Chapter 1

Introduction

Michigan's current welfare-to-work program evolved over the past decade from one that emphasized participation in education and training activities to one that focused on quick job entry as the route to financial independence for welfare recipients. In addition, it shifted many of the responsibilities previously performed by the welfare department to private and public organizations outside the department and exempted fewer welfare recipients from participating in the program. The program that emerged became one of the keystones of Michigan's overall welfare reform program, which was approved for implementation under the 1996 law.

This report examines the welfare-to-work programs operated in two of Detroit's 30 welfare districts: Fullerton-Jeffries and Hamtramck. It describes Michigan Opportunity and Skills Training (MOST), an education-focused program that was in place in these two offices in 1992 at the start of the evaluation, and the transition to Work First, an employment-focused program emphasizing job search services that was implemented in October 1994 and is one component of Michigan's current program. It follows for two years the welfare recipients who were assigned to MOST, almost one-quarter of whom were referred to the Work First program within the two-year period, and examines the types of services and messages that they received, the cost of both strategies, and the effects of the treatment received on welfare receipt, employment, and earnings. It follows an early cohort of individuals for three years.

The Detroit welfare-to-work program is being evaluated as part of the National Evaluation of Welfare-to-Work-Strategies (NEWWS Evaluation; formerly called the national JOBS Evaluation), conducted by the Manpower Demonstration Research Corporation (MDRC) under contract to the U.S. Department of Health and Human Services, with support from the U.S. Department of Education. NEWWS is a comprehensive study of 11 welfare-to-work programs in seven sites. Throughout this report, comparisons are made between the Detroit program and the other NEWWS programs. Two recently released reports provide a more comprehensive comparison among all programs, including results on children's well-being, child care use while employed, supports provided to individuals who leave welfare for employment, and additional measures of self-sufficiency.¹ A future report will examine five-year results for all programs and will compare program benefits with program costs.

¹See *Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*, prepared by Stephen Freedman, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, and Laura Storto, MDRC; and *Impacts on Children and Families Two Years After Enrollment: Findings from the Child Outcomes Study*, prepared by Sharon M. McGroder, Martha J. Zaslow, Kristin A. Moore, and Suzanne M. LeMenestrel, Child Trends. (Child Trends, as a subcontractor, is working with MDRC on detailed child outcomes.) Both of these 2000 reports were published by the U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation, and the U.S. Department of Education, Office of the Under Secretary and Office of Vocational and Adult Education.

The results in this report should be considered in the context of Detroit's research sample and program environment. Detroit is the largest urban area in the NEWWS Evaluation and provides the opportunity to evaluate the effectiveness of a welfare-to-work program under conditions found in many inner-city welfare offices and employment programs. Fullerton-Jeffries, an inner-city Detroit office, serves a predominately black caseload. Hamtramck, which is located in the northeast section of Wayne County and includes parts of Detroit, serves a more racially and ethnically diverse caseload that has a majority of blacks, but also Eastern European, Middle Eastern, and other immigrants.

This report will address the following questions:

- **Implementation.** What services and messages did welfare clients in MOST receive? How did Work First differ from MOST?
- **Participation.** Did the MOST program succeed in increasing participation in education and training? What proportion of the program group received services from the Work First program? How did the participation levels in the Detroit program group compare with the self-initiated participation levels of the control group?
- **Costs.** What were the costs of the MOST and Work First programs and what accounts for these costs? How do these costs compare with the costs of other services used by control group members? How do the costs compare with those from other programs in the NEWWS Evaluation?
- **Impacts.** Did the Detroit program increase employment and earnings and reduce public assistance receipt within the follow-up period? Were any increases attributable to the MOST program or the Work First program? Were there differences in impacts between the two offices?

I. The Evolution of Welfare-to-Work Policy in Detroit

The Family Support Act of 1988 created the Job Opportunities and Basic Skills Training (JOBS) program. This act emphasized education and skills-building activities, although it gave states flexibility in selecting the type and sequence of services offered in JOBS programs. Michigan took advantage of the flexibility of the Family Support Act and the federal waiver process (granted under Section 1115 of the Social Security Act) by making substantial changes to its program.

The accompanying text box lists the policy changes and the dates when these policies were implemented. The major changes that affected the program group members are discussed below.

A. The MOST Program: May 1992 - October 1994

Shortly after passage of the Family Support Act, Michigan implemented Michigan Opportunities and Skills Training (MOST), the state's JOBS program, which shifted welfare-to-work programs throughout the state to an upfront assessment model with a heavy reliance on education and training. The MOST case managers were welfare department employees who managed the welfare-to-work cases, referring individuals to outside service providers to fulfill

Major Michigan Policy Changes Made to State Welfare Programs: 1988-1997

1988: MOST is implemented.

October 1992: To Strengthen Michigan Families (TSMF) is implemented; it is a comprehensive welfare reform agenda consisting of 21 initial policy directions and policy changes, including:

- *Initiation of a “social contract,”* a written agreement between public assistance recipients and the state requiring all adult recipients of cash assistance to engage in employment, education and training services, self-improvement activities, or community service for at least 20 hours a week while receiving AFDC or State Family Assistance (SFA) funds. Noncompliance results in a client’s referral to the Michigan Opportunity and Skills Training (MOST) program. Initially, the contract was implemented only with newly certified AFDC and SFA recipients, although it later phased in all public assistance recipients.
- *Provision of earnings disregards.* TSMF provides for a \$200 earnings disregard on gross monthly earnings, plus 20 percent of the remainder for AFDC recipients. Furthermore, AFDC children are allowed to earn and save without affecting program benefits.
- *Broadening of eligibility for two-parent families.* TSMF broadens AFDC and Medicaid eligibility to two-parent families who meet financial criteria for AFDC. In order to further encourage parents to remain together, “marriage penalties” are eliminated.

October 1994: TSMF is expanded, including the following policy changes:

- *Implementation of Work First.* Work First, an employment-focused welfare-to-work program emphasizing job search and immediate job placement, replaces MOST, Michigan’s existing welfare-to-work program. The Michigan Jobs Commission is established as a cabinet-level agency charged with overseeing all welfare-to-work programs.
- *Addition of deductions to support self-employment.* TSMF allows self-employed recipients to include the purchase of capital assets and payments on business loans as deductible business expenses when considering AFDC eligibility and benefits. One vehicle of any value may be excluded from countable resources.

April 1995: Work First noncompliance sanctions are strengthened. Clients who do not cooperate with Work First employment and training expectations have their cash grants and Food Stamps reduced by 25 percent during each month of noncompliance. If noncooperation continues for 12 months, their case is closed.

March 1996: Michigan Department of Social Services is renamed the Family Independence Agency (FIA).

(continued)

(continued)

July 1996: State implements Phase II of Project Zero — a small research program originally launched in six counties to identify personal characteristics, demographic information, client strengths, and barriers to employment of AFDC recipients. Phase II utilizes the findings from a survey fielded in Phase I to assist state agencies and community organizations to develop programs and services aimed at increasing the number of clients with earned income. In October 1997 Project Zero is expanded to six additional sites.

August 1996: Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 is signed into law. AFDC becomes Temporary Assistance for Needy Families (TANF).

October 1996: Michigan becomes one of the first states to have its income assistance plan certified by the federal government under TANF guidelines. AFDC is renamed the Family Independence Program (FIP) with the following policy changes:

- *Redefinition of the social contract.* Formerly an “expectation,” the social contract becomes an obligation, and sanctions for noncompliance are further strengthened.
- *Expansion of Work First participation mandate.* Mothers with newborn children are excused from program participation only if their children are under 12 weeks old. In two-parent families, one parent is required to work 35 hours per week. Attendance at a Work First orientation becomes a condition for receiving aid, and noncompliance results in the rejection of an application. The sanction for noncompliance with a Work First activity assignment within four months is the complete loss of the entire family’s FIP grant.

April 1997: The state makes the following administration and policy changes:

- *Creation of Family Independence Specialist positions.* Income Maintenance and JOBS workers are reclassified as Family Independence Specialists (FIS) with the aim of providing a holistic approach to serving the needs of families.
- *Strengthening of Work First noncompliance sanctions.* The noncompliance period is shortened from 12 months to four. Thus, following initial compliance, a client’s case is closed if she is noncompliant for four months. A two-month limit on assistance is imposed on new FIP clients who fail to cooperate with employment and training expectations.

July 1997: Job training opportunities are expanded. FIP clients meeting the state’s 20 hours per week work requirements become eligible for up to one year of job training.

clients' participation requirements. A key feature of the Detroit MOST program was its use of public and private service organizations to provide education, training, and job search instruction to program participants. In May 1992, the Detroit MOST program began participating in the NEWWS Evaluation.

B. The Work First Program: October 1994 - Present

In October 1994, the state implemented Work First, a new welfare-to-work program based on the view that the best way to achieve self-support is through immediate employment. The goal of the program is not to move families off welfare initially, but to attach welfare recipients to the labor market. To accomplish this, Work First requires that welfare recipients work at least 20 hours per week in a minimum wage job.

In addition, the state modified the service delivery structure. Under Work First, the Michigan Works Agencies (MWAs), an assortment of not-for-profit and public organizations (overseen by a newly created cabinet-level agency, the Michigan Jobs Commission), provide case management and job search assistance through contractual arrangements with not-for-profit and for-profit organizations, schools, and government agencies.

C. Other Policy Changes Not Affecting the Sample Until Three Years After Random Assignment

Prior to the 1996 act, the state received waivers from HHS to implement many other changes in its welfare program. The program and control groups studied in this report were exempt from these policy changes, described below, during the first three years after they were randomly assigned. Both program and control group members who were still on AFDC could participate in these programs after three years. Consequently, effects from these changes should not show up in the two- and three-year results presented in this report.

Briefly, in October 1992, the state implemented To Strengthen Michigan's Families (TSMF).² It allowed welfare recipients to keep more of their earned income without losing benefits. TSMF also introduced a "social contract," a written agreement requiring welfare recipients, as a condition of eligibility, to participate in some form of productive activity for at least 20 hours each week. These efforts could include education, training, employment, and community service.

In July 1996, the state instituted Project Zero, a program piloted in six counties, with a goal of reducing to zero the number of households that have no earned income. The program staff identify, through a survey, barriers to employment and work to eliminate these barriers and promote independence, using additional resources within the agency and coordinating efforts with other departments and community organizations. The program requires everyone who is mandatory for MOST or Work First to work at least part time. This program is being expanded throughout the state, although Project Zero had not been implemented in the Hamtramck or Fullerton-Jeffries offices at the time of this report.

²The TSMF program was evaluated in four offices (Kalamazoo, Madison Heights, McNichols/Goddard, and Schaefer/Six Mile) by Abt Associates (Werner and Kornfeld, 1997).

Finally, in October 1996, after passage of the PRWORA, the federal entitlement Aid to Families with Dependent Children (AFDC) program was changed to the block-granted Family Independence program (FIP). In order to receive cash welfare benefits, recipients are required to attend an orientation to the Work First program. Mothers with newborn children are excused from participating in Work First only if their children are under 12 weeks old (reduced from age 1). Individuals who are unwilling to participate and who cannot find at least part-time employment are considered noncompliant and their grant is reduced by 25 percent (previously, they were removed from the case, but received assistance for their children). If they do not cooperate for a full year, their case is closed completely. Thus, for a three-person family in 1996, a sanction under the old rules would have resulted in an \$88 decrease in a monthly grant of \$459; a sanction under the new rules decreases the monthly grant by \$115.

While the 1996 federal legislation established a five-year time limit on assistance funded by the block grant, Michigan has not imposed a time limit on cash assistance. State officials have indicated that state funds may be used in the future to provide assistance for welfare recipients who have reached the federal time limit.

II. The Setting

A. The Program Environment

Wayne County, which includes the city of Detroit, is the most populous county in the state, with a population in 1990 of over 2 million and AFDC monthly caseloads averaging about 90,000 families. Detroit is the largest urban area in the NEWWS Evaluation.

The Detroit economy has been dependent on the automobile industry, which provides high wages for low-skill jobs. During the 1980s, the automobile industry was greatly affected by the recession and international competition, resulting in the closing of some automobile plants and downsizing of the workforce. During the 1990s, the economy improved and the unemployment rate declined. As shown in Table 1.1, the unemployment rate for Wayne County was 10.5 percent in 1990, declining to 5.5 percent in 1996. However, higher-wage manufacturing jobs have not returned.³

While the population and unemployment rates both declined from 1990 to 1995, the AFDC caseloads remained about the same during this period. Some job seekers may have left the county to pursue other employment opportunities. In addition, more generous income disregards for TSMF participants, and broadened eligibility for two-parent families under TSMF, allowed some working welfare recipients to remain on welfare who would not have been allowed to receive benefits previously.

³Hargreaves, Werner, and Joshi, 1995, p. 7.

Table 1.1
National Evaluation of Welfare-to-Work Strategies
Characteristics of the Program Environment
Detroit Program

Characteristic	
Population, 1990 ^a	2,111,687
Population growth, 1990 - 1995 (%) ^b	-2.7
AFDC caseload ^c	
1991	87,992
1992	88,584
1993	89,083
1994	88,337
1995	88,614
1996	74,051
AFDC grant level for a family of 3, (\$)	
1993	459
Food Stamp benefit level for a family of 3, (\$) ^d	
1993	252
Poverty rate (1989) (%) ^e	
Wayne County	26.0
Michigan State	16.0
United States	13.1
Unemployment rate (%) ^f	
1991	10.5
1992	10.5
1993	8.3
1994	6.7
1995	6.0
1996	5.5
Employment growth, 1991-1996 (%) ^g	5.4

SOURCES: Hall and Gaquin, 1997; U.S. Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics; State of Michigan; site contacts.

NOTES: ^aPopulation statistics are for Wayne County.

^bPopulation growth figures were calculated using data from the U.S. Bureau of the Census.

^cAFDC caseload figures refer to a monthly average. Caseload figures are for Wayne County.

^dFood Stamp benefits are based on maximum AFDC benefits shown.

^ePoverty statistics.

^fUnemployment rates for Wayne County are shown.

^gEmployment growth figures were calculated using data from the U.S. Department of Labor, Bureau of Labor Statistics. Growth for Wayne County is shown.

Sample Characteristics

Table 1.2 presents selected demographic characteristics for the sample members included in this report, collected at the orientation. All sample members included in the report were single-parent heads of cases and 18 or over when they were randomly assigned.⁴

Detroit had a more disadvantaged sample than the other six sites in the evaluation. It had the lowest percentage of sample members employed in the year prior to random assignment (approximately 20 percent), and the highest percentage who had received public assistance for two years or more on their own or spouse's case (almost 75 percent). In addition, almost half (43 percent) did not have a high school diploma or GED certificate at the time of random assignment. These data provide some indication of the challenges faced by the two offices in helping these individuals find employment and leave welfare.

While both offices served very disadvantaged samples, they differed in a few key ways. Fullerton-Jeffries served a younger sample, who were less likely to have been married and had younger children than Hamtramck. Also, the Fullerton-Jeffries sample members were more likely to have a high school diploma or GED and to have been enrolled in an education or training program in the previous year. These differences in characteristics between Fullerton-Jeffries and Hamtramck sample members are due, in part, to enrollment decisions made by each office. This will be discussed further in the next section.

III. The Detroit Evaluation

The NEWWS Evaluation sought to include sites with the following characteristics: substantial experience operating welfare-to-work programs; an interest in providing Human Capital Development activities, since welfare-to-work programs of this nature were not widely operated or studied in the 1980s; and large AFDC caseloads that would meet the sample size requirements for a random assignment evaluation and the planned subgroup analyses. In addition, the evaluation sought a constellation of sites that would offer a diversity of geographic locations, urban and semirural settings, caseload demographics, labor markets, and AFDC grant levels.⁵

The Fullerton-Jeffries and Hamtramck offices were chosen because they met many of these criteria. Both had previously implemented mature, stable MOST programs that emphasized Human Capital Development activities, with extensive linkages to the Detroit public school system. They were both located in an urban environment, served a disadvantaged population, and had large AFDC caseloads. At the time of site selection, Detroit was experiencing slight declines in population and relatively little employment growth.

⁴Case heads receiving cash assistance for unemployed parents (AFDC-UP) were also randomly assigned as part of this evaluation. These individuals, who were primary wage earners (typically male) in two-parent households, were required to participate in MOST. Only 7 percent of all cases were two-parent cases and are not included in this report.

⁵It also sought sites that agreed to run two programs side by side for the differential impact studies. Detroit was not one of these sites.

Table 1.2
National Evaluation of Welfare-to-Work Strategies
Selected Characteristics of Sample Members
Detroit Program

Characteristic	Full Sample	Fullerton- Jeffries	Hamtramck
Demographic characteristics			
Sex (%)			
Male	3.3	3.8	3.0
Female	96.7	96.2	97.0
Age (%)			
Under 19	2.9	3.5	2.3 **
19-24	26.2	30.3	23.0 ***
25-34	43.3	41.2	44.9 **
35-44	22.7	21.2	23.9 **
45 or older	5.0	3.8	5.9 ***
Average age (years)	30.0	29.2	30.7
Race/ethnicity (%)			
White	11.0	0.6	19.2 ***
Black	87.3	98.5	78.5 ***
Hispanic	0.8	0.7	0.9
Native American	0.2	0.1	0.4 ^u **
Other	0.7	0.2	1.1 ***
Family status			
Marital status (%)			
Never married	68.0	73.6	63.7 ***
Married, living with spouse	2.7	1.1	3.9 ***
Separated	15.8	13.9	17.2 ***
Divorced	12.3	10.6	13.7 ***
Widowed	1.2	0.9	1.5 *
Age of youngest child (%)			
2 or under	39.3	43.6	36.0 ***
3 to 5	25.0	23.6	26.0 *
6 or over	35.7	32.8	38.0 ***
Average number of children	2.0	1.9	2.1
Labor force status			
Worked full time for 6 months or more for one employer (%)	48.1	46.1	49.6 **
Any earnings in past 12 months (%)	21.1	20.1	21.8
Currently employed (%)	6.8	4.8	8.3 ***

(continued)

Table 1.2 (continued)

Characteristic	Full Sample	Fullerton-Jeffries	Hamtramck
Education and basic skills levels			
Highest degree/diploma earned (%)			
GED ^a	10.7	11.4	10.1
High school diploma	37.0	42.1	33.0 ***
Technical/AA/2-year college degree	8.0	4.4	10.9 ***
4-year (or more) college degree	1.1	1.0	1.2
None of the above	43.2	41.1	44.8 **
Highest grade completed in school (average)	11.2	11.4	11.1
Enrolled in education or training in past 12 months (%)	20.0	29.5	12.6 ***
Currently enrolled in education or training (%)	28.2	32.2	25.1 ***
Public assistance status			
Total prior AFDC receipt (%) ^b			
None	2.8	6.2	0.2 ***
Less than 1 year	13.7	16.9	11.2
1 year or more but less than 2 years	9.1	9.8	8.6
2 years or more but less than 5 years	24.0	23.6	24.3
5 years or more but less than 10 years	22.5	21.4	23.3
10 years or more	27.9	22.1	32.5 ***
Raised as a child in a household receiving AFDC (%)	40.1	35.3	43.9 ***
First spell of AFDC receipt (%) ^c	4.1	3.1	4.9 ***
Housing status			
Current housing status (%)			
Public housing	5.5	10.7	1.4 ***
Subsidized housing	1.1	2.0	0.4 ***
Emergency or temporary housing	0.8	0.6	1.0
None of the above	92.6	86.8	97.2 ***
Sample size ^d	4,459	1,959	2,497

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

NOTES: A two-tailed t-test or chi-square test was applied to differences in characteristics between Fullerton-Jeffries and Hamtramck groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent. The symbol "" indicates that, although there was a statistically significant difference, its magnitude could not be reliably measured because of small sample sizes.

^aThe GED credential is given to those who pass the GED test and is intended to signify knowledge of high school subjects.

^bThis refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

^cThis does not mean that such individuals are new to the AFDC rolls, only that this is their first spell on AFDC. This spell, however, may have lasted several years.

^dThe data do not include an office designation for three individuals. These individuals are excluded from the office columns, but are included in the full sample column.

A. The Enrollment Process and Its Effect on Eligibility for Random Assignment and Sample Composition

To estimate the effectiveness of Detroit's welfare-to-work program, this evaluation uses a random assignment design, which involves randomly assigning approved welfare recipients to one of two groups:

- a program group, whose members were eligible for MOST and later Work First services; or
- a control group, whose members were not eligible for MOST or Work First services or subject to the program's participation requirements for three years, but who were free to seek out, on their own, training and education programs available in the community (and who were eligible for child care and transportation assistance provided by the MOST office).

The members of these two groups will be followed for five years and compared on a number of measures, including employment and welfare receipt and earnings. Random assignment creates two essentially similar groups, ensuring that any differences between the outcomes of the two research groups are attributable to the welfare-to-work participation requirement and services and not to differences in the characteristics of individuals in the groups. These differences in outcomes are known as *impacts*.

The random assignment process in Detroit began in May 1992 and ended in June 1994. Random assignment occurred at the MOST orientation. As a result, the research sample consists of those who attended a MOST orientation, and the impacts presented in the report represent the effects of the program provided after orientation. Some AFDC recipients never attended a MOST orientation: staffing shortages limited staff to calling in only a portion of mandatory AFDC recipients to the program and some clients who were called in left AFDC before their scheduled orientation. Thus, it is important to understand the process by which AFDC recipients were identified as mandatory, referred to MOST, and scheduled for orientations, since it will shed light on the types of AFDC recipients who were likely to have attended a MOST 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.

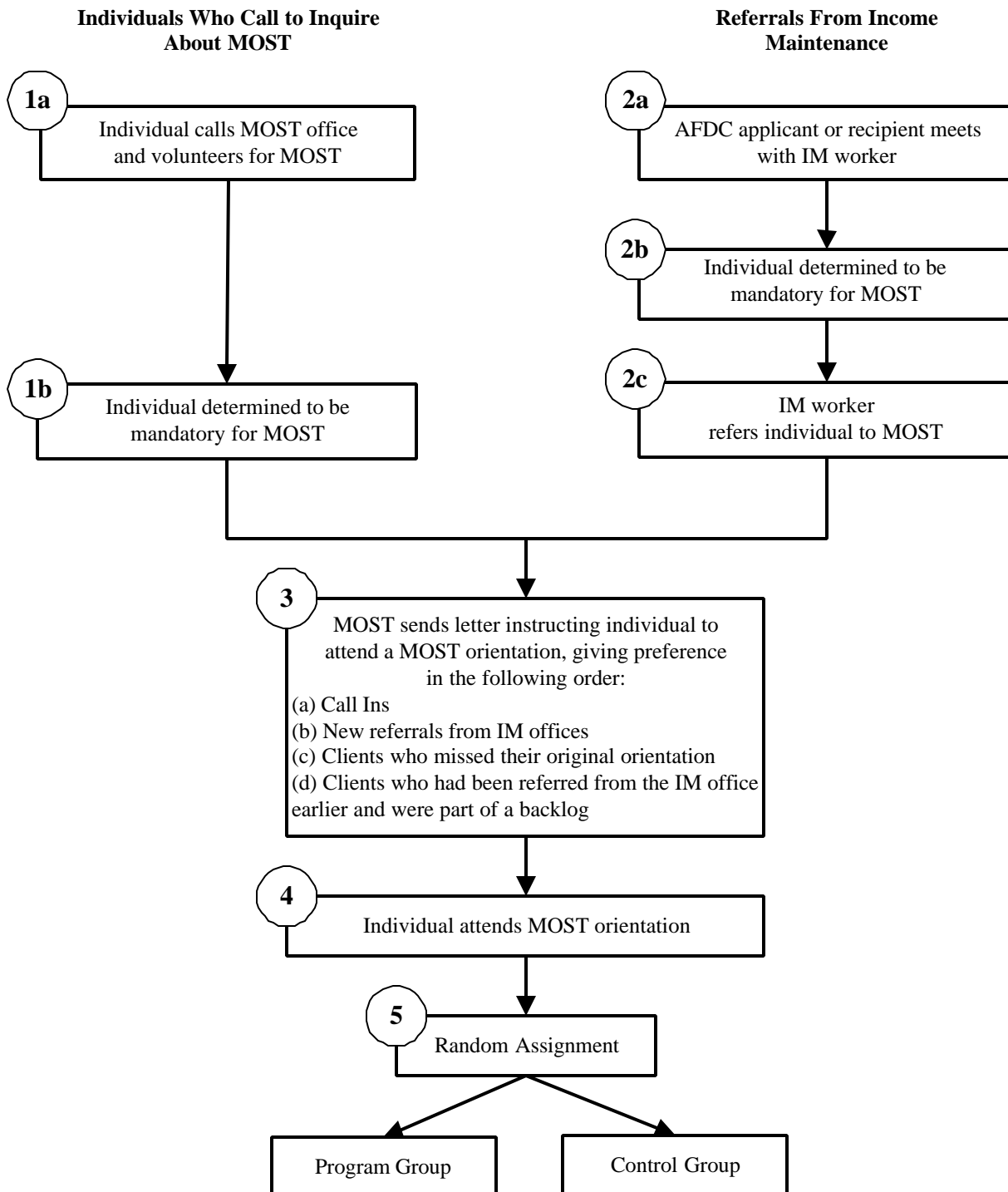
Figure 1.1 illustrates the steps leading to random assignment. An AFDC recipient could be assigned to a MOST orientation in one of two ways. (1) When an individual called the MOST office to inquire about the program (box 1a), MOST staff determined who was mandatory for the program (box 1b).⁶ (2) During a routine office meeting between the AFDC recipient and her income maintenance (IM) worker (box 2a), which occurred either when the individual first applied

⁶In Michigan, the following reasons exempted single-parent AFDC recipients from the MOST program: had a child under age 1; was working full time (at least 30 hours per week); was pregnant and in the second trimester; was medically excused; was living in a remote area that made program activities inaccessible; 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. In addition, a recipient who had three children or more under age 10 was exempted until December 1992, when this exemption reason was eliminated. Exempt AFDC recipients could, however, volunteer for services. Individuals exempt at orientation were not randomly assigned, and thus are not included in the sample evaluated in this report.

Figure 1.1

National Evaluation of Welfare-to-Work Strategies
Steps Leading From Income Maintenance or Call-In
to Attendance at MOST Orientation and Random Assignment

Detroit Program



for welfare or when continuing eligibility for AFDC was being determined, the IM worker assessed whether the individual was required to enroll in MOST (box 2b). If the individual was mandatory for MOST or was not mandatory but volunteered for the program, the IM staff sent a form with pertinent information on the individual to the MOST program (box 2c).⁷

MOST could not enroll all mandatory AFDC recipients in the program owing to staff shortages. Staff had some discretion in selecting clients to schedule for orientations (box 3), giving preference to those who volunteered for the program and who were mandatory for MOST (referred to in Figure 1.1 as call-ins), followed by referrals from the IM office, clients who missed their originally scheduled orientation appointments, and, finally, clients who had been referred from the IM office earlier and were part of a backlog.⁸

Recipients who attended MOST orientations (box 4 in Figure 1.1) heard a presentation about the evaluation, provided information on many of the basic demographic characteristics presented in this chapter, and were randomly assigned (box 5).

Detroit was the only site in the evaluation to give preference to mandatory individuals who called the MOST office and volunteered for the program. Baseline data indicate that about 15 percent of the sample had become part of the Detroit sample after calling in and requesting MOST services. Approximately two-thirds of call-ins were participating in an activity at random assignment compared with one-fifth of those who were referred by IM workers. Presumably, the call-ins were people who had chosen to enroll in education or training programs on their own and volunteered for MOST in order to receive child care, transportation, and other support services for which they were eligible.

A MOST administrator explained this philosophy:

There are many more people in the county than we can afford to serve. We work with those who are interested in participating rather than forcing those who don't want to participate on their own [to participate].

Overall, the Fullerton-Jeffries office had a higher percentage of call-ins (28 percent) than Hamtramck (5 percent) and tended to choose sample members from the group referred by the IM office who were motivated and had higher skill levels. This helps explain the fact that Fullerton-Jeffries sample members were more likely to have a high school diploma and to have been enrolled in an education and training program in the past 12 months than Hamtramck sample members. Also, the Fullerton-Jeffries sample was more likely to have younger children than the Hamtramck sample, and some may have volunteered in order to receive child care services.

Findings in this report may not be generalizable to the entire mandatory AFDC caseload in the two offices, because of the process of random assignment. In Detroit, those who were called in for orientation were called in, on average, six months after first being referred by the IM office. During the time before being called in, some welfare recipients found jobs and left welfare. In this case, those who re-

⁷MOST staff later confirmed from the client information system that the individual was, in fact, mandatory.

⁸Exempt volunteers who called the MOST office were scheduled for orientations before new referrals from IM who were mandatory for the program.

mained on welfare were probably more disadvantaged than those who left. However, as discussed earlier, staff were selective in choosing clients to schedule for orientation, scheduling those who were motivated first. Thus, the welfare office was possibly serving a motivated group, selected from a more disadvantaged sample of welfare recipients, than the entire mandatory AFDC caseload.

B. Comparisons With Other Programs in the NEWWS Evaluation

To provide a context for measuring the magnitude of Detroit's two-year impacts, it is useful to compare them with those generated by the other programs in the NEWWS Evaluation.⁹ (See the accompanying text box for a brief description of the programs.) The 11 programs range from strongly employment-focused to strongly education-focused and from somewhat voluntary to highly mandatory. In relation to the other programs, Detroit is characterized as being a strongly education-focused program that shifted to an employment focus during the follow-up. It was not as mandatory as most of the other programs in the NEWWS Evaluation.

C. Data Sources

MDRC obtained data from a variety of sources to describe the program's implementation and measure the differences between the program and control groups. These include:

- **Unemployment insurance, AFDC, and Food Stamp records data.** Employment, earnings, and public assistance impacts were computed using automated Michigan unemployment insurance (UI), AFDC, and Food Stamp administrative records, two years of which are available for all of the 4,459 single-parent sample members (2,226 program group members and 2,233 control group members). These 4,459 individuals, randomly assigned from May 1992 to June 1994, are considered the "full sample." Three years of data are available for an early cohort assigned between May 1992 and December 1993, constituting about three-quarters of the full sample.
- **Two-Year Client Survey.** Some client opinions and participation rates examined in this report are based on results compiled from a survey administered approximately two years after random assignment to a sample of program and control group members. The survey sample was randomly selected from individuals who were randomly assigned between January and December 1993. Survey respondents were interviewed about issues such as their participation in education and training activities, their perceptions about the program, and whether they had received a GED, high school diploma, or trade certificate in the past two years. The responses of 426 sample members are included in this report. More than 80 percent of fielded surveys were completed.¹⁰

⁹The manner in which this report presents many of the findings draws heavily upon Hamilton et al., 1997.

The National Evaluation of Welfare-to-Work Strategies Programs

The National Evaluation of Welfare-to-Work Strategies is assessing the effectiveness of 11 welfare-to-work programs in seven sites, including Detroit. Four sites in the evaluation operated two programs simultaneously in order to test the strengths and limitations of two different program approaches. Three of these four sites — Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California — ran two programs that used different employment preparation strategies: one, called the Labor Force Attachment (LFA) approach, is based on the view that the workplace is where welfare recipients can best learn work habits and skills, and thus emphasizes placing people into jobs quickly, even at low wages. The second, called the Human Capital Development (HCD) approach, emphasizes education and training as a precursor to employment, reflecting the belief that the required skills 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. The goal of the LFA programs was rapid employment, and job search was the prescribed first activity for virtually the entire caseload. In contrast, most people in the HCD programs were first assigned to education or training; basic education was the most common activity because of the generally low educational attainment of the enrollees at program entry.

In the fourth site — Columbus, Ohio — different case management approaches were compared side by side. “Traditional” case management required clients to interact with two staff members: one worker who processed welfare benefits and another worker who enrolled people in employment activities. “Integrated” case management required clients to interact with one worker for both welfare eligibility and employment services.

The study in the other two sites — Oklahoma City, Oklahoma, and Portland, Oregon — tested the net effects of the sites’ welfare-to-work programs (similar to the study in Detroit). The Columbus and Oklahoma City programs primarily utilized an HCD approach. The Portland program can be considered to be a blend of strong LFA elements and moderate HCD elements.

In total, the 11 evaluation programs ranged from strongly LFA-focused to strongly HCD-focused and from somewhat voluntary to highly mandatory. The program sites offered diverse geographic locations, caseload demographics, labor markets, and AFDC grant levels. However, because of NEWWS Evaluation selection criteria, the programs were all “mature” programs, relatively free of the transitional problems associated with the start-up of a complex, multi-component welfare-to-work program. These programs, while not representing all programs in the nation, represent a wide range of welfare-to-work options.

¹⁰The completion rate for program group members was 80.5 percent, and the completion rate for control group members was 83.4 percent.

- **Work First participation records.** Data from the Work First management information system (MIS) were collected for the full sample (4,459 single-parent sample members) starting in October 1994, when the program was implemented, through June 1997, at least three years after the last cohort was randomly assigned.
- **Cost data.** The cost analysis used data from state and local fiscal records, Two-Year Client Survey responses, and Work First participation records. Sample sizes vary by data source.
- **Field research.** MDRC staff observed the Detroit MOST program and interviewed case managers, service providers, program administrators, and enrollees. Information was collected about a range of issues, such as management philosophies and structure, the degree to which a participation mandate was enforced, the availability of services, the nature of interactions between staff and program participants, and the relationships among welfare department staff and outside service providers. This field research was conducted from 1992 through 1994. In addition, MDRC staff interviewed Work First staff during the initial months of the program. Follow-up conversations with Work First and MOST administrators took place in 1995 and 1998. Published reports on later policy developments in Michigan were consulted; these reports are cited in the appropriate section.
- **Staff surveys.** MOST staff, IM workers, and immediate supervisors were surveyed about their opinions of MOST, experiences administering the program, and attitudes toward clients. These surveys were administered in September 1993 and covered all 18 MOST staff and supervisors and a subsample of 116 IM workers and supervisors. The completion rates were 100 percent for the MOST staff and 98 percent for the IM staff.
- **Enrollees' characteristics as of random assignment.** Standard client characteristics data, such as educational background and AFDC history, were collected by welfare staff during routine interviews with individuals at the MOST orientation and are available for all 4,459 single parents randomly assigned.

Chapter 2

The Implementation of Detroit's Welfare-to-Work Program

As discussed in Chapter 1, program group members in this evaluation could possibly experience two very different programs. All program group members were referred to the MOST program, and attended, at a minimum, the MOST orientation. Program group members who were still on AFDC in the fall of 1994, and were mandatory for the program, were eventually referred to Work First.

This chapter describes the implementation of the MOST and Work First programs. The data for this chapter are from the survey of MOST and income maintenance (IM) staff, the Two-Year Client Survey, MDRC field research (most of which was completed in 1994), subsequent site visits and discussions with staff from both programs, and other published reports on the Work First program.

I. The Implementation of MOST: May 1992 - October 1994

The Detroit MOST program was strongly education-focused: staff communicated the importance of enrolling in school or training and getting skills before entering the job market. Part of this focus was driven by the characteristics of the sample: The Detroit sample was among the most disadvantaged in the NEWWS Evaluation and more than half the sample lacked a high school diploma or GED at the time of enrollment.

While the primary goal of the program was to increase welfare recipients' skills to enhance their employability, the participation mandate was not strongly enforced. Detroit staff reported having little time to enforce the mandate on clients who were averse to participating and, consequently, rarely sanctioned clients who failed to attend their assigned activities. Their first priority was authorizing child care and transportation payments and making referrals for clients who expressed an interest in the program.

A. Organizational Structure and Program Staffing

1. Organizational structure. MOST was a state-administered program operated by the state's public welfare agency, the Michigan Department of Social Services (DDS). The service delivery structure was typical of JOBS programs that emphasized a skills-building philosophy: the welfare department provided case management services and assigned clients to education and training providers in the community to meet their participation requirements. These organizations included the Detroit public school system, area community colleges, proprietary schools, local Job Training Partnership Act (JTPA) offices, and community-based organizations. Some of these organizations had contracts with the welfare department, while others used separate funding streams.

2. Staff responsibilities. MOST clients interacted with staff from two separate welfare department divisions: MOST and income maintenance (IM). MOST staff were responsible for the employment and training aspects of the cases, while IM workers were responsible for determining welfare eligibility and calculating benefits.

MOST case managers. Program group members were assigned to a MOST case manager during the orientation, shortly after they were randomly assigned to MOST. Case managers were responsible for conducting the appraisals and assigning clients to activities. They helped clients with child care arrangements (which required a substantial amount of case managers' time in Detroit), provided them with bus passes, and removed other barriers to participation. Once clients were assigned to activities, case managers monitored their attendance and progress. Case managers were also responsible for reporting to IM workers those clients who failed to comply with participation requirements with no good cause, so that financial sanctions could be imposed.

As discussed above, controls were not required to participate in the program; however, those who participated in an activity on their own could request child care and transportation services. A special "control MOST worker" reviewed their participation in order to determine eligibility for these services.¹

Income maintenance. The IM workers were responsible for determining eligibility for AFDC, Food Stamps, Medicaid, and other benefits. In some areas, IM and MOST staff responsibilities intersected — for example, in granting exemptions to welfare recipients from the MOST participation requirement or imposing financial sanctions for noncompliance — requiring a degree of coordination.

3. Staff characteristics. MOST and IM staff caseloads and characteristics are briefly summarized below and in Table 2.1.

- **Caseload size.** As is true for the other sites in the evaluation that had separate welfare-to-work and IM staff, the IM workers had larger caseloads than the MOST case managers. Compared with other sites in the evaluation, caseloads were average in size.
- **Work experience.** Detroit staff had more experience (nearly 15 years) with the agency than the other sites in the evaluation (8 years, averaged across the programs). Two thirds of MOST staff had prior experience in an employment-related field.
- **Education.** All MOST workers held associate's or bachelor's degrees. Fewer IM workers held college degrees.
- **Age and gender.** The average age of MOST and IM workers was 45 and 43, respectively, somewhat older than the caseload they served (who were 30 years old, on average). Workers from both divisions tended to be female, al-

¹Field research revealed that the two offices differed in how they treated the control group members. In Fullerton-Jeffries, the control worker, for at least part of the follow-up (in 1993 and 1994), scheduled periodic reviews with control group members to determine their support service needs, although she did not sanction those who did not show up for the review and did not recommend program activities to controls. The Hamtramck control worker met only with control group members who contacted her on their own, requesting support services.

Table 2.1
National Evaluation of Welfare-to-Work Strategies
Caseloads and Characteristics of MOST
and Income Maintenance Staff
Detroit Program

Characteristic	MOST Case Managers	IM Workers
Average caseload size ^a	118.9	231.7
Average number of years employed with agency	14.9	15.0
Average number of years in current position	5.6	9.8
Percent with prior experience in an employment-related field	66.7	21.1
Percent with prior experience as a(n):		
Caseworker in a WIN or other employment and training program ^b	38.9	7.9
JTPA caseworker ^b	5.6	0.9
Employment counselor, trainer, or job developer ^b	33.3	15.8
Percent with prior experience as an IM worker ^b	38.9	n/a
Highest degree/diploma earned (%)		
High school graduate ^c	0.0	12.2
Some college	0.0	44.9
Associate's degree	5.6	17.8
Bachelor's degree or higher	94.4	25.2
Average age (years)	45.1	42.7
Gender (%)		
Male	29.4	9.1
Female	70.6	90.9
Race/ethnicity (%)		
White	12.5	14.3
Hispanic	0.0	1.0
Black	87.5	82.9
Native American/ Alaskan Native	0.0	1.0
Asian/Pacific Islander	0.0	0.0
Other	0.0	1.0
Sample size	18	114

SOURCES: JOBS and Income Maintenance Staff Activities and Attitudes surveys.

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

N/a = not applicable.

^aIncludes only workers who reported that they had a regular caseload with at least one client.

^bMissing responses to these questions were recoded as negative responses (i.e., no experience).

^cIncludes some individuals who have earned a General Educational Development (GED) certificate.

- though the MOST office had a higher percentage of male staff members than the IM office.
- **Race and ethnicity.** The racial composition of staff closely reflected the characteristics of the clients they served. Among Detroit sample members, 87 percent were black and 11 percent were white; 88 percent of MOST staff and 83 percent of IM staff were black, and 13 percent of MOST staff and 14 percent of IM staff were white.

4. Relations between IM and MOST staff. MOST staff relied on IM staff to impose and lift financial sanctions, identify who was mandatory for participating in MOST and refer them to the program, alert case managers to circumstances that could affect clients' participation in MOST, and first communicate to clients about MOST: what the program offered, for example, and what the mandatory participation requirement meant. The tone set by the IM staff thus had the potential to influence whether clients showed up to MOST as well as their attitudes toward participating in the program and seeking work.

Field research and staff surveys established that IM workers knew little about the MOST program and had almost no contact with clients regarding their participation in MOST. MOST staff mentioned that this divide was intentional; they controlled the flow of information regarding the MOST program and could communicate consistent messages to clients.

Figure 2.1 depicts the responses of IM staff to several sets of questions regarding the relationship between IM and MOST.² The responses of IM staff are compared with the responses across the other 10 programs in the evaluation. For example, in the first measure, "LOW" indicates the program with the smallest percentage of IM staff who say that they report few problems dealing with welfare-to-work staff. (The values for each program on each scale are presented in Appendix Tables B.1-B.3.)

As Figure 2.1 shows, Detroit IM staff were in the middle range of the percentage who reported few problems with MOST staff. However, fewer staff members said they knew a lot about MOST — specifically, what the program requirements were, what services were available, and what to say to clients about the program — than IM staff from any other program in the NEWS Evaluation. Moreover, few Detroit IM staff members reported that they received helpful training on MOST. Finally, the average amount of time that IM staff said they devoted to discussing MOST with their clients during AFDC application and redetermination meetings was very low: less than three minutes.

In interviews, MOST staff discussed their relationship with IM. Staff felt that IM workers fulfilled their MOST responsibilities properly, including referring mandatory clients to the program and sanctioning clients when requested. Nonetheless, there was considerable distance between the two staff positions. Some IM workers indicated that because their requests to learn more about the MOST program had been ignored, they often could not give clients much information about the program. Other IM staff expressed frustration that they never learned about what happened with clients once they were referred, such as how long it took for clients to get

²See Appendix B in Scrivener et al., 1998, for a description of how the scales were constructed.

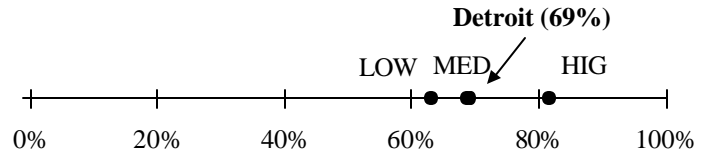
Figure 2.1

**National Evaluation of Welfare-to-Work Strategies
Relations Between Income Maintenance Workers and MOST**

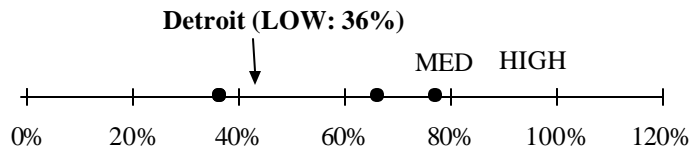
Detroit Program

IM Staff

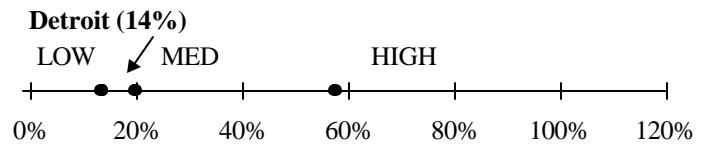
Percent who report few problems dealing with MOST staff



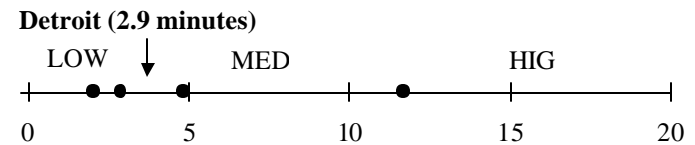
Percent who say they know a lot about MOST



Percent who received helpful training on MOST



Average number of minutes spent discussing MOST with clients



LOW = lowest value; MED = median value; HIGH = highest value

SOURCES: Income Maintenance and Integrated Staff Activities and Attitudes surveys.

NOTE: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

called in for orientation and whether they were participating in activities. One IM worker summarized the frustration:

We really don't have much information about MOST because we've never been told that much. We don't get into services available through MOST because we just don't know. The letters we get about MOST are ambiguous, and don't go into specifics. In terms of making clients job-ready or finding jobs, I just don't know what they do.

B. The MOST Program Message

Welfare-to-work programs generally lean toward one of two approaches: a Labor Force Attachment (LFA) approach or a Human Capital Development (HCD) approach. In an LFA program, the predominant goal 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 goal is to acquire skills through education or training that will lead to a good job and get a person off welfare permanently. HCD clients are advised to be more selective in the jobs they accept: for instance, to pass up a minimum wage or temporary job if there is a reasonable chance that they will find a job offering better pay or stability in the future. Many programs have blended the two approaches and emphasized elements of both.

The upper part of Figure 2.2 shows the percentage of case managers 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 staff 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. Case managers who said they usually recommended short-term 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. Staff who expressed no strong preference were not placed in either group.

As the chart shows, all MOST staff who expressed a preference (72 percent) leaned toward the HCD approach. Only the Atlanta HCD and Oklahoma programs had higher percentages of staff who favored the HCD approach. The remaining 28 percent did not express a preference for either approach.

Field research corroborates these findings. Both MOST offices emphasized education before employment, partly because of the sample's characteristics. As one supervisor noted:

We had a lot of people who hadn't finished high school, so we encouraged clients to get their high school diploma first. Many clients did not have skills for the job market.

Clients who had completed high school were encouraged to go to college or vocational training. College was limited to two years, although case managers made exceptions when clients seemed motivated and were progressing.

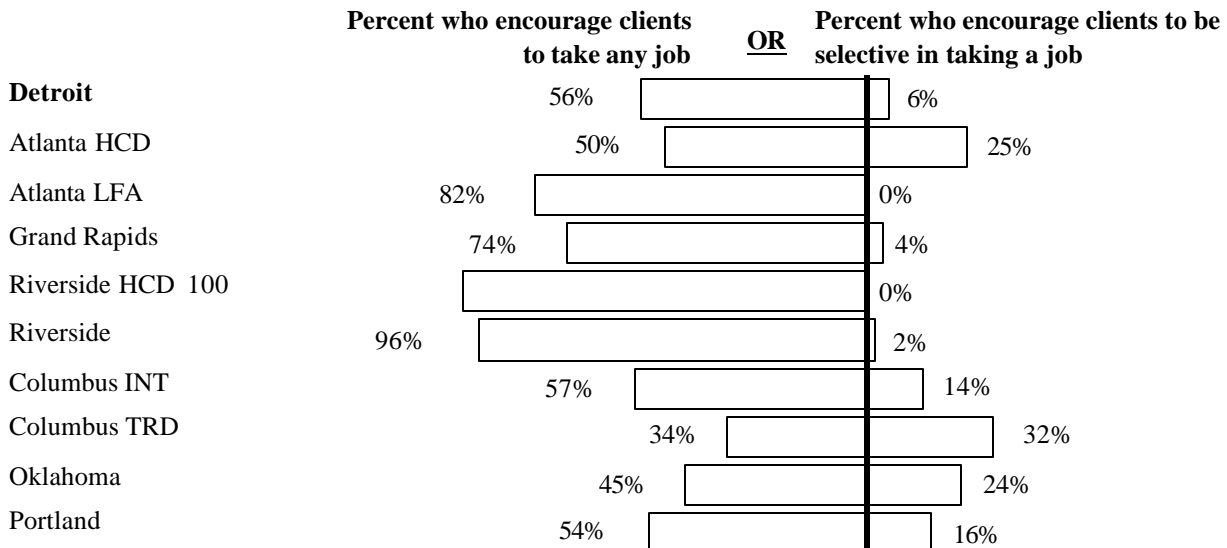
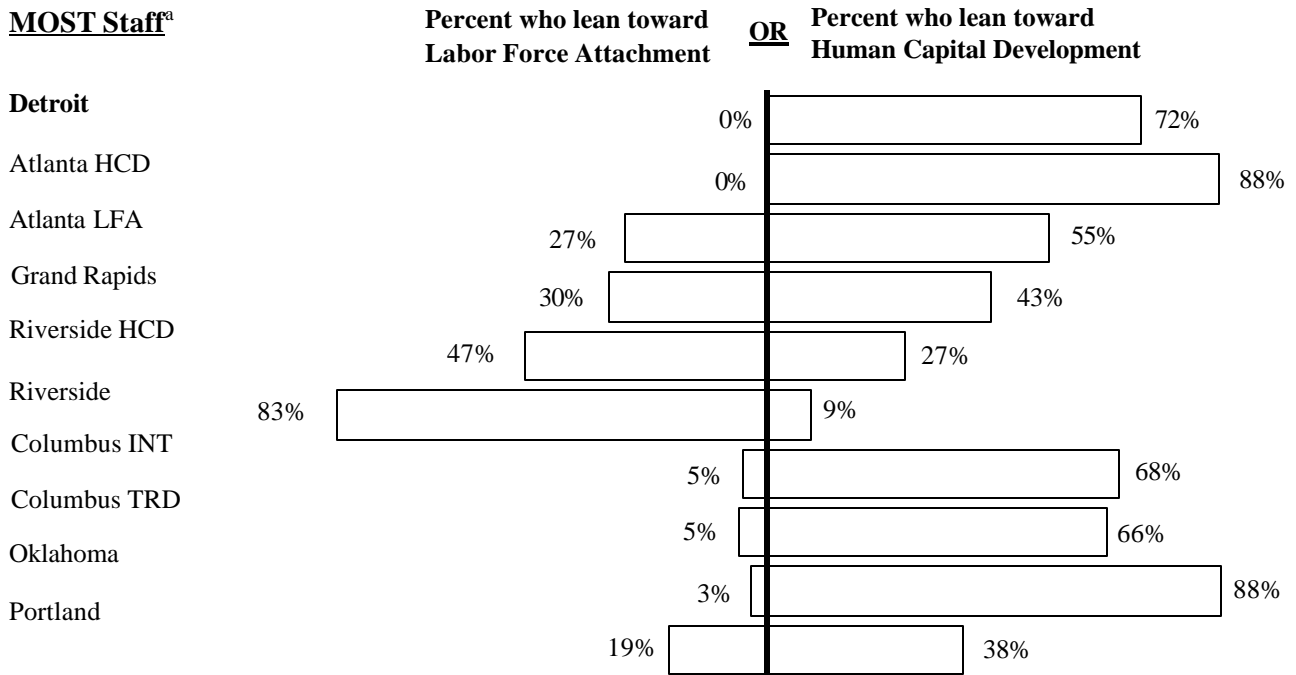
Figure 2.2

National Evaluation of Welfare-to-Work Strategies

Employment Preparation Strategy

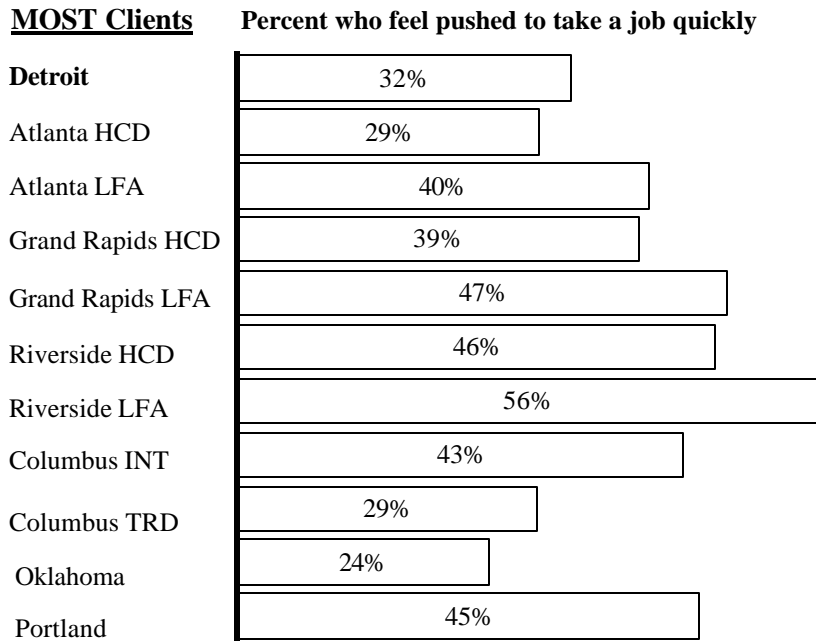
Detroit Program

MOST Staff^a



(continued)

Figure 2.2 (continued)



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

NOTES: ^aThese measures include the responses of JOBS case managers in all sites.

Responses of JOBS case managers do not total to 100 percent because "neutral" responses are not shown.

Figure 2.2 also shows the extent to which case managers in all seven sites in the NEWWS Evaluation encouraged clients to take any job (an LFA approach) or to be selective about the jobs they take (more typical of an HCD approach). For all sites, case managers were more likely to report that they leaned toward encouraging clients to take any job. Detroit was in the low range in terms of the percentage of staff who encouraged selectivity.

MDRC conducted a survey of program group members in all sites at two years after random assignment. One question asked to what extent they “felt pushed to take a job quickly.” The percentage of clients who said that they felt such a push is shown in the lower part of Figure 2.2. Fewer clients in Detroit felt pushed than did clients in seven of the other programs.

C. Staff Management and Job Satisfaction

The day-to-day operations of a welfare-to-work program may be heavily influenced by the way staff are managed and their attitudes toward their work. Figure 2.3 depicts the responses of case managers to several sets of questions relating to staff supervision, evaluation, and training. As the figure shows, the majority of MOST case managers (72 percent) felt that supervisors paid close attention to their performance. A majority (76 percent) also reported good communication with program administrators. However, only 22 percent responded that good performance was recognized, the lowest percentage reported of all programs. (Unlike some programs in the NEWWS Evaluation, the Detroit MOST program did not establish standards for evaluating case management performance.) Also, few staff members indicated that they received helpful training on how to be an effective case manager. Overall, only 6 percent reported high job satisfaction, one of the lowest percentages reported in the NEWWS Evaluation.

In interviews with MDRC, staff complained that they had not been sufficiently trained when they first started at MOST. When one staff member was asked whether she had received training, she said:

I was brought in to cover a vacant caseload. I was working for a month before I received a manual or any policies. I got on-the-job training. I could have used more training.

Compounding this problem was the fact that the offices were not fully staffed during the course of the evaluation and many staff members complained that there were inadequate resources available for the program. In addition, policies and guidelines were changing rapidly, requiring staff to spend more time learning about the new policies and their new responsibilities.

The implementation of Work First also affected MOST staff morale. This policy change essentially stripped case management responsibilities from the MOST staff and gave them to Work First staff. Some workers expressed frustration that they were responsible only for administering child care and sanctioning clients who were not complying with Work First requirements. One worker remarked that her job had been reduced to “administrative support for Work First.”

D. Personalized Attention and Encouragement

Figure 2.4 depicts the responses of case managers to several sets of questions relating to personalized attention and encouragement: specifically, their attempts to learn about clients’ needs, interests, and backgrounds; to identify and remove barriers to client participation; and to

Figure 2.3

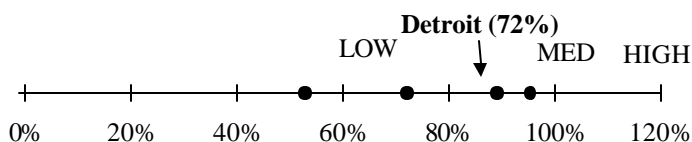
National Evaluation of Welfare-to-Work Strategies

Staff Supervision, Evaluation, and Training

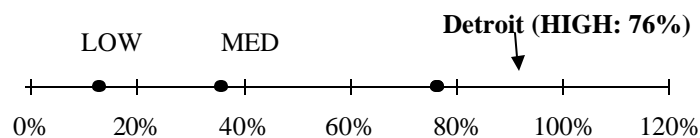
Detroit Program

MOST Staff

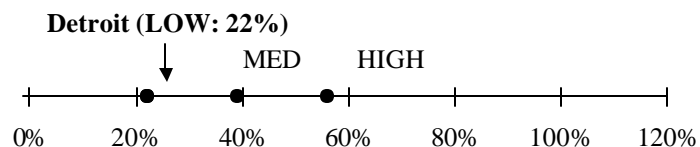
Percent who say that supervisors pay close attention to case manager performance



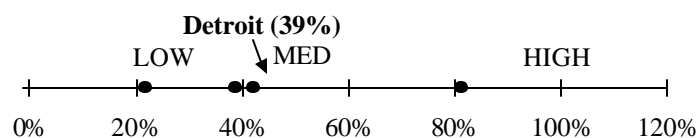
Percent who report good communication with program administrators



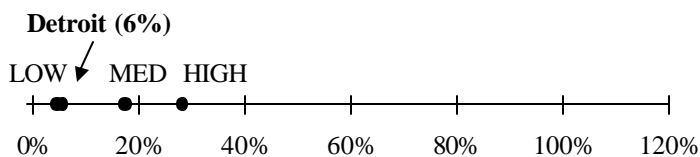
Percent who say that good performance is recognized



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



Percent who report high job satisfaction



LOW = lowest value; MED = median value; HIGH = highest value

SOURCES: JOBS and Integrated Staff Activities and Attitudes surveys.

NOTE: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

Figure 2.4

National Evaluation of Welfare-to-Work Strategies

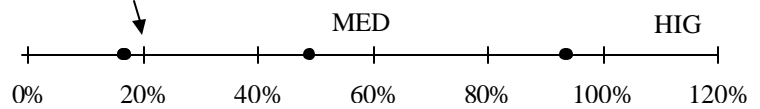
Personalized Attention and Encouragement

Detroit Program

MOST

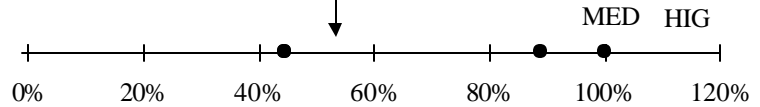
Percent who try to learn in depth about clients' needs, interests, and backgrounds during program intake

Detroit (LOW: 17%)



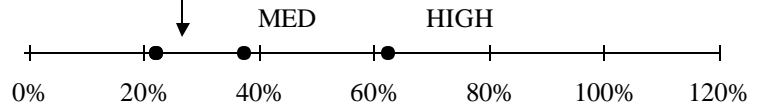
Percent who try to identify and remove barriers to client participation

Detroit (LOW: 44%)



Percent who encourage and provide positive reinforcement to clients

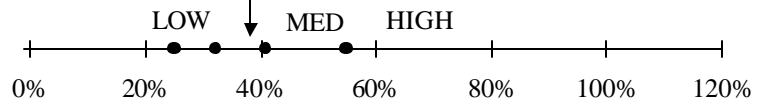
Detroit (LOW: 22%)



MOST Clients

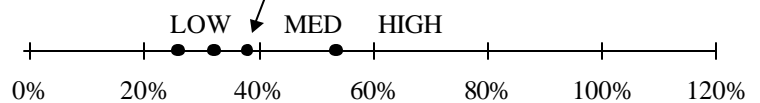
Percent who feel their JOBS case manager knows a lot about them and their family

Detroit (32%)



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

Detroit (32%)



LOW = lowest value; MED = median value; HIGH = highest value

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

NOTE: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

encourage and provide positive reinforcement to clients. The figure also shows the responses of 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 MOST.

Fewer MOST staff members in Detroit tried to learn in depth about their clients, tried to identify and remove barriers, and encouraged and provided positive reinforcement to clients than in any other program in the NEWS Evaluation. This is supported by results from the Two-Year Client Survey: few Detroit program group members felt that their case manager knew a lot about them and their family or would help them resolve their problems.

According to field research, assessment was not a strong component of the MOST program. MOST workers expressed disappointment because they were not able to spend more time with clients and learn more about their problems and interests. As one case manager remarked:

I would love to spend an hour or more, but I can't. If I spend half an hour with a client, that is good. Very good. You don't have time to get into all these issues. I just assume everything is okay, unless they tell me otherwise.

Staff complained that their child care duties were very time-consuming, allowing them less time to devote to their caseload.

E. Participation Monitoring

Participation monitoring refers to the efforts of case managers to make sure that clients show up for their assigned activities, attend regularly, and make satisfactory progress. The level and type of monitoring may be affected by such factors as staff workload demands, frequency of case file audits or performance reviews of case managers, the quality of relationship between case managers and clients, and the linkages between case managers and service providers.

The survey findings, together with data obtained from field interviews with MOST staff and service providers, suggest that Detroit MOST staff did not monitor clients' attendance and progress very closely compared with the other programs in the NEWS Evaluation. As depicted in Figure 2.5, only 12 percent of the Detroit MOST staff reported that they received a lot of information on client progress from service providers, the lowest percentage reported for any program in the evaluation. MOST staff also reported that it took them about 3.7 weeks (the highest average reported for any program) to learn about clients' attendance problems from service providers. Once staff found out about these problems, it took another 2.5 weeks before they contacted clients to discuss the matter.

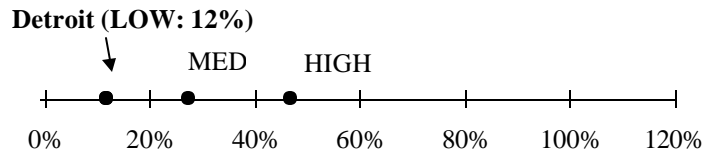
One of the greatest weaknesses of the MOST program, in terms of monitoring participation, was in the collection of attendance information. Some workers communicated directly with service providers, but others gave attendance forms to clients to have their instructors fill out. When forms were returned by clients, MOST workers rarely confirmed the information; when forms were sent directly to providers, they were frequently returned late or not at all.

Staff tended to see clients more often when the clients needed bus tickets or child care. Clients who needed bus tickets picked them up monthly, while those who required child care verified their participation about every three months (although this was often self-reported participation).

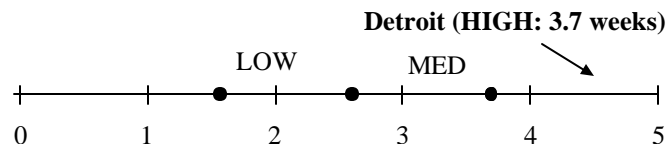
Figure 2.5
National Evaluation of Welfare-to-Work Strategies
Participation Monitoring
Detroit Program

MOST Staff

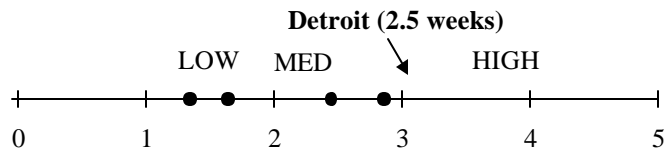
Percent who report receiving a lot of information on client progress from service providers



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



Average number of weeks before contacting clients about their attendance problems



LOW = lowest value; MED = median value; HIGH = highest value

SOURCES: JOBS and Integrated Staff Activities and Attitudes surveys.

NOTE: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

It is important to note that case managers assigned to the control group cases monitored the participation of control group members who required transportation or child care, as well. They faced the same problems as the MOST staff in verifying attendance information. However, controls were not required to participate and could not be sanctioned for not participating (although program group members could be sanctioned, few were, in fact, sanctioned).

F. Rule Enforcement and Sanctioning

The extent to which a welfare-to-work 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. Prior to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, federal JOBS regulations governed the rule enforcement and sanctioning process in JOBS programs nationwide.³ 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.

Although the federal regulations provided a common framework for rule enforcement and sanctioning, sites valued and implemented these procedures differently. As Figure 2.6 indicates, a high percentage of Detroit case managers strongly emphasized penalties for noncompliance to new clients. However, more case managers in Detroit admitted to delaying sanction requests for noncompliant clients than in the other programs in the NEWWS Evaluation. Analysis of the Two-Year Client Survey supports this finding. Fewer program group members in Detroit were sanctioned (3.4 percent) than in any other program. There was not a substantial difference in the degree of mandatoriness between the two district offices.

Field interviews also support these findings: while workers told clients that they were mandatory for the MOST program, they were often reluctant to back this policy up by sanctioning those who did not comply. One MOST manager described the philosophy of the program:

Our cultural milieu will not support strict sanctioning. Our attitude has been one of supporting families rather than pushing them out to get a job.

G. Child Care and Support Service Payments

For many welfare recipients with young children, child care is the major obstacle to working or attending an education or job training program. Transportation is another barrier: 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. The Detroit MOST program provided assistance to MOST participants and later to Work First participants (for child care assistance).

³Some states or localities that received a waiver from the U.S. Department of Health and Human Services may have followed different sanctioning policies.

Figure 2.6

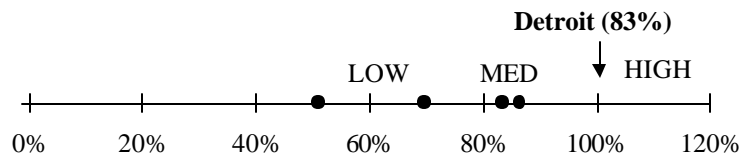
National Evaluation of Welfare-to-Work Strategies

Rule Enforcement and Sanctioning

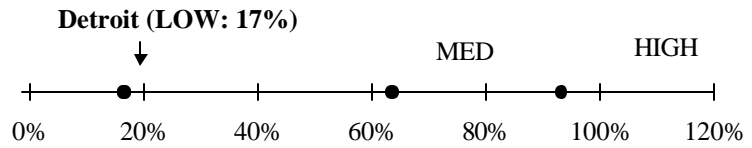
Detroit Program

MOST Staff

Percent who strongly emphasize penalties for noncompliance to new clients^a

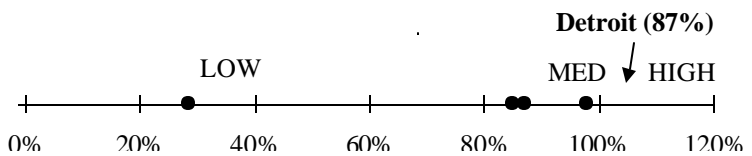


Percent who never delay requesting sanctions for noncompliant clients



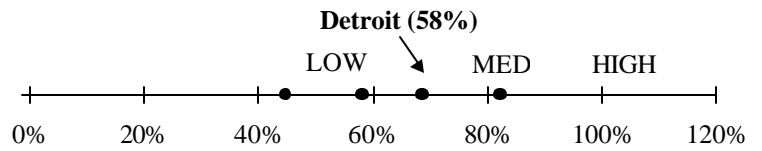
IM Staff

Percent who never delay imposing sanctions on noncompliant clients

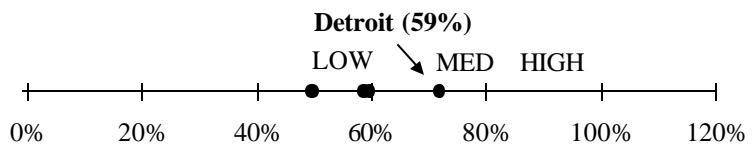


MOST

Percent who say they were informed about penalties for noncompliance



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



LOW = lowest value; MED = median value; HIGH = highest value

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

NOTES: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

^aThis is a single survey item, not a scale.

Child care. Generally, child care payments were authorized by MOST case managers and were made directly to providers for the number of days or hours of care they delivered. Participants could 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

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.

The MOST program provided child care payments to licensed providers and providers approved by DSS (after a review by child protection services). Staff reported that there was sufficient child care available in the community for those who needed it. The Child Care Coordinating Council provided lists of approved providers in the area. In addition, some clients used their relatives or friends who were licensed as day care aides. The only problems reported were in providing child care for children with special needs, such as disabled children. After-school care was sometimes scarce as well.

While MOST workers concurred that the availability of child care was not a problem, many complained that their child care responsibilities were too time-consuming. MOST staff were responsible for administering child care payments for clients; in other programs in the NEWWS Evaluation, this was an IM or a separate day care unit's responsibility. Also, the state revised its procedures for making child care payments during the early period of the evaluation. All child care cases had to be converted to a new computer system. Additionally, the new policy required that payments be made to the provider, rather than included in the welfare recipient's benefit check. Finally, clients had to begin using only those providers who were licensed, registered, or enrolled by DSS to provide child care, which required calling in providers for interviews and screening. Staff members were spending more time reviewing cases requiring day care than on their other responsibilities. One staff responded:

I consider myself more of a day care worker than a MOST worker. Day care reviews are so involved. . . . There are so many steps involved. You can do a MOST review in 10 minutes; processing a day care review can take a half hour to 45 minutes.

Transportation assistance and ancillary expenses. Detroit provided transportation assistance to clients in the form of bus passes or reimbursement for miles driven (for clients who had access to automobiles). Clients who needed bus tickets were required to come in to the MOST office monthly and bring their attendance sheets filled out by their instructors. Although workers did not have to spend more than 15 minutes with clients, it was an opportunity to monitor their participation in the program.

Case managers reported that Detroit's poor public transportation system was a barrier to work at times. Detroit has two public bus systems, one serving the city and another serving the suburban areas, with no subway system. The city and suburban bus schedules rarely mesh, making travel to subur-

ban areas time-consuming. Many of the jobs are in the suburbs (the unemployment rate is less than half the rate in the city), but clients without cars have difficulties getting to these jobs.⁴

Ancillary expenses — school books and supplies, work uniforms, GED examination fees, and interview clothes — could be approved by clients' MOST case managers. Results from the cost analysis reveal that Detroit did not spend very much on ancillary payments.⁵

H. Perceptions of the Helpfulness of MOST

Some of the best critics of a welfare-to-work program are its staff and participants. Although they may not be able to predict what would happen in the absence of the program — only a controlled experiment can definitively answer that question — staff and clients are in a better position than most to judge whether or not the program's mandates and services are helpful.

As Figure 2.7 shows, only 39 percent of the Detroit MOST staff believed that MOST was helping clients become self-supporting, the lowest percentage of all the programs. A similarly low percentage of Detroit IM staff thought MOST would help clients. Somewhat surprisingly, a higher proportion of clients in Detroit believed that MOST improved their employment prospects than in any other program, perhaps reflecting the fact that more than a quarter of the Detroit sample were participating in an education or training activity at random assignment. Presumably, individuals who had enrolled in services on their own prior to entry into the program would give higher marks to a welfare-to-work program that allowed them to continue in their activities.

II. The Implementation of Work First: October 1994 -1997

The Work First program was phased in starting in October 1994. In contrast to MOST, it was strongly employment-focused: clients were required to test the job market for 30 days before any in-depth assessment was conducted. Early evidence suggests that Work First was able to monitor clients' participation better, although it still relied on MOST to sanction noncompliant clients. The MOST program also continued to provide child care assistance to Work First participants. The Work First program used contracts with local area providers for all activity services. During the second year of the program, the state shifted all case management responsibilities to the contractors, as well.

A. Organizational Structure and Program Staffing

1. Organizational structure. When the state implemented Work First, it introduced a new service delivery structure. The Michigan Jobs Commission developed the policy guidelines for operating the Work First program and monitored each district's enrollment, participation, and success at moving Work First participants into employment. However, local Michigan Works

⁴“Jobs Out of Reach for Detroiters Without Wheels,” *New York Times*, May 26, 1998, p. A12.

⁵Ancillary costs were approximately \$15 per program group member.

Figure 2.7

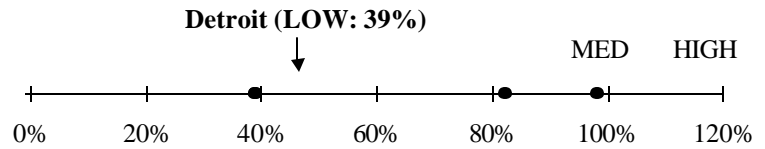
National Evaluation of Welfare-to-Work Strategies

Perceptions of the Effectiveness of MOST

Detroit Program

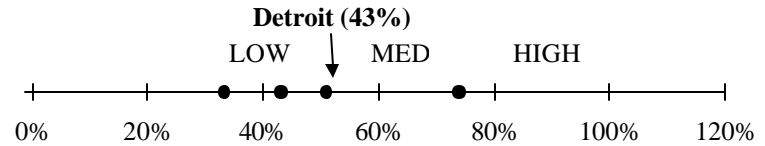
MOST Staff

Percent who think JOBS will help clients become self-supporting



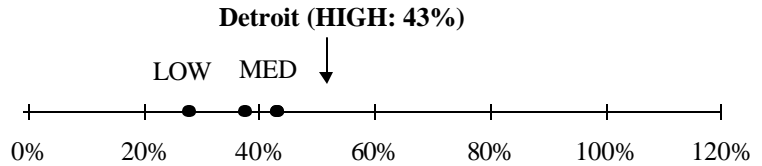
IM Staff

Percent who think JOBS will help clients become self-supporting



MOST

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



LOW = lowest value; MED = median value; HIGH = highest value

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

NOTE: The low, median, and high figures above take into account all programs in the National Evaluation of Welfare-to-Work Strategies.

Agencies (MWAs), which previously operated Job Training Partnership Act (JTPA) programs, operated the Work First programs in the state. These local MWAs had considerable autonomy and defined the scope of the program, though relying on contractors to provide the majority of the services.

Starting in the fall of 1994, the research sample members were referred primarily to the City of Detroit MWA. This MWA, with seven different offices throughout the city, served clients from 23 welfare department offices. It had contracts with several contractors in the area, which included for-profit and not-for-profit institutions, as well as the Detroit public school system.

2. Welfare department staff responsibilities. In the early fall of 1994, as the state prepared for the transition to the new Work First program, MOST staff began referring individuals who had completed their MOST education or training activity to individual job search or left them in pending status rather than assigning them to a new education or training activity. In October 1994, the MOST offices began referring to Work First all new MOST enrollees and MOST enrollees who were not participating (and making satisfactory progress) in an education or training activity. As program group members completed their MOST education or training assignments, they were referred to Work First.⁶

The state welfare department (the IM and MOST divisions) remained responsible for determining eligibility for cash assistance, managing the cases of clients who were not eligible for Work First⁷ and clients who were completing their MOST assignments, handling the child care administration responsibilities for their existing caseloads as well as for those participating in Work First, and sanctioning enrollees who were not meeting program requirements (including Work First requirements).⁸

3. Work First staff responsibilities. Staff responsibilities changed within the first three years of the program. In the first year, the Work First office provided the case management services that included initial intake, testing, and a short assessment. The Work First case managers assigned clients to the contractors who provided job search or, less frequently, education and training services, while the Work First case manager continued to oversee the case.

Starting in 1996, the Work First contractors took over the case management responsibilities. The welfare department referred cases to one of seven Work First orientation locations where contractors were assigned the cases. The contractors conducted the intake, testing, and initial assessment and were then expected to provide the clients with job search. If a client had not found a job after four weeks and the contractor determined that another activity assignment was appropriate, the client was

⁶According to the state plan, those who were approved for post-secondary education prior to October 1994 would be allowed to continue in the activity until the end of the semester or term, at which time the MOST worker was supposed to assess whether the participant was meeting all relevant participation requirements and making satisfactory progress. If these conditions were met and there were no jobs in the community, the MOST worker would allow the participant to continue in post-secondary education.

⁷Individuals not eligible for Work First included those under age 20 who were participating in basic education programs, refugees, and non-public assistance Food Stamp cases.

⁸In 1997, the state began plans to combine all eligibility and welfare-to-work functions into one position, the Family Independence Specialist (in effect, consolidating all MOST and IM responsibilities). The Family Independence Specialist determines eligibility and processes day care payments and other support services, as well as interacts with the Work First office.

referred to another organization that provided the service.⁹ The original contractor continued to monitor the case.

4. Relations between the welfare department and Work First staff. After the Work First program was implemented, Work First staff relied on MOST staff to refer and re-refer clients to the Work First program, provide support services to those who were participating in Work First, and refer clients who were noncompliant for sanctioning to IM.

There is some evidence that local welfare offices and Work First agencies were not collaborating and communicating effectively with each other. These two organizations had different cultures, different mandates, and different policies and regulations, which often hindered collaboration. One study documented the degree of collaboration during 1996 and 1997.¹⁰ Managers from both offices across the state were asked a series of questions about the relationship with their local partners. This study found that fewer than half of local Family Independence Agency (FIA)¹¹ and Work First front-line staff members regularly communicated, via regularly scheduled meetings and frequent telephone calls, with each other regarding clients. About 30 percent of Work First managers said that they had virtually no communication with the local FIA. Staff members from offices in urban areas were the least likely to work with each other.

Interviews with MOST and Work First staff in Detroit uncovered other problems. Work First staff complained that MOST workers were not processing child care paperwork fast enough, sometimes taking as long as six months. Work First staff also complained that MOST staff were not sanctioning clients determined by Work First to be noncompliant. As a result, they were continually referring the same clients who had not complied with the program to the MOST office, who then referred them back to Work First. MOST staff complained, when Work First was first implemented, that there was a backlog at the Work First office and some clients were not being served by the program.

Since case management responsibilities shifted to the Work First contractors, the key relationships are between the welfare department staff and Work First contractors. Discussions with administrators at both Work First and the welfare department indicated that more communication is taking place. Contracted staff now meet biweekly with welfare department staff to compare notes on cases, identify barriers to participation, make recommendations on appropriate courses of action, and discuss how to better serve their joint clients. This improved situation is due, in part, to the fact that contractors are evaluated on whether they meet with welfare department staff regularly. The evaluations help determine whether contracts will be renewed.

B. The Work First Program Message

The Work First program was based on an LFA approach: it required clients to “test the market” for 30 days by conducting a job search before assignment to any other activity. After 30 days,

⁹To prevent them from placing clients into services that they provided and for which they could get reimbursed, contractors were not allowed to provide subsequent services, such as education and training.

¹⁰Seefeldt, Sandfort, and Danziger, 1998.

¹¹The Department of Social Services became the Family Independence Agency in 1996.

Work First clients were assessed and either assigned to more job search, short-term training and education, a Community Work Experience program, or on-the-job training.

Previously, the City of Detroit MWA operated as a JTPA agency, offering training as well as job placement services. When interviewed during the early months of the program, Work First staff expressed some concern that the focus of the program was moving away from training. One worker expressed reluctance to assigning some of her clients to job search, instead of school, revealing that she would encourage them to go back to school (presumably on their own time), while assigning them to job search. One supervisor noted:

Our agency had a history of being focused on long-term training, which is in real conflict with the Work First philosophy.

While the state established the basic framework for implementing Work First, there was some variation across the state. During the first two years, the City of Detroit Work First program focused on job search services and allowed few clients to participate in other activities. Starting in 1997, it began to encourage clients to combine work and education. Clients who were working part time (at least 20 hours per week) were given advice on how they could attend an education or training program. Those who chose this route could get support services while they were working and going to school. After 90 days, the program sent clients who were working part time another letter, again advising them on how they could get additional education or training.

As a result, the program changed from one that was strictly job-search-oriented to one that continued to focus on employment, but allowed for additional education or training, as well. Overall, the Work First program can be considered to be a strongly LFA-oriented program, although it continues to experiment with how “pure” an LFA program it will be.

C. The Role of Contractors

A variety of private and public organizations delivered Work First case management, job search, and other services to the Work First caseload. Work First contractors were required to offer the initial job search services, although they were given some flexibility, within limits, in designing their own job search programs. For example, some contractors chose to start with two weeks of classroom instruction, followed by independent job search. Other contractors offered classroom instruction during the morning, with independent job search occurring in the afternoon.

The Work First MWAs evaluate the overall performance of the contractors to determine whether to continue funding the contract. They base this evaluation on a combination of factors, including client participation rates, the rate of employment, the quality of placements, retention in the job, the contractor’s financial situation, the level of monitoring done by the contractor, and the ability of clients to get support services. In addition, the state monitors each MWA’s performance by producing a list of how the 26 MWAs are performing.

D. Participation Monitoring

During the summer of 1995, before case management responsibilities were transferred to the contractors, MDRC staff reviewed case files at both the MOST and Work First offices. This review revealed that the Work First program was assessed to have been monitoring attendance well and better than the two MOST offices.

After the contractors took on the case management responsibilities, some variation was expected in terms of how intensively cases were monitored. However, because decisions on whether to renew contracts take into consideration the contractors' performance in monitoring caseloads, it can be inferred that participation monitoring has improved under the Work First program relative to the MOST program.

E. Rule Enforcement and Sanctioning

As discussed in Chapter 1, the financial penalties for noncompliance were strengthened in 1995. However, Work First staff were not able to sanction clients for attendance problems, but referred clients to the MOST office if they had not maintained a 75 percent attendance record. The MOST worker then sent out a noncompliance letter to the client, calling the client in to a meeting with the MOST worker to demonstrate good cause. If the client showed up for the meeting, she was re-referred to Work First and asked to participate for five consecutive days to demonstrate a willingness to comply. Otherwise, the MOST worker could request that a sanction be imposed. It was the IM worker's responsibility to impose the sanction. An analysis of the Work First data suggests that about 30 percent of the program group members were referred back to the welfare department for noncompliance. However, other data suggest that few clients enrolled in the Work First program were actually sanctioned.¹²

¹²From Seefeldt, Sandfort, and Danziger, 1998. Michigan's sanction rate, as reported in "To Strengthen Michigan Families, Welfare Reform Data Monitoring," April 1997, was approximately 3 percent. TSMF assigned clients to the Work First program.

Chapter 3

Participation and Costs

To correctly interpret the results of the impact analyses presented in Chapter 4, it is essential to understand the extent to which the program group took part in MOST activities, the percentage who were referred to and who participated in the Work First program, and how the program group members' participation in employment-related activities compared with that of control group members, who could seek services on their own. The "treatment" that the program group members received also drives the program costs.

This chapter examines these participation patterns and reports the two-year cost estimates of the Detroit program. Section I presents an overview of the *intended* sequence and emphasis of the MOST and Work First programs. Section II examines the program group's *actual* involvement in the programs during the two years following their random assignment. Section III compares program group members' activity levels with those of their control group counterparts. Section IV presents impacts on the attainment of education or training degrees or certificates. Finally, Section V presents the cost analysis of the Detroit program.

The participation data included in this chapter and used for the cost analysis come from the Two-Year Client Survey and from Michigan Work First's management information system records.¹ The survey was administered to a sample of program and control group members who were randomly assigned between January and December 1993, two years after they entered the program. The Work First data cover three years of follow-up for the full sample.

In brief, this chapter shows that control group members' levels of employment and training-related activity were high for a NEWWS program. The Detroit program produced only a small increase in employment-related participation for program group members over that for control group members, that is, participation for at least one day (but usually longer) in job search, education, training, or work experience. Much of this increase was accounted for by Hamtramck program group members' greater use of vocational training and job search. These small increases in participation translate into low net costs relative to costs for other programs in the NEWWS Evaluation that use an education-focused approach.

I. Service Sequence and Emphasis in the MOST and Work First Programs

¹MDRC staff attempted to collect participation data from case files maintained by the MOST office, as they did for the other six sites in the NEWWS Evaluation. However, many MOST case files were missing or not well documented. Therefore, a determination was made by MDRC staff to rely on self-reported participation from the Two-Year Client Survey rather than collect participation data from case files.

While the two programs emphasized different activities, they could assign program group members to a broad spectrum of activities, which have been grouped in the following categories:

Basic education. Basic education was provided primarily to those who lacked a high school diploma or GED certificate. Most basic education was provided by the Detroit public school district. It encompassed four types of programs: General Educational Development (GED) classes, which prepared students to take the GED test in social studies, literature, science, mathematics, and writing; Adult Basic Education (ABE) classes, which provided reading and mathematics instruction to individuals whose achievement levels were lower than is required for high school completion or GED classes; English as a Second Language (ESL) classes, which provided non-English speakers with instruction in spoken and written English; and High School Completion classes, for individuals who wanted to earn a high school diploma.

Vocational training. Vocational training was provided through the Detroit public school district, community colleges, proprietary schools, and community-based organizations, such as the American Red Cross. These classes included occupational training in fields such as nursing, business and clerical occupations, computer programming, cosmetology, and child care. The Detroit MOST program also offered Education Designed for Gainful Employment (EDGE), a 20-week basic skills and vocational training program for welfare recipients without a high school diploma or GED. EDGE was administered jointly through the Detroit Board of Education and the Department of Social Services. Sample members who attended EDGE may have categorized this activity as vocational training or basic education on the survey.

College. College courses for credit toward a two-year or four-year degree were taken almost exclusively at community colleges.

Job club/job search. The MOST offices did not operate on-site job clubs; they referred some clients to other organizations that operated job search programs. Work First contractors were able to design their own programs, although they were required to offer a combination of classroom instruction and actual job search (where clients were required to look for work both independently and using contractors' resources).

Individual job search. Clients were assigned to look for a job on their own and to log the number of employer contacts made each week. The MOST office tended to assign clients to individual job search after they had completed their education or training activity.

Work experience. Participants could be assigned to three types of positions: unpaid work in the public or private sector (in exchange for their welfare grant), on-the-job training in the private sector, and paid work, usually in the form of college work-study positions.

A. Assignment to Activities in the MOST Program

In response to low employment growth and the need for education and training among its AFDC recipients, the Detroit MOST program emphasized participation in education and training activities. Both offices referred program group members without a high school diploma or GED to basic education; those who had this credential were encouraged to enroll in vocational training or college. Most

job search was self-directed (that is, individuals were assigned to independent job search and not formal job clubs) or clients were sometimes sent to temporary employment agencies. Few were assigned to on-the-job training or work experience. As discussed in Chapter 2, MOST staff advocated education and training for their caseload, but did not strongly enforce the participation mandate.

B. Assignment to Activities in the Work First Program

Work First relied on an employment-focused approach and offered staff little flexibility in deviating from this approach. All clients who were required to participate in Work First were first assigned to a 30-day job search program, after an initial assessment, unless they were already working.² Participants who had not found a job after 30 days were reassessed and could be assigned to additional job search, short-term training and education, a Community Work Experience program, or on-the-job training.

II. Participation in the Detroit Program

The types of activities that clients participated in through either program indicate the overall extent to which their program was education-focused or employment-focused. Determining this participation is complicated by the fact that the Two-Year Client Survey does not distinguish between services and activities that program group members obtained to meet the program requirements in MOST or Work First (referred to in this report as *program-related* participation) from the activities that took place outside the MOST and Work First programs (referred to as *non-program-related* participation). The latter participation may have occurred after clients left AFDC or while they were on AFDC but without the approval or knowledge of their case manager.

An attempt was made to distinguish program-related from non-program-related participation in order to identify the overall employment-preparation strategy of the Detroit program, for comparison with other NEWWS programs, and, as will be discussed later, to estimate welfare department costs.

A. Estimating Program-Related Participation

Two methods for estimating program-related participation were used, which reflect different assumptions regarding the level of case management services that program group members received while they were participating in an employment-related activity and on AFDC. As discussed in Chapter 2, staff reported that they spent most of their time working with clients who required child care. In addition, they tended to approve activities that clients were participating in at random assignment. Therefore, the first method assumes that program-related participation occurs either around the time of random assignment or during a period when clients were receiving MOST child care.³ This approximation may

²Persons exempt from the program included parents of a child age 1 or younger (later changed to under 12 weeks); those under age 20 without a high school diploma or GED; those medically exempt; refugees; those enrolled in an education activity approved by MOST prior to referral to Work First; and those working at least 20 hours per week at minimum wage.

³In addition, any participation spell that was restarted within one month of an earlier program-related activity was classified as program-related.

underestimate actual program-related participation because some program group members started attending activities to fulfill the Detroit program requirements after random assignment, but did not require child care. Thus, it is considered the lower-bound estimate.

The higher-bound estimate assumes that all participation that took place while program group members were receiving AFDC was program-related.⁴ Since program group members were mandatory to participate only when they were on AFDC, this captures the maximum estimate of program-related participation. It probably overestimates program-related participation because some may have been on AFDC and participating on their own, and not getting case management services from the Detroit program. In all likelihood, the actual level of program-related participation lies between the lower- and upper-bound estimates.

As shown in Table 3.1, the proportion of program group members who ever participated in a program-related activity within two years ranged from one-third to less than one-half, depending on the estimation method used. This implies that the majority of program group members either participated in an activity on their own outside the welfare-to-work program or did not participate in any activity. The bulk of the participation in program-related activities occurred in education or training activities. From a comparison of Work First data and the client survey, of the 11 percent who participated in job search 61 percent did so through MOST and 39 percent through Work First.

Not surprisingly, individuals without a high school diploma or GED certificate participated to a greater extent in basic education, and to a lesser extent in college, than those with the credential. There was not a substantial difference in participation in vocational training or job search between the two education subgroups.

Fullerton-Jeffries program group members were more likely to participate in a program-related activity than were Hamtramck program group members. As discussed in Chapter 2, a higher percentage of the Fullerton-Jeffries sample was participating in an education or training activity when they enrolled in the MOST program, which may explain the difference between offices. Of those who participated, Hamtramck program group members were more likely to participate in vocational training or basic education and Fullerton-Jeffries participants were more likely to participate in college.

B. Work First Referral and Participation

Program group members were referred to Work First only if they were on AFDC in October 1994 (or returned to AFDC after that point) and were mandatory for the welfare-to-work program. Therefore, those who had been randomly assigned earlier would be less likely to be on AFDC by the fall of 1994 than those who enrolled later. Also, program group members who were more job-ready would be more likely to have left welfare for work by the time Work First was implemented. Table 3.2 compares the baseline characteristics of those who were referred to Work First within two years after random assignment with those who were not. Program group members who were referred to Work First were more likely, at random assignment, to be younger, never married, and not employed or enrolled in an education or training program; and to have had more than five years of prior AFDC receipt.

As shown in Table 3.3, MOST referred 23 percent of all program group members to Work First within two years following random assignment; 6 percent actually participated.

⁴Specifically, a spell of participation was classified as program-related if participants received AFDC for half or more of the duration of the spell.

Table 3.1
National Evaluation of Welfare-to-Work Strategies
Ranges of Participation in Program-Related Activities Within a Two-Year Follow-Up Period,
by High School Diploma/GED Status and District Office

Detroit Program

Activity Measure	Full Participation Sample (%)	High School Diploma or GED (%)	No High School Diploma or GED (%)	Fullerton- Jeffries (%)	Hamtramck (%)
Participated in:					
Any activity	33.3 - 47.1	33.6 - 44.8	32.9 - 50.6	37.0 - 52.2	30.5 - 43.2
Job search	11.0 - 11.0	10.4 - 10.4	11.8 - 11.8	12.0 - 12.0	10.2 - 10.2
Any education or training	25.2 - 41.4	25.6 - 37.6	24.7 - 47.1	28.3 - 45.7	22.9 - 38.1
Basic education	8.6 - 17.1	2.4 - 6.4	17.6 - 32.9	8.7 - 17.4	8.5 - 16.9
College	9.5 - 14.3	14.4 - 18.4	2.4 - 8.2	12.0 - 18.5	7.6 - 11.0
Vocational training	9.0 - 15.7	9.6 - 15.2	8.2 - 16.5	9.8 - 15.2	8.5 - 16.1
Work experience	1.0 - 1.4	1.6 - 1.6	0 - 1.2	0.0 - 0.0	1.7 - 2.5
Sample size	210	125	85	92	118

SOURCE: MDRC's calculations from the Two-Year Client Survey.

NOTE: This table shows lower- and upper-bound estimates of participation rates in program-related activities. These ranges are based on two methods of determining whether participation reported on the Two-Year Client Survey was program-related or non-program-related. See text for description of methods.

Table 3.2
National Evaluation of Welfare-to-Work Strategies
Selected Characteristics of Program Group Members
Referred and Not Referred to Work First Within Two Years
Detroit Program

Characteristic	Referred to Work First	Not Referred to Work First
Demographic characteristics		
Sex (%)		
Male	3.8	2.9
Female	96.2	97.1
Age (%)		
Under 19	3.4	3.3
19-24	26.0	26.0
25-34	45.6	42.1
35-44	19.8	24.0 **
45 or over	5.2	4.7
Average age (years)	30.0	30.1
Race/ethnicity (%)		
White	7.6	12.4 ***
Black	92.0	85.4 ***
Hispanic	0.2	0.9 ^u
Native American	0.0	0.4
Other	0.2	0.9 ^u
Family status		
Marital status (%)		
Never married	71.7	67.2 *
Married, living with spouse	0.8	2.9 ***
Separated	16.1	16.0
Divorced	10.9	12.6
Widowed	0.6	1.4
Age of youngest child (%)		
2 or under	38.0	38.3
3 to 5	27.1	25.3
6 or over	35.0	36.3
Average number of children	2.1	2.0
Labor force status		
Worked full time for 6 months or more for one employer (%)	45.3	50.4 **
Any earnings in past 12 months (%)	20.4	22.6
Currently employed (%)	4.9	7.6 **

(continued)

Table 3.2 (continued)

Characteristic	Referred to Work First	Not Referred to Work First
Education and basic skills levels		
Highest degree/diploma earned (%)		
GED ^a	10.2	10.1
High school diploma	41.3	36.2 **
Technical/AA/2-year college degree	3.8	9.6 ***
4-year (or more) college degree	0.8	1.0
None of the above	43.9	43.2
Highest grade completed in school (average)	11.2	11.3
Enrolled in education or training in past 12 months (%)	16.6	21.4 **
Currently enrolled in education or training (%)	23.4	29.9 ***
Public assistance status		
Total prior AFDC receipt (%) ^b		
None	4.1	2.4 **
Less than 1 year	11.4	15.6 ***
1 year or more but less than 2 years	8.4	9.9
2 years or more but less than 5 years	21.9	23.2
5 years or more but less than 10 years	23.4	20.8
10 years or more	30.8	28.1
Raised as a child in a household receiving AFDC (%)	41.6	38.1
First spell of AFDC receipt (%) ^c	3.9	4.6
Housing status		
Current housing status (%)		
Public housing	5.4	5.2
Subsidized housing	0.8	0.9
Emergency or temporary housing	0.6	1.2
None of the above	93.3	92.7
Sample size	1,691	535

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

NOTES: A two-tailed t-test or chi-square test was applied to differences in characteristics between groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent. The symbol "" indicates that although there was a statistically significant difference, its magnitude could not be reliably measured because of small sample sizes.

^aThe GED credential is given to those who pass the GED test and is intended to signify knowledge of high school subjects.

^bThis refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

^cThis does not mean that such individuals are new to the AFDC rolls, only that this is their first spell on AFDC. This spell, however, may have lasted several years.

Table 3.3
National Evaluation of Welfare-to-Work Strategies
Participation in the Detroit Work First Program Within Two and Three Years,
by Research Group and District Office

Detroit Program

Outcome	Full Sample			Fullerton-Jeffries			Hamtramck		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference	Program Group	Control Group	Difference
Within 2 years of random assignment									
Referred to Work First (%)	23.2	7.6	15.6	27.1	7.7	19.4	20.2	7.5	12.7
Participated in: (%)									
Any activity	6.1	2.0	4.1	6.8	1.4	5.4	5.6	2.4	3.2
Job search	5.8	1.8	4.0	6.4	1.4	5.0	5.3	2.0	3.3
Basic education	0.3	0.1	0.2	0.3	0.1	0.2	0.2	0.1	0.2
College	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Vocational training	0.4	0.3	0.1	0.5	0.0	0.5	0.4	0.6	-0.2
Work experience	0.1	0.0	0.1	0.0	0.0	0.0	0.2	0.0	0.2
Entered employment (%)	3.9	1.4	2.5	3.4	0.9	2.5	4.3	1.9	2.5
Within 3 years of random assignment									
Referred to Work First (%)	41.1	23.9	17.2	46.8	26.5	20.2	36.7	21.8	14.9
Participated in: (%)									
Any activity	13.1	7.5	5.6	14.5	7.7	6.8	12.0	7.3	4.6
Job search	12.4	7.1	5.3	13.7	7.4	6.3	11.4	6.9	4.5
Basic education	0.5	0.2	0.3	0.6	0.3	0.3	0.4	0.2	0.2
College	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Vocational training	1.1	0.5	0.6	1.0	0.3	0.7	1.2	0.7	0.5
Work experience	0.1	0.1	0.0	0.0	0.1	-0.1	0.2	0.1	0.2
Entered employment (%)	9.4	5.4	4.1	9.8	4.8	5.0	9.2	5.9	3.3
Sample size (total=4,459)	2,226	2,233		1,242	988		1,255	971	

SOURCE: MDRC calculations from Michigan Work First management information system records.

NOTE: Rounding may cause slight discrepancies in calculating differences.

MOST referred 41 percent within three years after random assignment; 13 percent actually participated. Not surprisingly, those who participated in Work First participated almost exclusively in job search, after an initial assessment.

Fullerton-Jeffries referred a higher percentage of program group members to Work First within two years than Hamtramck (27 percent versus 20 percent), in part because more program group members in Fullerton-Jeffries were on AFDC (73 percent were still on AFDC at the end of two years compared with 68 percent of Hamtramck program group members). Within three years, Fullerton-Jeffries referred 47 percent of program group members to Work First, while Hamtramck referred 37 percent. Again, this is partly due to the fact that more Fullerton-Jeffries program group members were still on AFDC at the end of three years. (For a sample randomly assigned by December 1993, approximately 62 percent of the Fullerton-Jeffries program group and 55 percent of the Hamtramck program group were still on AFDC at the end of the three-year follow-up.)

Contrary to the research design, some control group members (24 percent) were referred to Work First within three years. Possibly the added workload that accompanied the start-up of Work First, along with staff turnover and confusion over when control group members could be referred, allowed some controls to gain access to the program. Nevertheless, more program group members than control group members were exposed to Work First within the follow-up period.

The Detroit program produced a 4 percentage point increase over the control group in the rate at which program group members participated in any Work First activity within two years and a 6 percentage point increase in the rate at which they participated within three years.

C. Participation Length of Stay and Coverage

The goal of welfare-to-work programs is to enable individuals to get a job and/or leave welfare. 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 found employment and/or left AFDC during the period. It is important to determine the extent to which individuals were “covered” by a program obligation; that is, the extent to which they were either participating or working while on AFDC.⁵

As shown in Table 3.4, program group members received AFDC for an average of 21.1 months during the two-year follow-up period. The average number of months during the follow-up in which program group members were participating in any employment-related activity or working, while still receiving AFDC, was 7.5 months, or 36 percent of the months on AFDC. Of the two education-based subgroups, nongraduates received more months of AFDC, but were participating or working for fewer months. Consequently, the proportion of AFDC months in which nongraduates were participating or working was just 31 percent. It was 39 percent for graduates. Hamtramck had a slightly higher coverage rate than Fullerton-Jeffries.

⁵This coverage measure differs from the measures presented for the other programs in the NEWWS Evaluation. For the other programs, coverage was the number of months that individuals were either participating in a JOBS activity, employed, or sanctioned, *while mandatory for JOBS*, as a proportion of the months in which program group members were on AFDC *and JOBS-mandatory*. Comparable data were not available for the Detroit program. Therefore, caution should be exercised in comparing these measures with measures presented for other programs in the NEWWS Evaluation.

Table 3.4
National Evaluation of Welfare-to-Work Strategies
Length of Participation Within a Two-Year Follow-Up Period,
by High School Diploma/GED Status and District Office
Detroit Program

Activity Measure	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED	Fullerton- Jeffries	Hamtramck
For all sample members					
Average number of months receiving AFDC	21.1	20.1	22.6	21.0	21.2
Average number of months in which individuals were participating in any activity or employed while receiving AFDC	7.5	7.9	7.0	7.3	7.7
Average number of months in which individuals participated in any activity while receiving AFDC	3.7	3.9	3.4	4.1	3.4
Sample size	210	125	85	92	118
For participants only					
Average number of months in which individuals participated in any activity while receiving AFDC	7.9	8.8	6.7	7.8	8.0
Number of months in which there was participation while receiving AFDC (%)					
1	6.1	7.1	4.7	8.3	3.9
2	6.1	8.9	2.3	2.1	9.8
3	8.1	5.4	11.6	6.3	9.8
4-6	29.3	21.4	39.5	31.3	27.5
7-12	32.3	30.4	34.9	37.5	27.5
13-18	10.1	16.1	2.3	6.3	13.7
19 or more	8.1	10.7	4.7	8.3	7.8
In any activity at the end of the follow-up period (%)	18.2	23.2	11.6	22.9	13.7
Sample size	99	56	43	48	51

SOURCES: MDRC calculations from the Two-Year Client Survey and Michigan Work First management information system records.

Table 3.4 also shows that within two years of follow-up the program group members participated in an activity while on AFDC for an average of 3.7 months. This is a relatively short length of stay and can be explained by the fact that more than half of program group members did not participate at all (zero participation is averaged in for nonparticipants). *Participants* (including only those who have at least one month of participation) were enrolled in an activity for an average of 7.9 months. This is also relatively low for an education-focused program.

Figure 3.1 presents a monthly breakdown, at six-month intervals, of AFDC, program participation, and employment statuses for program group members throughout the two-year follow-up period. The sections of each bar in the figure represent mutually exclusive categories. This figure indicates that the majority of program group members were on AFDC, but not participating or employed while on AFDC in month 2. This percentage decreased as individuals left welfare and/or became employed. Nonetheless, over 40 percent of all program group members were on AFDC, but were not participating or employed, at follow-up month 25. During these months, some program group members may have been exempt from the program requirements and a small number may have been sanctioned for not participating (from the survey, only 3 percent were ever sanctioned over the two-year follow-up period).

The high AFDC receipt at the end of follow-up with no employment can be attributed to the very disadvantaged sample that the offices served. As discussed earlier, Detroit sample members entered the program with more years of prior AFDC, and with less prior work experience, than sample members in any other program in the NEWS Evaluation. Thus, they were less likely to be off welfare 25 months later. The high percentage of individuals on AFDC and not in an employment-related activity also stems from the fact that the MOST program did not strongly enforce the participation requirements.

III. A Comparison of Program and Control Group Participation Levels

It is important to determine the extent to which program group members participated in employment-related activities *incrementally* more than control group members, since these differences are key to determining which aspects of the treatment caused the impacts on AFDC, employment, and earnings (discussed in Chapter 4). Control group members' levels of self-initiated activity represent what would have happened if program group members had little exposure to MOST or Work First. To make these calculations, all participation in employment-related activities by program and control group members is included.⁶

As shown in Table 3.5, a sizable proportion of control group members reported participating in an employment-related activity at some point during the two-year follow-up period. Basic education was the most common activity (19 percent), followed by college (14 percent) and vocational training (10 percent). These levels of participation by controls are higher than in all other sites in the evaluation except Grand Rapids. Fairly high numbers of sample members from both sites reported that they were already enrolled in an education or training program at

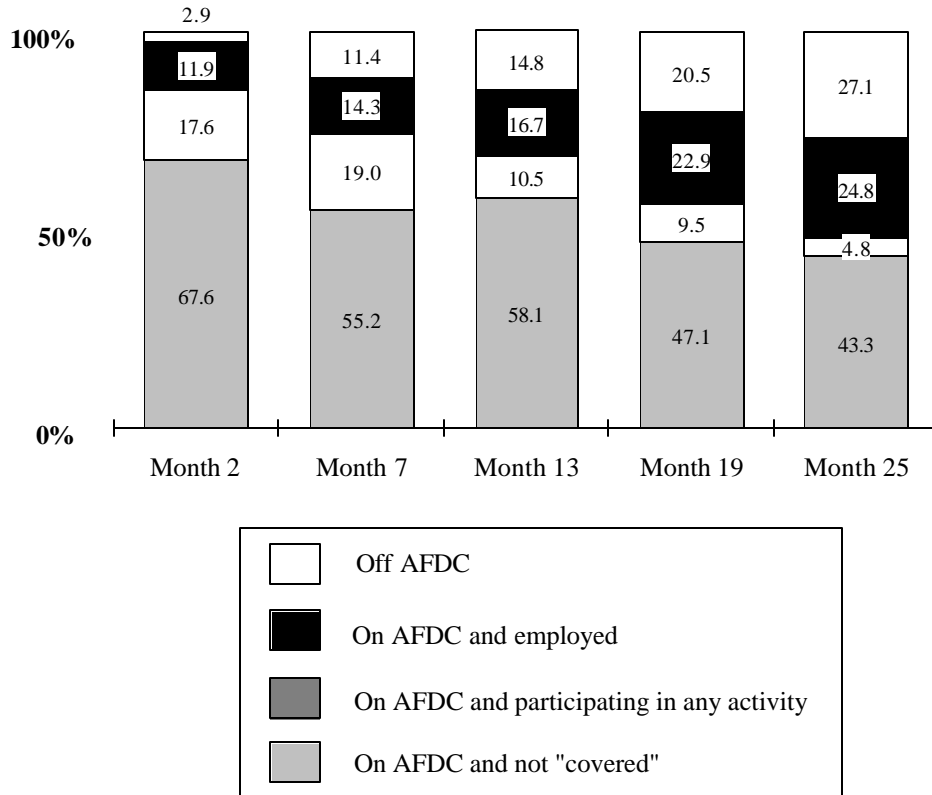
⁶This includes participation that program group members sought on their own, generally after leaving AFDC. Thus, program group participation rates are higher than the rates shown in Table 3.1.

Figure 3.1

National Evaluation of Welfare-to-Work Strategies

**AFDC, Employment, and Participation Statuses Within a Two-Year Follow-Up Period,
by Follow-Up Month**

Detroit Program



SOURCES: MDRC calculations from the Two-Year Client Survey and Michigan AFDC records.

Table 3.5
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Participation in Job Search, Education,
Training, and Work Experience, and on Sanctioning
Detroit Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Program	Control	Difference	Program	Control	Difference	Program	Control	Difference
	Group	Group		Group	Group		Group	Group	
Participated in:									
Any activity	50.5	41.7	8.8 *	272.8	207.6	65.2	<i>540.3</i>	<i>498.4</i>	<i>42.0</i>
Job search	12.0	5.0	6.9 **	15.5	6.0	9.5	<i>129.6</i>	<i>118.5</i>	<i>11.2</i>
Any education or training activity	44.6	39.9	4.7	257.3	201.6	55.7	<i>576.3</i>	<i>505.0</i>	<i>71.4</i>
Basic education	19.1	19.4	-0.4	67.7	59.0	8.6	<i>355.0</i>	<i>303.7</i>	<i>51.3</i>
College	14.1	13.6	0.5	94.0	85.4	8.6	<i>665.7</i>	<i>628.4</i>	<i>37.3</i>
Vocational training	17.4	10.4	6.9 **	95.7	57.2	38.5	<i>551.3</i>	<i>547.7</i>	<i>3.5</i>
Work experience or on-the-job training	1.1	1.2	-0.1	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sanctioned ^a	3.4	2.2	1.2	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sample size ^b	210	216		210	216		<i>varies</i>	<i>varies</i>	

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as:

* = 10 percent; ** = 5 percent; and *** = 1 percent.

Numbers may not add to 100 percent because of rounding.

Differences between program and control group members (shown in italics) for "hours of participation among participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

^aSanctioned between date of random assignment and date of survey interview.

^bSample sizes for individual measures vary because of missing values.

the point that they were randomly assigned to a research group (34 percent in Grand Rapids and 28 percent in Detroit).

Several factors contributed to the high participation levels by controls. First, as was true for the other programs in the NEWWS Evaluation, Detroit control group members who participated on their own were entitled to child care services, which likely allowed some individuals to participate who would not have participated otherwise. Detroit controls were also eligible for bus passes. Second, as discussed earlier, the governor and state legislature implemented a series of welfare reforms throughout the evaluation period that generated considerable publicity and perhaps encouraged *all* AFDC clients in the state to find and enroll in programs on their own. Finally, because of resource constraints, which limited the number of clients who could be served by MOST, the program maximized the use of these scarce slots and first selected those individuals for random assignment who volunteered for the program. Consequently, a relatively high percentage of Detroit control group members were participating in an education and training activity at random assignment. Moreover, education and training services were extensively available in the Detroit community.

As shown in Table 3.5, the Detroit program increased participation in job search and vocational training for the full research sample. This increase is small, however, compared with increases in other programs in the NEWWS Evaluation. It also increased the number of hours that individuals spent in any activity, although this difference is not statistically significant.

Incremental participation was examined for education subgroups of program and control group members. (See Appendix Tables C.1 and C.2.) For graduates and nongraduates, the Detroit program increased participation in job search by 7 and 8 percentage points, respectively. The program increased nongraduates' participation in any activity by 11 percentage points, although this increase is not statistically significant.

Participation by district office reveals differences in incremental participation. (See Appendix Tables C.3 and C.4.) Fullerton-Jeffries increased participation in education and training activities and job search, although these increases are not statistically significant. Hamtramck increased participation in vocational training by 10 percentage points, a statistically significant increase, but did not increase participation in basic education or college.⁷ This increase in vocational training in Hamtramck is larger than the increases generated by other programs in the NEWWS Evaluation.⁸ Hamtramck also increased job search participation by 7 percentage points.

⁷A small case file review six months following program entry for program group members randomly assigned during June and July 1992 found that approximately 16 percent of Fullerton-Jeffries program group members participated in a concurrent education and training activity called EDGE (Education Designed for Gainful Employment). No Hamtramck program group members did so. The survey data show that very little of the vocational training participation occurred at an EDGE provider, suggesting that the Fullerton-Jeffries office referred program group members to EDGE during the early period of the evaluation (the survey sample includes program group members randomly assigned between January and December 1995).

⁸The Atlanta and Grand Rapids HCD programs increased training by 10 and 6 percentage points, respectively, based on client survey data only (unpublished data). No other sites achieved significant increases in training (al-

(continued)

IV. Impacts on Attainment of Education or Training Credentials

The Hamtramck program increased not only the percentage who entered training programs but also the percentage who completed programs and received a trade license or certificate. As shown in Table 3.6, 12.5 percent of program group members received a training credential during the follow-up period, a gain of 10 percentage points over the control group level (the largest increase reported in the NEWWS Evaluation). Fullerton-Jeffries did not increase the proportion who received a license or certificate. Neither office increased the percentage who received a high school diploma or GED.

The training credential increase in Hamtramck is even more pronounced for the group without a high school diploma or GED. For this subgroup, almost 18 percent of program group members received a trade license or certificate within the two years of follow-up, resulting in an impact of about 14 percentage points. This increase also exceeds the training certificate impacts of the other programs in the NEWWS Evaluation for this subgroup.⁹

The trade licenses may have given Hamtramck participants access to certain types of jobs for which they might not otherwise qualify. Other studies have shown that training can help welfare recipients move into higher-paying jobs, a result that is less common in programs that do not stress this activity. As will be seen in Chapter 4, Hamtramck did increase program group members' earnings, especially for the individuals without a high school diploma or GED.

V. Costs per Program Group Member

This section estimates how much the government spent on the Detroit program per program group member within two years of follow-up. In doing so, it separates the expenditures incurred by the welfare department for MOST services, those incurred by education and training providers for the MOST activity assignments, and those incurred by the Jobs Commission (which received funding from the state) for Work First services. These estimates are referred to as *program-related costs*.

In addition, this section presents estimates of the cost that the government incurred over and above what would have been spent on the control group. This is referred to as the *net cost* and is the difference between the cost per program group member and the cost per control group member of all program-related and non-program-related services that were used during the two-year follow-up period. This is an important estimate because it takes into account the fact that some of the money spent on a welfare-to-work program would have been spent anyway, in the absence of the program.

A. Major Components of the Cost Analysis

Figure 3.2 depicts the major components of the cost analysis for both the program and control groups. The costs of the Detroit program were spread across many agencies. The welfare department incurred costs to operate the MOST program, as well as for child care and other sup-

though the Columbus and Portland programs achieved significant increases in college participation, and the Portland subgroup of sample members without a high school diploma or GED produced significant impacts on training).

⁹The Portland program increased the receipt of trade licenses or certificates by 12 percentage points for those without a high school diploma or GED.

Table 3.6
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Degree Attainment,
by High School Diploma/GED Status and District Office

Detroit Program					
Outcome	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Full sample					
Received any degree (%)	426	18.0	14.0	4.0	28.7
Fullerton-Jeffries	180	19.1	23.2	-4.1	-17.6
Hamtramck	246	16.9	7.9	9.0 **	114.9
Received a high school diploma or GED (%)	426	7.1	5.6	1.5	26.4
Fullerton-Jeffries	180	6.9	7.6	-0.7	-9.1
Hamtramck	246	7.2	4.3	2.9	67.0
Received a trade license or certificate (%)	426	12.5	9.2	3.3	36.4
Fullerton-Jeffries	180	12.4	18.9	-6.5	-34.4
Hamtramck	246	12.5	2.5	9.9 ***	390.9
Respondents with a high school diploma or GED					
Received any degree (%)	238	13.4	12.6	0.7	5.7
Fullerton-Jeffries	100	18.6	21.7	-3.1	-14.5
Hamtramck	138	10.9	4.9	6.0	121.8
Received a high school diploma or GED (%)	238	0.9	1.6	-0.7	-42.7
Fullerton-Jeffries	100	0.5	1.6	-1.1	-67.7
Hamtramck	138	1.5	1.4	0.1	8.2
Received a trade license or certificate (%)	238	11.5	9.4	2.2	23.3
Fullerton-Jeffries	100	16.3	20.1	-3.8	-19.0
Hamtramck	138	9.0	1.1	7.9 *	745.9
Respondents without a high school diploma or GED					
Received any degree (%)	188	25.5	14.9	10.5 *	70.6
Fullerton-Jeffries	80	23.5	21.6	1.9	8.8
Hamtramck	108	26.1	10.8	15.3 *	141.5
Received a high school diploma or GED (%)	188	15.6	10.4	5.1	49.2
Fullerton-Jeffries	80	14.9	15.0	-0.1	-0.6
Hamtramck	108	15.5	7.6	8.0	105.1
Received a trade license or certificate (%)	188	15.1	8.0	7.1	89.0
Fullerton-Jeffries	80	10.8	14.0	-3.2	-22.9
Hamtramck	108	17.7	4.1	13.6 **	327.5

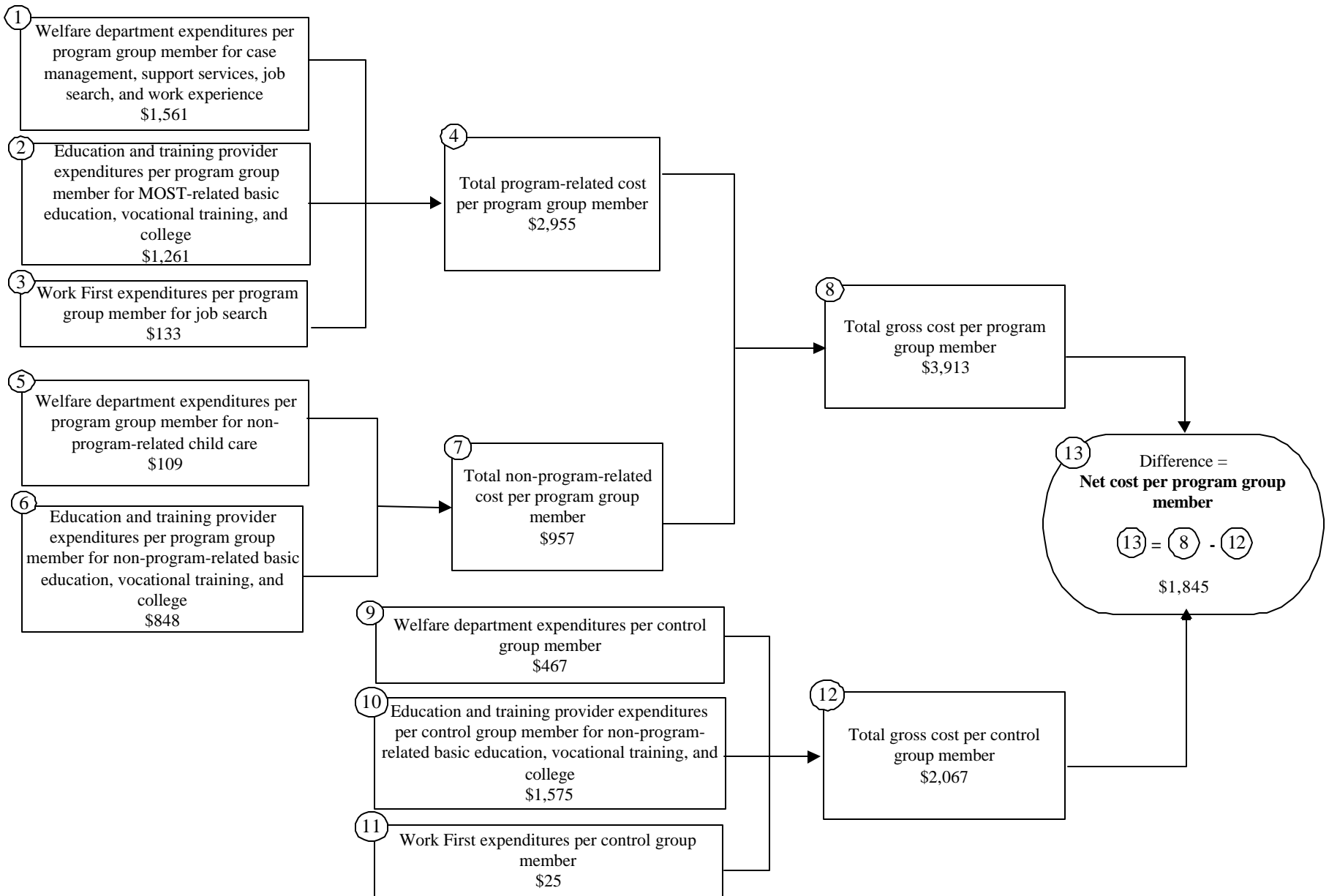
SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage difference" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.



port services for MOST and Work First participation (box 1). In addition, the local school district, community colleges, and vocational training institutes in the area provided the MOST education and training classroom instruction (box 2). Costs were also incurred by the Jobs Commission to operate the Work First program and to provide bus passes for Work First participants (box 3). Together these costs make up the total program-related costs — the costs incurred for the MOST and Work First programs (box 4).

The welfare department provided other child care services to program group members outside MOST and Work First, such as transitional child care, at-risk child care, and low-income child care (box 5). In addition, as discussed earlier, some program group members attended activities on their own that were not approved by the MOST or Work First office, often after leaving AFDC. The education and training providers incurred the costs of this instruction (box 6).¹⁰ These two components sum to the total non-program-related costs (box 7).

The gross cost per program group member can be calculated by adding the total program-related cost and the total non-program-related cost per program group member (box 8).

The gross cost per control group member (box 12) is equal to the sum of three components: the costs of child care and other support services incurred by the welfare department for self-initiated participation and for other types of child care assistance (box 9), the costs of education and training activities delivered by the education and training providers in the area (box 10), and the Work First costs incurred by the Jobs Commission within two years (box 11). (As discussed above, very few control group members participated in Work First within two years, which explains the very low cost.)

The net cost per program group member (box 13) is the gross cost per program group member (box 8) minus the gross cost per control group member (box 12). This cost represents the level of expenditures per person over and above what would have been spent in the absence of the Detroit program within two years.

B. Program-Related Cost per Program Group Member

1. The cost of the MOST program to the welfare department (box 1). The MOST program incurred the costs for the day-to-day operation of the program. These include the costs of staff salaries and overhead, contracts with outside organizations, and child care payments and other support services made to participants.

¹⁰Some of the agencies providing these services, and services provided to controls, may have been proprietary schools or other schools that charge tuition. However, in many cases, low-income students who attend these types of institutions receive Pell grants or other government student aid. For the purposes of this analysis, all non-welfare agency non-program-related expenditures are assumed to reflect costs incurred by the government. To the extent that students invested their own or their family's money to attend these activities, the estimated gross cost per program and control group member presented in this chapter overstates the true cost incurred by the government. While this has distributional implications, it does not overstate the costs of the services. The GAIN Evaluation of seven counties in California analyzed the registrant survey and found that fewer than 10 percent of program 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.

To estimate the operating costs, expenditure data were collected from the county and state for the period between October 1992 and September 1993. This period is referred to as the “steady state” period, a period of relatively stable program operations, after the initial phase of the evaluation, when many of the program group members were receiving MOST services. Salaries and overhead monthly costs were allocated to activities based on an estimate of the percentage of staff’s monthly caseload composed of participants in each activity.¹¹

Payments made by the welfare department to outside organizations that were contracted to provide services are also included in total welfare department costs and allocated across activities. MOST had contracts with community colleges, nonprofit and for-profit schools, and community-based organizations to provide education, training, and job search services, and had a contract with a nonprofit organization to provide child care referrals.

The cost per month of participation (referred to as the unit cost) for each activity was calculated by dividing activity expenditures by the total number of “participant-months” for the activity.¹² As discussed above, because of data limitations the number of participants in program-related activities had to be estimated from survey data. Two different estimates of participant-months were calculated for each activity category, based on different estimation methods. Therefore, two separate unit costs — lower-bound and higher-bound — were calculated for each activity.

Table 3.7 (first column) shows the welfare department unit cost estimates for three broad activity categories.¹³ Even comparing the lower-bound Detroit unit cost estimates with unit costs calculated for other programs in the NEWWS Evaluation, these unit costs are on the high side.¹⁴ There are several explanations for this finding. MOST staff handled all child care reimbursement responsibilities, which were handled by income maintenance staff or a separate child care unit in other programs, thereby increasing MOST costs. In addition, the relatively low participation by program group members meant that MOST costs (including overhead, such as administrative staff salaries, utilities, and equipment) were spread across a small base of participants, resulting in high unit costs. Moreover, the welfare department paid for many education, training, and job search services (through contractual arrangements) that were funded by non-welfare agencies in other programs.

The welfare department cost per program group member by activity was calculated by multiplying the activity’s unit cost by the average number of months that program group members spent in the corresponding MOST activity. For all subsequent calculations presented in this chapter, the lower-bound estimate of program-related participation was used. Calculations using

¹¹For example, if 25 percent of the caseload in a given month consisted of clients in vocational training, then 25 percent of monthly expenses would have been allocated to the vocational training component.

¹²The number of participant-months was obtained by summing across all months in the steady state period an estimate of the monthly number of participants in the activity.

¹³Owing to data limitations, it was not possible to separate out vocational training, college, and basic education. Orientation and assessment costs are spread across the three activities.

¹⁴The job search and work experience unit costs are comparable to Riverside’s monthly costs for the same activities, but the education and training unit costs are higher than Riverside’s. All other programs in the evaluation for which data are available (all remaining programs, except the Columbus programs) had lower monthly costs than the lower-bound Detroit estimates.

Table 3.7
National Evaluation of Welfare-to-Work Strategies
Estimated Unit Costs for Employment-Related Activities (in 1993 Dollars)
Detroit Program

Activity	Program Group			Control Group		
	Welfare Department	Non-Welfare Agency	Work First	Welfare Department	Non-Welfare Agency	Work First
	Average per Month of Participation ^a	Average per Hour	Average per Month of Participation	Average per Month of Participation	Average per Hour	Average per Month of Participation
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Job search	516 - 676	n/a	734	244	n/a	537
Education and training	358 - 528	7.58	n/a	244	7.38	n/a
Work experience	341 - 501	n/a	n/a	244	n/a	n/a

SOURCES: MDRC calculations are based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey.

NOTES: Welfare department unit costs include the cost of providing activities, e.g., classroom instruction, job search facilitation, space rental, and case management expenditures.

The average cost per hour is a cost per scheduled hour, calculated by taking a weighted average of community college, adult education school, and proprietary school costs per hour, based on participation by sample members.

N/a = not applicable.

^aThis table shows lower- and upper-bound unit cost estimates for program-related welfare department activities. The ranges are based on two methods of determining whether participation reported on the Two-Year Client Survey was program-related or non-program-related. See text for description of methods.

the higher-bound estimate are presented in footnotes (both methods result in costs that are very similar).¹⁵

As Table 3.8 shows, the sum of each activity's cost per program group member yields a total MOST welfare department operating cost of \$1,249.¹⁶ This cost is lower than costs for Human Capital Development (HCD) programs studied as part of the NEWWS Evaluation. Detroit program group members tended to stay in MOST for less time than program group members stay in other NEWWS programs. Thus, while monthly MOST program costs were relatively high per program participant, these costs were mitigated by relatively low levels of participation among program group members.

The welfare department also paid for child care services while program group members were participating in MOST and Work First, and transportation and ancillary expenses — for example, uniforms, tools, equipment, books, registration, licensing fees — to help individuals participate in MOST (Work First provided program group members with bus passes while they were in the program). These estimates are presented in Table 3.8 and, in more detail, in Table 3.9.

The average program-related child care cost in Detroit was \$257 per program group member. This is very low compared with the other programs in the NEWWS Evaluation.¹⁷ The average monthly payment was actually higher than in the other programs studied so far, but fewer program group members received this type of child care, which can be explained by the relatively low levels of participation in the MOST program. Transportation and ancillary costs were also low, although higher than in Grand Rapids.

The total MOST welfare department cost of \$1,561 is comparable to the Grand Rapids MOST welfare department cost for the HCD group and lower than in the two other HCD programs (Atlanta and Riverside).

2. MOST costs incurred by education and training providers (box 2). Education and training providers incurred the costs of MOST education and training services not funded by the contractors. The cost of education and vocational training per scheduled hour was calculated from cost and participation data collected from the Detroit public school system, community colleges, and proprietary schools — the primary types of institutions attended by sample members. Table 3.7 shows that the cost of instruction was \$7.58 per scheduled hour. The MOST non-welfare agency cost per program estimate was \$1,261 in Detroit,¹⁸ an estimate that is substantially lower than the Atlanta and Grand Rapids HCD program costs, and comparable to Riverside

¹⁵Because the unit cost is equal to activity costs divided by activity participation, the participation estimates are inversely related to the unit cost estimates — lower participation estimates result in higher unit costs, and higher participation estimates result in lower unit costs. Multiplying the average participation and unit cost measures together using the lower-bound participation estimates results in cost estimates that are equivalent to the cost estimates calculated using the higher-bound estimates.

¹⁶Using the higher-bound participation estimate (and lower unit cost) results in a welfare department operating cost of \$1,272.

¹⁷This is lower than all costs except for the Oklahoma JOBS program costs (Columbus estimates are not yet available). Oklahoma randomly assigned only individuals who were applying for AFDC, many who never became mandatory for JOBS and therefore could not receive this benefit.

¹⁸Using the higher-bound estimate of program-related participation results in a MOST cost to education and training providers of \$1,872. Using the higher estimate shifts more of the costs to the program-related cost category.

Table 3.8**National Evaluation of Welfare-to-Work Strategies****Estimated Cost per Program Group Member
Within Two Years After Orientation, by Agency (in 1993 Dollars)****Detroit Program**

Activity or Service	Program-Related Cost				Non-Program-Related Cost		Total Gross Cost per Program Group Member (\$)
	MOST Welfare Department Cost (\$)	MOST Non-Welfare Agency Cost (\$)	Work First Cost (\$)	Total Program Cost (\$)	Welfare Department Cost (\$)	Non-Welfare Agency Cost (\$)	
Job search	103	0	133	236	0	2	238
Education and training	1,077	1,261	0	2,338	0	844	3,183
Work experience	69	0	0	69	0	1	70
Subtotal (operating)	1,249	1,261	133	2,643	0	848	3,491
Child care	257	0	0	257	109	0	366
Other support services	55	0	0	55	0	0	55
Total	1,561	1,261	133	2,955	109	848	3,913

SOURCES: MDRC calculations are based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC child care and other support service calculations from Wayne County payment data.

NOTES: Rounding may cause slight discrepancies in calculating sums.

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

Table 3.9
National Evaluation of Welfare-to-Work Strategies
Estimated Support Service Cost per Program Group Member
Within Two Years After Orientation (in 1993 Dollars)
Detroit Program

	Per Program Group Member Who Received Service			Percent of Program Group Members Who Received Service (%)	Cost per Program Group Member (\$)
	Average Monthly Payment (\$)	Average Months of Payments	Cost per Person Who Received Service (\$)		
Support Service					
Program-related child care	312	5	1,632	16	257
Transportation and ancillary services ^a	n/a	n/a	n/a	n/a	55
Subtotal (program-related)					312
Transitional child care	364	7	2,538	2	42
Other child care	467	5	2,209	3	67
Total					421

SOURCE: MDRC child care and other support service calculations from Wayne County payment data.

NOTES: Rounding may cause slight discrepancies in calculating products.

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

N/a = not available.

^a Monthly program-related transportation and ancillary service payment data were not available.

HCD costs.¹⁹ The low cost stems from two factors: the program group had a shorter length of stay in MOST and the welfare department funded some of the service costs that were funded by education and training providers in the other sites.

3. Work First costs (box 3). The Work First cost was calculated by multiplying the Work First cost per participant (\$1,073) by the percentage of program group members who participated within two years. This cost covers the Work First staff costs and overhead, the contractors' costs, and the cost of support services supplied by Work First (mainly bus passes.) This estimate was only \$133, owing to the low participation rate by program group members within two years. This cost is expected to increase after two years.

The cost per participant was converted to a cost per month of participation in order to compare this unit cost with those of MOST and the other programs in the NEWWS Evaluation that emphasized a work-first approach. As Table 3.7 shows, the average cost was \$734 per month of Work First participation. This is somewhat higher than the monthly cost of job search provided by the MOST program.

C. Gross Cost per Program Group Member (Box 8)

The gross cost per program group member was determined by adding the program-related cost (box 4) to the non-program-related cost (box 7) per program group member. It is important to include the costs of all services, program-related and non-program-related, because these services have the potential to increase program group members' longer-term earnings and reduce their use of welfare. It is the total gross cost per program group member that must be compared with the total gross cost per control member in order to determine the government's net investment per program group member.

The total program-related cost was \$2,955 per program group member, 79 percent of which can be attributed to education and training services and the case management associated with these activities. This total program-related cost is on the low side compared with costs for other HCD programs that had a mandatory caseload. As discussed above, while the MOST program was relatively expensive to operate, program group members spent less time in it, thus lowering the overall cost.

The total non-program-related cost was \$957 per program group member for the two years following random assignment, of which \$109 was incurred by the welfare department for non-program-related child care expenses (Table 3.8, column 5) and \$848²⁰ was incurred by education and training providers (Table 3.8, column 6).

¹⁹The comparable cost was \$2,001 for the Atlanta program, \$3,224 for the Grand Rapids program, and \$1,184 for the Riverside program.

²⁰Using the higher-bound estimate of program-related participation results in a non-program-related cost to education and training providers of \$221. As noted earlier, using the higher estimate shifts more of the costs to the program-related cost category, although the gross cost remains largely the same.

Detroit's gross cost per program group member was \$3,913.²¹ Overall, the Detroit program is relatively inexpensive compared with other education-focused programs, owing primarily to the low level of participation and the low receipt of child care.

D. Gross Cost per Control Group Member (Box 12)

Expenditures for control group members were primarily for services they used on their own initiative, without the assistance of MOST or Work First staff, with the exception of support services. Under the research design, control group members who enrolled in education or training activities on their own were eligible for non-program-related support services from the welfare department. As Appendix Table D.1 shows, \$318 was spent on support service payments. This cost comes close to the support service cost for program group members. The welfare department spent another \$149 on case management services associated with providing the support services. The total welfare department cost per control (box 9) was \$467.

As discussed earlier, many control group members enrolled in education activities on their own. The non-welfare agency cost per control (box 10) was \$1,575. This is one of the highest control costs found in the NEWWS Evaluation. The bulk of the non-welfare agency cost was for education and training services.

The total gross cost per control group members is the average cost of all services used by control group members. As shown in Table 3.10, this was estimated to have been \$2,067 per person over the two-year follow-up period.

E. Net Costs (Box 13)

The net cost was calculated by subtracting the total gross cost per control from the total gross cost per program group member. As shown in Table 3.10, the net cost per program group member was \$1,845. This net cost was much lower than the net cost per HCD group member in Atlanta, Grand Rapids, and Riverside.

F. Costs by District Office

Table 3.10 presents costs separately for each district office. Fullerton-Jeffries had higher gross costs for both the program and control groups than Hamtramck. (As discussed earlier, Fullerton-Jeffries had higher levels of participation for both groups.) Fullerton-Jeffries' net cost per program group member is equivalent to Hamtramck's, although the distribution across activities and services differs slightly. Hamtramck spent more on work experience and support services above what was spent on the controls and less on education and training and job search. (See Appendix Table D.2 for more details on program group member costs by office.)

G. Costs by Educational Attainment Subgroup

Table 3.10 also present costs for sample members who entered the program with and without a high school diploma or GED. Not surprisingly, the gross costs were higher for the subgroup with a high school diploma or GED (graduates) than for those without such a credential (nongraduates) for both program and control group members. This is generally true because graduates are more likely to participate in education and training and participate in relatively more expensive vocational training and college. The net cost for graduates (\$2,141) was also higher than for nongraduates (\$1,376). (See Appendix D.3 for additional information on program group member costs by educational attainment subgroup.)

²¹The higher-bound estimate is \$3,919.

Table 3.10
National Evaluation of Welfare-to-Work Strategies
Estimated Total Gross Costs and Net Costs
Within Two Years After Orientation (in 1993 Dollars) for the Full Sample,
by High School Diploma/GED Status and District Office

Activity or Service and Sample	Detroit Program		
	Total Gross Cost per Program Group Member (\$)	Total Gross Cost per Control Group Member (\$)	Net Cost per Program Group Member (\$)
Full sample			
Job search	238	42	196
Education and training	3,183	1,699	1,484
Work experience	70	9	61
Subtotal (operating)	3,491	1,750	1,742
Child care	0	303	-303
Other support services	0	15	-15
Total	3,491	2,067	1,424
Fullerton-Jeffries			
Job search	299	81	218
Education and training	3,325	1,749	1,576
Work experience	0	8	-8
Subtotal (operating)	3,624	1,838	1,786
Child care	497	449	48
Other support services	58	26	32
Total	4,179	2,313	1,866
Hamtramck			
Job search	193	15	178
Education and training	3,111	1,666	1,445
Work experience	125	10	115
Subtotal (operating)	3,429	1,690	1,739
Child care	271	193	78
Other support services	53	8	45
Total	3,753	1,891	1,862
Respondents with a high school diploma or GED			
Job search	222	46	176
Education and training	3,511	1,795	1,715
Work experience	116	17	99
Subtotal (operating)	3,849	1,858	1,990
Child care	458	351	107
Other support services	63	19	44
Total	4,369	2,228	2,141

(continued)

Table 3.10 (continued)

Activity or Service and Sample	Total Gross Cost per Program Group Member (\$)	Total Gross Cost per Control Group Member (\$)	Net Cost per Program Group Member (\$)
Respondents without a high school diploma or GED			
Job search	263	38	225
Education and training	2,701	1,593	1,108
Work experience	3	0	3
Subtotal (operating)	2,967	1,631	1,336
Child care	246	240	7
Other support services	44	11	33
Total	3,258	1,881	1,376

SOURCES: MDRC calculations are based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC child care and other support service calculations from Wayne County payment data.

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

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

Chapter 4

Impacts on Employment and Public Assistance Outcomes

This chapter examines the impacts of the Detroit program on employment and earnings, AFDC, and Food Stamp payments, and the combined income from these sources. Two-year impacts are presented for the full sample and for subgroups defined by district office and education level at random assignment. In addition, this chapter presents three-year impacts for the group that was randomly assigned by December 1993 (74 percent of the sample).

As mentioned previously, sample members were randomly assigned to either a program group or a control group. Such randomization ensures that program-control differences in outcomes measured during the follow-up period can be attributed with confidence to effects of the program. Unless otherwise stated, program-control differences discussed in this chapter are statistically significant.¹

I. A Summary of Impact Findings

- During the first two years of follow-up, Detroit modestly increased employment and earnings for the full sample. Results for an early cohort show that earnings impacts grew larger in the third year.
- The program also reduced AFDC payments starting in year 2, although the percentage reduction in AFDC was smaller than reductions achieved by the other programs in the NEWS Evaluation.
- The analysis reveals differences in impacts between the two district offices. Hamtramck achieved statistically significant gains in employment and earnings and reductions in AFDC within two years. In contrast, Fullerton-Jeffries did not significantly increase employment and earnings or reduce AFDC payments. In year 3, Fullerton-Jeffries increased employment, while Hamtramck produced gains in earnings and reductions in AFDC payments.
- Further analysis reveals that for an early cohort (a group that, for the most part, did not receive Work First services within two years), Hamtramck produced large impacts on earnings within two years, while Fullerton-Jeffries did not.
- In contrast, for a later cohort (a group that received fewer months of MOST services and were more likely to be referred to Work First), the reverse was true: Fullerton-Jeffries increased earnings in year 2, while Hamtramck's increase was not

¹A two-tailed t-test was applied to differences between outcomes for the program and control groups. Differences are considered statistically significant if there is less than a 10 percent probability that they occurred by chance.

statistically significant. This may be due, in part, to the fact that Fullerton-Jeffries referred more program group members to Work First than Hamtramck.

II. Data and Analytical Issues

The source of data for the findings discussed in this chapter are quarterly Unemployment Insurance (UI) records and monthly AFDC and Food Stamp payments from the Michigan Department of Social Services. 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, and so forth. These quarters are then grouped into “years.” In forming years, quarter 1 is not included because it contains some pre-random assignment 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 and Food Stamp payments were reported monthly, but were grouped into quarters and years covering the same time periods as earnings quarters and years.

The rules for recording information in 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 and control groups. Since the UI system is statewide it provides data on earnings and payments that sample members obtained in both research and nonresearch counties within the 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. AFDC and Food Stamp payments are also recorded statewide, and payments continue to be captured for sample members who move within the state.

The average earnings and AFDC and Food Stamp payments reported in this chapter are calculated for everyone in the defined group, including those who had no earnings or welfare receipt. For example, 58 percent of the control group was employed during at least one quarter in the first two years of the follow-up period. Therefore, 42 percent of control group members were counted as zeros in calculating the average two-year earnings.

III. Impacts on Employment and Earnings

A. Two-Year Impacts for the Full Sample

Table 4.1 shows that 62 percent of program group members were employed at some point during the first two years of follow-up, a 4 percentage point increase over the control group rate. This impact represents a 7 percent increase in employment for program group members over the control group average (of 58 percent). Stated another way, one control group member in 10 who

Table 4.1
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Employment, Earnings,
AFDC, Food Stamps, and Combined Income
Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed in years 1-2 (%)	62.3	58.2	4.1 ***	7.0
Average quarterly employment rate (%)				
Years 1-2	28.9	27.5	1.4	5.0
Year 1	22.5	22.3	0.2	1.1
Year 2	35.2	32.7	2.5 **	7.6
Average total earnings (\$)				
Years 1-2	4,369	4,001	367 *	9.2
Year 1	1,398	1,341	57	4.2
Year 2	2,971	2,660	311 **	11.7
<i>If ever employed in years 1-2</i>				
<i>Total number of quarters employed</i>	3.7	3.8	-0.1 ^a	-1.9
<i>Quarter of first employment</i>	4.5	4.3	0.1 ^a	3.1
Average earnings per quarter employed (\$)				
Years 1-2	1,893	1,820	73 ^a	4.0
Ever received any AFDC payments (%)				
Years 1-2	97.6	97.6	0.0	0.0
Last quarter of year 1	85.4	86.5	-1.1	-1.2
Last quarter of year 2	70.1	73.7	-3.6 ***	-4.8
Average number of months receiving AFDC payments				
Years 1-2	19.2	19.7	-0.5 **	-2.4
First AFDC spell	18.2	18.9	-0.7 ***	-3.6
Average total AFDC payments received (\$)				
Years 1-2	8,457	8,615	-158	-1.8
Year 1	4,672	4,690	-19	-0.4
Year 2	3,785	3,924	-139 **	-3.5
Average AFDC payment per month received, years 1-2 (\$)	440	437	3 ^a	0.6
Ever received any Food Stamp payments (%)				
Years 1-2	98.3	98.1	0.2	0.2
Last quarter of year 1	89.7	90.6	-0.9	-1.0
Last quarter of year 2	78.2	81.7	-3.5 ***	-4.3
Average total Food Stamp payments received (\$)				
Years 1-2	4,737	4,829	-92 *	-1.9
Year 1	2,501	2,522	-21	-0.8
Year 2	2,236	2,307	-71 **	-3.1

(continued)

Table 4.1 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Average combined income in years 1-2 (\$) ^b	17,563	17,445	118	0.7
Average combined income at or above poverty level (%) ^b Year 2	17.2	15.9	1.2	7.8
Sample size (total=4,459)	2,226	2,233		

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings, AFDC, and Food Stamp records.

NOTES: 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/Food Stamp receipt. Differences between program and control group members for such "conditional" estimates are not true experimental comparisons.

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.

"Percentage difference" equals 100 times "difference" divided by "control group."

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

^aNot a true experimental comparison; statistical tests were not performed.

^b"Combined income" is income from earnings, AFDC, and Food Stamps.

did not work during the follow-up would have found work at some point with the help of the Detroit program.²

Table 4.1 also shows that the Detroit program increased two-year earnings for the program group by an average of \$367 over the control group. This represents a 9 percent increase over the control group earnings of \$4,001, which is a modest increase compared with the other programs in the NEWS Evaluation.³ Most of this increase (\$311) occurred in the second year of follow-up.⁴

The earnings impacts appear to be due to a combination of two effects: (1) helping some program group members who would not have worked in the absence of the program find jobs (represented as “job finding” in Figure 4.1) and (2) increasing earnings for some who would have found jobs at lower wages per quarter without the assistance of the Detroit program (represented as “earnings on the job”). As Figure 4.1 indicates, of the \$367 impact in earnings job finding contributed \$282 and earnings on the job contributed another \$160.⁵ The employment duration factor (increasing the numbers of quarters employed for those who were working) did not contribute to the earnings impacts.⁶ Table 4.1 also shows that the program did not increase the numbers of quarters employed.

B. Employment and Earnings Over Time

Three-year impacts were calculated for sample members who entered the study between May 1992 and December 1993 (approximately 74 percent of the full sample). This analysis is important because it provides insights on whether the impacts generated in the second year for the full sample will be sustained in the third year.

Table 4.2 indicates that employment and earnings impacts for this cohort were not only sustained in the third year, but were larger in year 3 than in the previous years. Specifically, the

²Among controls who remained jobless over the two-year follow-up period, the proportion who would have become employed with the help of the Detroit program is estimated by first subtracting the percentage of program group members who remained without employment (100 percent - 62.3 percent = 37.7) from the percentage of jobless control group members (100 percent - 58.2 percent = 41.8 percent): $41.8 - 37.7 = 4.1$. Then this difference is divided by the percentage of jobless control group members: $4.1 \div 41.8 \text{ percent} = 9.8 \text{ percent}$.

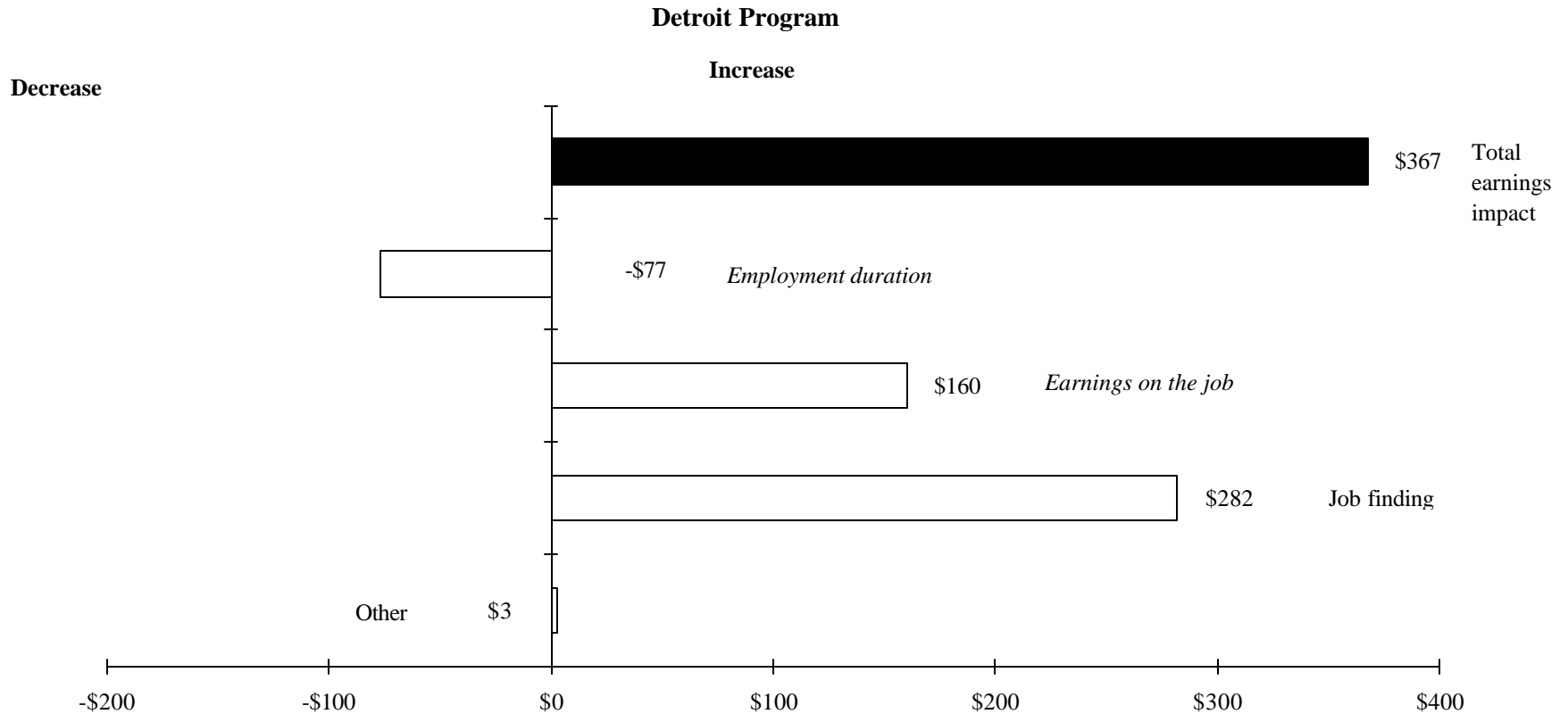
³Of the 11 programs in the evaluation, only Oklahoma City did not increase earnings. Five programs (Atlanta HCD, Columbus Integrated, Columbus Traditional, Detroit, and Riverside HCD) increased earnings by 9 or 10 percent, and five programs (Atlanta LFA, Grand Rapids LFA, Grand Rapids HCD, Riverside LFA, and Portland) increased earnings by 13 to 35 percent.

⁴See Appendix Table E.1 for a list of quarterly outcomes and impacts.

⁵The 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.” The contribution of each effect may be obtained by dividing its percentage difference by the percentage difference in average total earnings. Thus, for example, the contribution of “ever employed” is 7.05 divided by 9.18 percent, or 76.8 percent. The sum of all three contributions does not equal 100 percent because a small portion of the earnings impact is attributable to interactions among the components. One can also express each contribution in dollars by multiplying the two-year earnings impact by each percentage.

⁶Differences between employed program and control group members are nonexperimental comparisons because employed program group members may differ from employed control group members in observed and unobservable pre-random assignment characteristics. As a consequence, any differences observed during the follow-up period may be caused by pre-existing differences rather than by the program.

Figure 4.1
National Evaluation of Welfare-to-Work Programs
Relative Contributions of Employment Duration, Earnings on the Job,
and Job-Finding to the Two-Year Earnings Impact



SOURCE: MDRC calculations from unemployment insurance (UI) records.

NOTES: Relative contributions were calculated by dividing the percentage change in each contributing factor by the percentage change in total earnings. The resulting percentage contribution was then multiplied by the total earnings impact and, in this manner, converted into a dollar value. The "other" category represents interactions among the other three contributing factors.

Program-control differences in "employment duration" and "earnings on the job" (converted here into relative contributions to the total earnings impact) are not true experimental differences.

Dollar values of each contributing factor may not sum to the total earnings impact because of rounding.

Table 4.2

**National Evaluation of Welfare-to-Work Strategies
Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Randomly Assigned Through December 1993**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed in years 1-3 (%)	72.4	68.8	3.6 **	5.3
Average quarterly employment rate (%)				
Year 1	20.7	20.5	0.1	0.7
Year 2	32.3	30.9	1.4	4.5
Year 3	41.7	38.4	3.3 **	8.7
Average total earnings (\$)				
Years 1-3	8,307	7,370	937 **	12.7
Year 1	1,280	1,201	79	6.5
Year 2	2,734	2,460	274	11.1
Year 3	4,293	3,709	585 **	15.8
Ever received any AFDC payments (%)				
Last quarter of year 1	86.3	87.7	-1.5	-1.7
Last quarter of year 2	71.5	74.2	-2.7 *	-3.7
Last quarter of year 3	58.4	62.9	-4.5 ***	-7.1
Average total AFDC payments received (\$)				
Years 1-3	11,710	12,024	-314 *	-2.6
Year 1	4,675	4,713	-37	-0.8
Year 2	3,864	3,958	-94	-2.4
Year 3	3,171	3,353	-183 **	-5.4
Ever received any Food Stamp payments (%)				
Last quarter of year 1	90.2	91.3	-1.2	-1.3
Last quarter of year 2	77.8	81.9	-4.0 ***	-4.9
Last quarter of year 3	67.3	71.3	-4.0 **	-5.6
Average total Food Stamp payments received (\$)				
Years 1-3	6,657	6,910	-253 ***	-3.7
Year 1	2,453	2,503	-50 *	-2.0
Year 2	2,226	2,298	-72 *	-3.1
Year 3	1,978	2,109	-131 ***	-6.2
Sample size (total=3,293)	1,649	1,644		

(continued)

Table 4.2 (continued)

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings, AFDC, and Food Stamp records.

NOTES: 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.

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.

"Percentage difference" equals 100 times "difference" divided by "control group."

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

average quarterly employment increased by 3.3 percentage points in year 3 (statistically significant), from 0.1 percentage points in year 1 and 1.4 percentage points in year 2 (both not statistically significant). Earnings increased by \$585 in year 3, a 15.8 percent increase over the control group earnings and more than double the impact from the previous year.⁷ The quarterly impacts are illustrated in Figure 4.2, which shows that earnings gains peaked in quarter 12 and remained high in quarter 13.

It is important to note that there are slight differences in background characteristics between this cohort and the cohort that entered the program later. The appendix presents results from analyses that compare these two groups: in terms of their background characteristics and in terms of the impact findings during the two-year follow-up period they have in common. Appendix Table A.1 shows that the later cohort was slightly older, had more work experience in the 12 months before random assignment, and was less likely to be enrolled in education or training at program entry. Additionally, the later cohort had more years of prior AFDC receipt. Appendix Table E.3 reveals that the two-year earnings and AFDC payment impacts for the later cohort were larger overall, although not statistically significant. Therefore, the results of this analysis increase the confidence one may have that findings beyond the two-year follow-up period will be similar (or even larger) for the full sample. However, as will be discussed below, three-year impacts by office may differ for the full sample.

C. Impacts by District Office

The earnings and employment impacts varied by office. As shown in Table 4.3, Hamtramck produced larger two-year employment and earnings impacts than Fullerton-Jeffries. In Hamtramck, 57.3 percent of control group members worked at some point during the two years of follow-up compared with 62.1 percent of program group members, resulting in a 4.8 percentage point impact. In Fullerton-Jeffries, 59.3 percent of control group members were employed compared with 62.6 percent of program group members, resulting in a difference of 3.4 percentage points, which is not statistically significant. Hamtramck earnings increased by \$479, a statistically significant 12.1 percent increase over the control group; Fullerton-Jeffries earnings increased by \$275, a 6.8 percent increase and not statistically significant.⁸

In both offices, the increase in earnings was due to job finding, with earnings on the job contributing as well, especially in Fullerton-Jeffries. (See Appendix Figures E.1 and E.2.) Employment duration was not a contributing factor in either office.

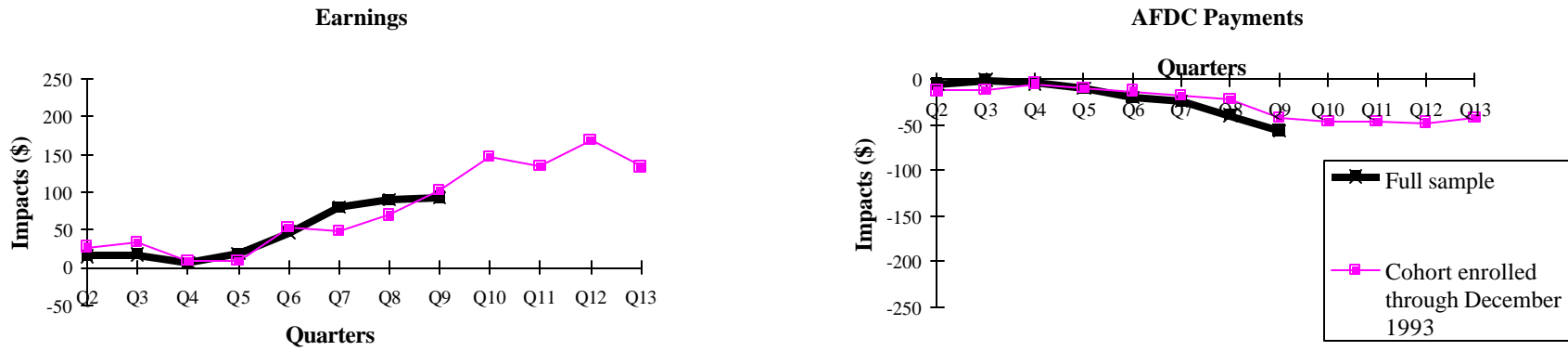
Table 4.3 (lower panel) and Figure 4.3 show that the differences in impacts between Fullerton-Jeffries and Hamtramck grew even larger over three years for the sample randomly assigned to the program between May 1992 and December 1993. Fullerton-Jeffries program group members earned \$583 more than control group members over three years (although not statistically significant), while Hamtramck program group members earned \$1,249 more than control

⁷See Appendix Table E.2 for a list of quarterly outcomes and impacts for the sample members who were randomly assigned by December 1993.

⁸See Appendix Tables E.4 and E.5 for additional two-year impacts for Fullerton-Jeffries and Hamtramck.

Figure 4.2

National Evaluation of Welfare-to-Work Strategies
Quarterly Impacts on Earnings and AFDC Payments
Detroit Program



-75-

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings and AFDC records.

NOTE: Data are available through the end of year 3 for the cohort randomly assigned between May 1992 and December 1993, which constitutes about 74 percent of the full sample.

Table 4.3
National Evaluation of Welfare-to-Work Strategies
Two- and Three-Year Impacts on Employment, Earnings, and AFDC,
by District Office

Detroit Program

Outcome	Fullerton-Jeffries			Hamtramck		
	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Full sample						
Years 1-2						
Ever employed (%)	62.6	59.3	3.4	62.1	57.3	4.8 ***
Average total earnings (\$)	4,318	4,042	275	4,424	3,945	479 *
Average total AFDC payments (\$)	8,493	8,536	-42	8,421	8,688	-267 **
Percentage difference (%)			-0.5			-3.1
Average combined income ^a	17,575	17,398	177	17,559	17,474	85
Last quarter of year 2						
Ever received any AFDC payments (%)	73.1	74.2	-1.1	67.7	73.3	-5.6 ***
Sample size ^b (total=4,459)	971	988		1,255	1,242	
Sample members randomly assigned through December 1993						
Years 1-3						
Ever employed (%)	73.2	69.0	4.2 *	71.7	68.6	3.1
Average total earnings (\$)	8,249	7,666	583	8,362	7,112	1,249 **
Average total AFDC payments (\$)	12,097	11,992	104	11,375	12,059	-684 ***
Percentage difference (%)			0.9			-5.7
Average combined income ^a	27,229	26,603	626	26,195	26,058	137
Last quarter of year 3						
Ever received any AFDC payments (%)	62.5	63.9	-1.4	54.9	62.1	-7.2 ***
Sample size ^c (total=3,292)	752	755		897	888	

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings and AFDC records.

NOTES: See Table 4.2.

The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

^a"Combined income" is income from earnings, AFDC, and Food Stamps.

^bThe data did not include an office designation for three individuals. These individuals are excluded from the subgroup analysis.

^c The data did not include an office designation for one individual. This individual is excluded from the subgroup analysis.

group members. However, caution should be exercised when generalizing the three-year office findings to the full sample.⁹

As discussed in Chapter 3, Hamtramck increased the receipt of trade licenses or certificates for the group that lacked a high school diploma or GED at random assignment by 14 percentage points (the largest increase of any program in the NEWWS Evaluation for this subgroup). Appendix Table E.8 shows that Hamtramck increased two-year earnings for this subgroup by \$783, a 28.7 percent (statistically significant) increase over the control group for the nongraduates.

IV. Impacts on Public Assistance

A. Impacts on AFDC Receipt and Payments

Table 4.1 indicates that the Detroit program had virtually no impact on AFDC receipt over the first two years of follow-up, although a small impact was emerging toward the end of follow-up. The program reduced the number of months that program group members received AFDC payments (by only half a month, on average) and reduced the average AFDC payments by \$139 in year 2 (a 3.5 percent difference). These AFDC impacts are quite small compared with the AFDC impacts in the other programs in the NEWWS Evaluation.

It is not unusual for earnings gains to be greater than AFDC reductions. There are two possible explanations for this outcome in Detroit. First, the Detroit program may have increased earnings for a subgroup of the sample who would have left AFDC even without the program. In this case, average earnings would increase, without a corresponding reduction in average AFDC payments. There is some evidence that this may have occurred. The Detroit program increased the proportion of program group members who earned more than \$10,000 in year 2 by 2 percentage points, a 23 percent difference (these impacts are not shown in tables).

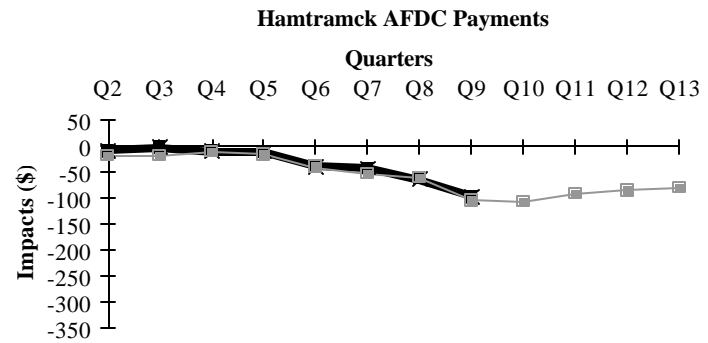
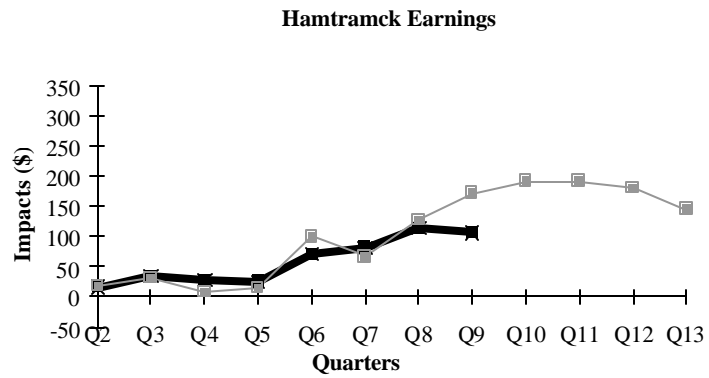
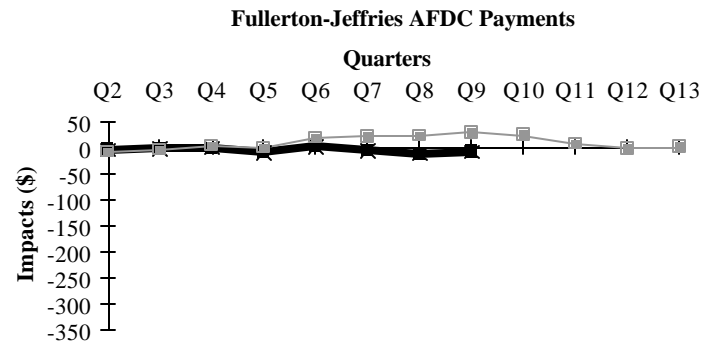
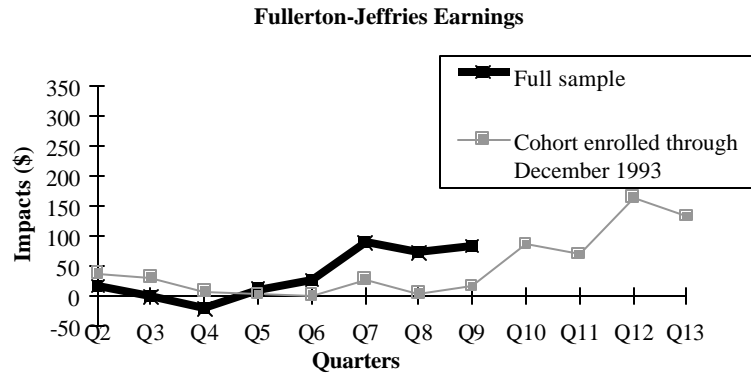
Second, policy changes were enacted in the state to increase the earnings disregards for welfare recipients, which allowed welfare recipients to work and retain more of their grant amount. Neither the program nor control group members were supposed to receive this increased earnings disregard for at least three years following random assignment, although it is possible that some may have received it in spite of the research embargo.

Three-year AFDC impacts by office for the sample randomly assigned between May 1992 and December 1993 reveal interesting patterns. Fullerton-Jeffries produced no reductions in AFDC over the three-year follow-up, while Hamtramck significantly reduced AFDC payments (shown in Table 4.3 and Figure 4.3). Again, caution should be exercised when generalizing the three-year office findings to the full sample.

⁹Two-year earnings impacts in Fullerton-Jeffries were \$131 for the group randomly assigned between May 1992 and December 1993 (see Appendix Table E.6) and \$275 for the full sample; similarly, impacts in Hamtramck were \$539 for the earlier sample (see Appendix Table E.7) and \$479 for the full sample. Therefore, the difference between three-year impacts by office for the full sample may be less pronounced.

Figure 4.3

National Evaluation of Welfare-to-Work Strategies
 Quarterly Impacts on Earnings and AFDC Payments, by District Office
 Detroit Program



SOURCES and NOTE: See Figure 4.2.

B. Impacts on Food Stamp Receipt and Payments

Earnings gains affect Food Stamp receipt less predictably than they affect AFDC receipt. Food Stamp grant calculations count a dollar of earnings less than a dollar of AFDC, so that a person who replaces welfare dollars with earnings may experience a net increase in Food Stamps.¹⁰ On the other hand, a former welfare recipient may experience a decrease in (or complete loss of) Food Stamps if earnings gains are relatively large.

Table 4.1 indicates that the Detroit program had a very small impact on Food Stamp receipt and average payments in the second year of follow-up. These impacts are smaller than impacts in most other programs in the NEWWS Evaluation and are about the same magnitude as the AFDC reductions. Percentage reductions in Food Stamp expenditures were smaller for Fullerton-Jeffries than for Hamtramck. (See Appendix Tables E.4 and E.5.)

C. Impacts on Employment and Welfare Status After Two Years

This section discusses the extent to which the Detroit program increased the percentage of enrollees who were working and off AFDC at the end of two years, one indicator of self-sufficiency. Figure 4.4 shows that the primary effect of the program was on reducing slightly the percentage who were “not employed and on AFDC” and increasing slightly the percentage who were “employed and off AFDC.” Specifically, at the end of two years, the Detroit program reduced the proportion of program group members who were not working for pay and still on AFDC by nearly 4 percentage points and increased the proportion who were working and off AFDC by nearly 3 percentage points. Thus, the Detroit program did increase self-sufficiency, albeit modestly.

The Hamtramck program increased self-sufficiency to a larger extent than the Fullerton-Jeffries program. This office reduced the proportion who were not employed and on AFDC by nearly 6 percentage points (these impacts are not shown in tables) and increased the proportion who were working and were off AFDC by close to 4 percentage points. The Fullerton-Jeffries program reduced the proportion who were not employed and on AFDC by just over 1 percentage point and increased the proportion who were employed and off AFDC by 2 percentage points.

D. Impacts on Combined Income from Earnings, AFDC, and Food Stamps

Over two years, program group members gained \$367 in average earnings (see Table 4.1) and lost \$250 in average AFDC and Food Stamp payments, resulting in a net increase in combined income relative to control group members of \$118, or 1 percent (not statistically significant). Most of this increase occurred in year 2. The year 3 gain in total measured income for individuals randomly assigned through December 1993 was \$271 (not shown in tables), more than double the increase in the first two years (although still not statistically significant).

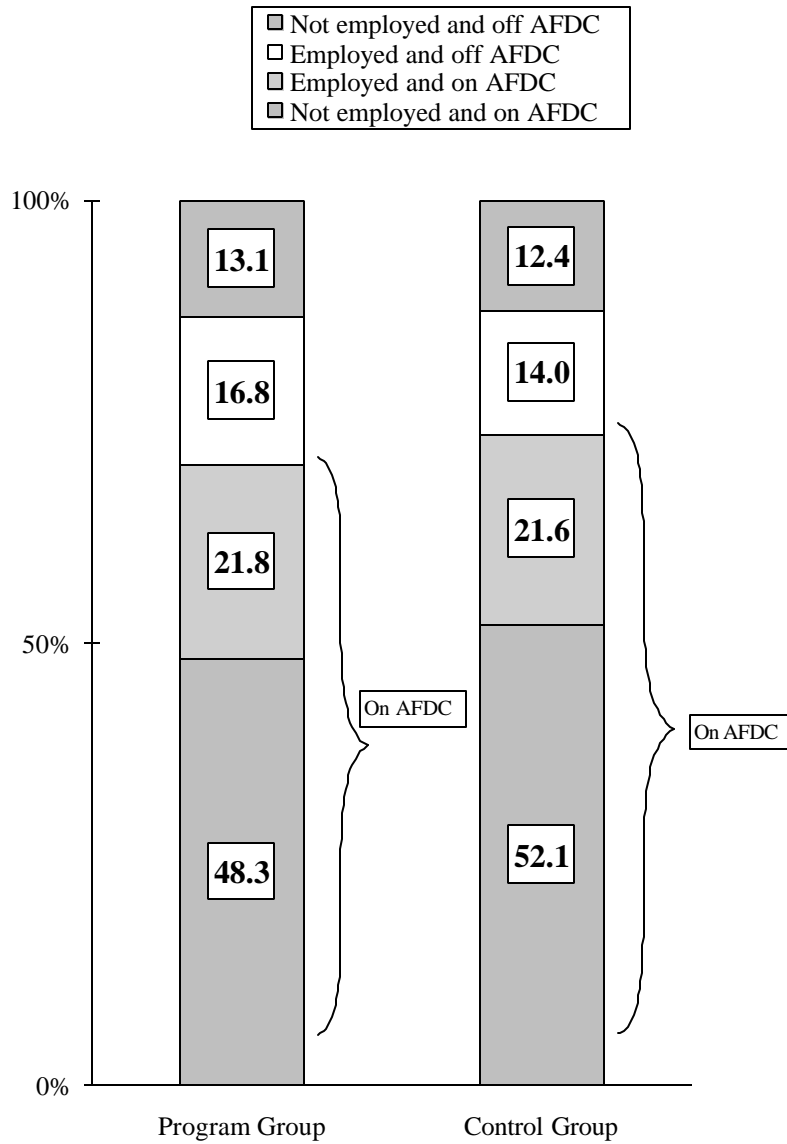
¹⁰The Food Stamp benefit level equals the maximum benefit level minus one-third of a household’s countable income. Countable income includes 100 percent of AFDC payments but only 80 percent of earnings, so a sample member who replaces AFDC with earnings could lower her countable income and thus increase her Food Stamp payments (Ohls and Beehaut, 1993).

Figure 4.4

National Evaluation of Welfare-to-Work Strategies

Employment and AFDC Status at the End of Year 2

Detroit Program



SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings and AFDC records.

NOTES: The bracketed area represents the proportion of sample members on AFDC at the end of year 2. Rounding may cause slight discrepancies in calculating sums and differences.

V. Impacts for Key Subgroups

Table 4.4 presents impacts for three key subgroups: (1) sample members with a high school diploma or GED at random assignment (referred to as “graduates”), (2) sample members without a high school diploma or GED at random assignment (“nongraduates”), and (3) “most disadvantaged” sample members. The third subgroup includes the least job-ready and the most welfare-dependent sample members. Anyone without a high school diploma or GED who did not work for pay in the year before random assignment and who had received AFDC for more than two years prior to random assignment was classified for this analysis as most disadvantaged.¹¹

Over two years, the Detroit program appeared to have a somewhat larger impact on employment for nongraduates and the most disadvantaged subgroup. The program also produced reductions in AFDC payments and receipt for the most disadvantaged subgroup.¹²

VI. Effects of Program Changes on Employment, Earnings, and AFDC

The NEWS Evaluation set out to test the effectiveness of the MOST program on the Detroit sample. Midway through the evaluation, the state implemented the Work First program, which changed the service delivery structure and the types of services that some program group members (those who were still on AFDC and were required to participate in a welfare-to-work program) received. It is not possible to separate the effect of the MOST and Work First programs on the employment, earnings, and AFDC impacts with the same level of rigor that is possible when using a differential impact study.¹³ However, three hypotheses for the increase in earnings and reduced AFDC payments are considered, and tested with available data, in this section.

The first hypothesis asserts that the three-year impacts are due to a delayed effect of the MOST program, which referred program group members to education and skill development programs in order to help them find higher-paying and more stable jobs and thus possibly delayed entry into the labor market. MOST participants could have been developing the education and skills in years 1 and 2 that enabled them to find employment or better jobs than they would have otherwise found in year 3.

A second hypothesis attributes the gains in year 3 to the Work First program, which encourages participants to find employment quickly, without investing in education and training services. Thus, this approach could see an immediate increase in employment and earnings after referral to the job search program.

The final hypothesis offered is that the MOST and Work First programs combined are responsible for the impacts seen in the later follow-up period. While not the original intent of either program, many program group members received a sequential program of services, starting out

¹¹The most disadvantaged sample is a subset of sample members without a high school diploma or GED.

¹²See Appendix Tables E.9 and E.10 for a list of quarterly outcomes and impacts for graduates and nongraduates.

¹³A differential study involves assigning sample members to different treatment options. To determine the effect of MOST versus Work First using a differential study, the sample members would have had to be randomly assigned to one of two groups: the MOST group or the Work First group, and any statistically significant differences between outcomes of the two groups could be credited to the treatment received.

Table 4.4
National Evaluation of Welfare-to-Work Strategies
Impacts on Employment, Earnings, and AFDC for Selected Subgroups
Detroit Program

Outcome	High School Diploma or GED			No High School Diploma or GED			Most Disadvantaged ^a		
	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Years 1-2									
Ever employed (%)	65	63	2.4	58.0	52.2	5.8 ***	48.3	42.3	6.0 **
Average total earnings (\$)	5,397	5,060	337	3,005	2,659	346	2,009	1,794	216
Average total AFDC payments (\$)	7,912	8,083	-172	9,171	9,293	-122	9,659	9,990	-331 *
Percentage difference (%)			-2.1			-1.3			-3.3
Average combined income ^b	17,815	17,701	114	17,217	17,127	90	16,959	17,303	-344
Last quarter of year 2									
Ever received AFDC (%)	65.7	69.3	-3.6 **	76.0	79.1	-3.1 *	78.0	83.7	-5.7 **
Sample size ^c	1,258	1,260		968	972		558	561	

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings and AFDC records.

NOTES: See Table 4.2.

^aThis subgroup contains sample members who did not have a high school diploma or GED at random assignment, who did not work for pay in the year prior to random assignment, and who had received AFDC for more than two years prior to random assignment.

^b"Combined income" is income from earnings, AFDC, and Food Stamps.

^cSome individuals did not indicate whether they had a high school diploma or GED at random assignment. These individuals are excluded from the subgroup analysis.

in education and training and after two years, on average, being referred to Work First. Other programs evaluated by MDRC have, by design, offered education and training followed by job search, especially for welfare recipients who are less ready for the job market.¹⁴ As discussed in Chapter 1, the Detroit sample consists of welfare recipients who are more disadvantaged than those in other programs in the evaluation.

To test these hypotheses, impacts are presented for three different cohorts. The early cohort consists of sample members randomly assigned between May and December, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994. Figure 4.5 shows the percentage of program group members, by cohort, who were still on AFDC after entering MOST.

A. Delayed Effect of the MOST Program

As discussed earlier, Hamtramck generated much larger earnings and AFDC impacts in the third year of follow-up than Fullerton-Jeffries. Another analysis gives additional evidence that the Hamtramck MOST program was responsible, in part, for the earnings and AFDC impacts.

Figure 4.6 compares the impacts of three cohorts defined by random assignment date and district office during the first two years of follow-up. Virtually no Hamtramck program group members in the early cohort were referred to the Work First program *within two years* (see Table 4.5). Thus, the two-year impact of the MOST program alone is reflected in the experiences of this early cohort. The lower panel of Figure 4.6 shows that both employment and AFDC impacts were generated for the early Hamtramck cohort within two years (the impacts in the second year are statistically significant). For this cohort, the Hamtramck program increased employment by 12 percentage points and earnings by \$1,291 (a 54 percent increase) within the first two years following random assignment (see Appendix Table E.11).

In contrast, the Fullerton-Jeffries MOST program did not generate similar two-year impacts on earnings and AFDC expenditures for this early cohort, although impacts emerged in the third year.

As discussed in Chapter 3, the Hamtramck program increased vocational training participation by 10 percentage points and increased the number of individuals who received a trade certificate or license by 10 percentage points. In other evaluations conducted by MDRC, participation in skills training and receipt of a training certificate were associated with substantial earnings gains.¹⁵

B. Immediate Effect of the Work First Program

The effects of the Work First program are reflected in the impacts of a later cohort, a group that received fewer months of MOST services and was more likely to be referred to Work

¹⁴In particular, Florida's Project Independence program, California's Greater Avenues for Independence (GAIN) program, and the Portland NEWWS Evaluation program.

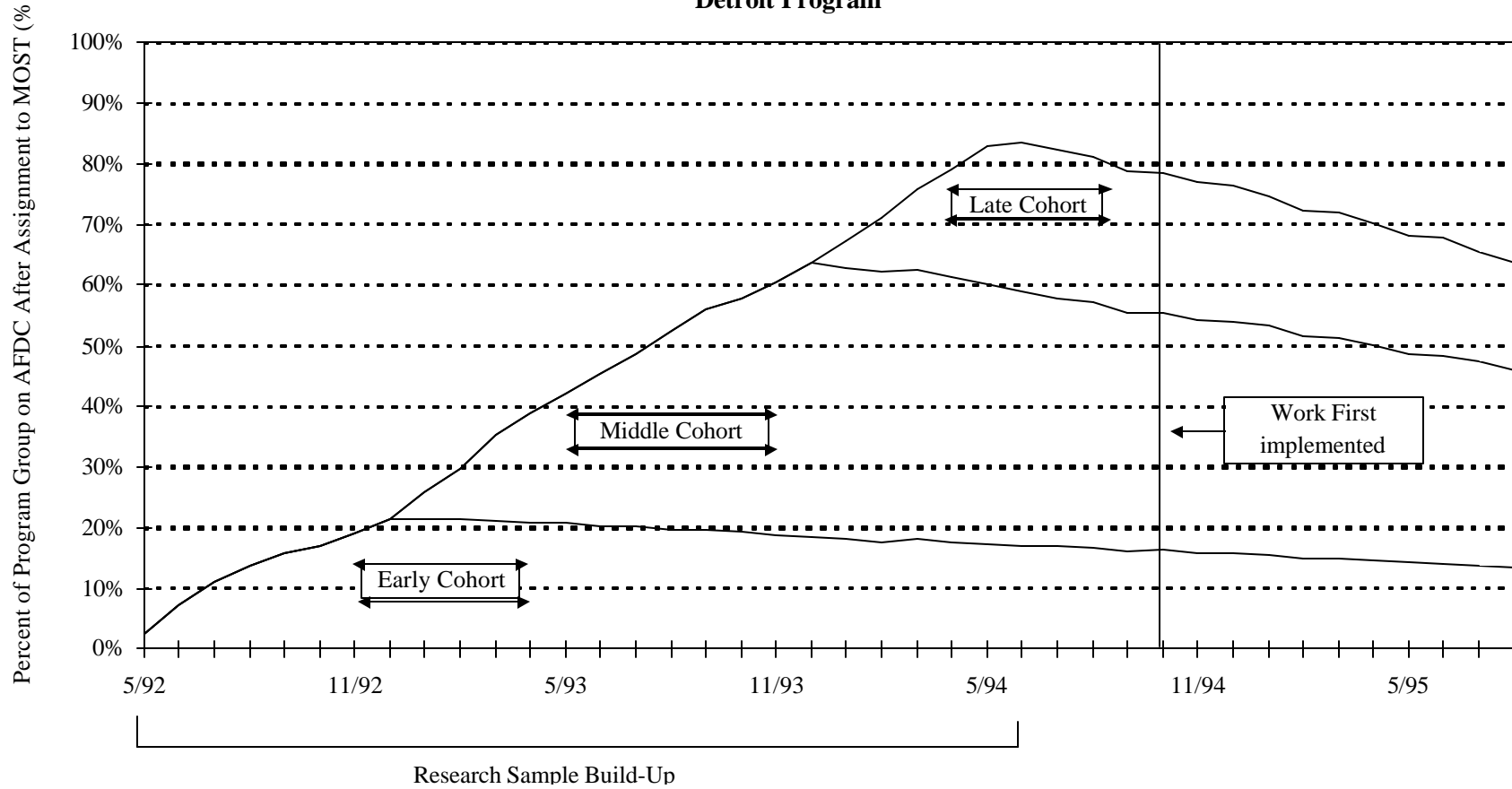
¹⁵In particular, the Alameda County GAIN program, the Portland NEWWS Evaluation program, Florida's Family Transition Program, the New Chance program, and the JOBSTART program.

Figure 4.5

National Evaluation of Welfare-to-Work Strategies

Estimated Proportion of Program Group Members Required to Participate, by Calendar Month

Detroit Program



SOURCE: MDRC calculations from Michigan AFDC records

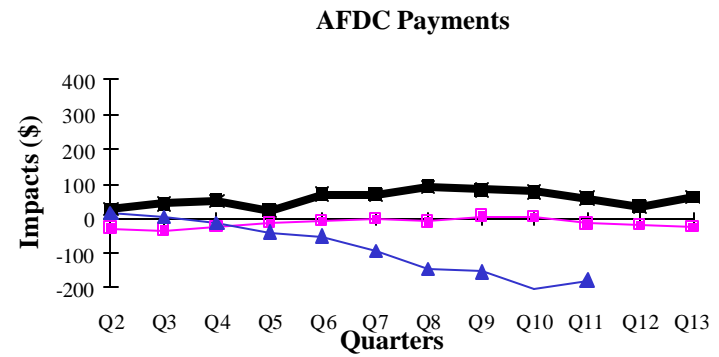
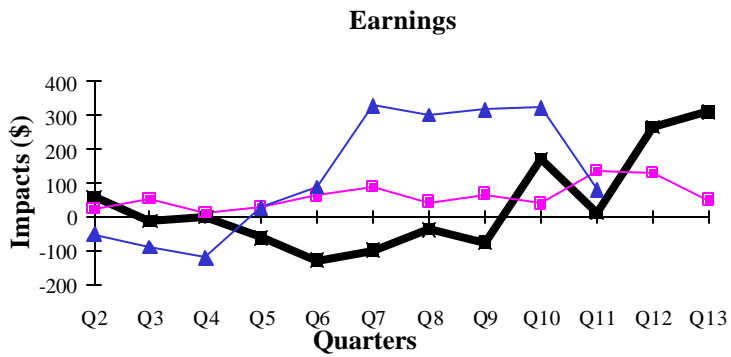
NOTE: The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

Figure 4.6

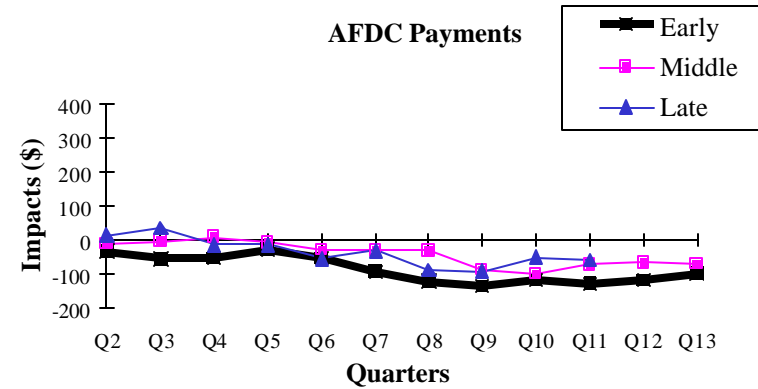
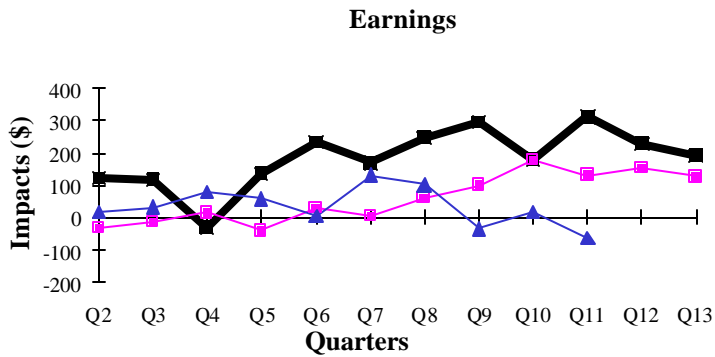
National Evaluation of Welfare-to-Work Strategies
 Quarterly Impacts on Earnings and AFDC Payments,
 by District Office and Random Assignment Cohort

Detroit Program

Fullerton-Jeffries



Hamtramck



SOURCES: MDRC calculations from unemployment insurance (UI) earnings and AFDC records.

NOTE: The early cohort consists of sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

Table 4.5
National Evaluation of Welfare-to-Work Strategies
Rate of Referral of Sample Members to Work First,
by Research Group, District Office, and Random Assignment Cohort
Detroit Program

Sample	Cohort of Random Assignment								
	Early			Middle			Late		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference	Program Group	Control Group	Difference
Fullerton-Jeffries									
Referred to Work First within 2 years (%)	0.8	0.8	0.0	27.8	10.7	17.1	58.0	10.3	47.7
Referred to Work First within 3 years (%)	30.2	18.6	11.6	46.9	26.4	20.5	68.5	37.3	31.2
Sample size	255	258		497	497		219	233	
Hamtramck									
Referred to Work First within 2 years (%)	0.4	0.0	0.4	20.1	6.2	14.0	38.8	17.0	21.8
Referred to Work First within 3 years (%)	21.1	11.5	9.6	35.5	19.3	16.2	53.6	37.0	16.6
Sample size	261	270		636	618		358	354	
Maximum number of months could receive MOST services	23-30			11-22			5-10		

SOURCE: MDRC calculations from Michigan Work First management information system records.

NOTE: The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

First than earlier cohorts. Thus, if Work First contributed to the gains in earnings, then this late cohort of program group members should have greater earnings than the control group.¹⁶

The Fullerton-Jeffries program referred more program group members in this cohort to Work First than the Hamtramck program. Specifically, Fullerton-Jeffries increased referrals by 48 percent, while Hamtramck increased referrals by 22 percent. Also, Appendix Tables C.5 and C.6 show that the Work First program increased participation by 21 percentage points for the Fullerton-Jeffries late cohort and 5 percentage points for the Hamtramck late cohort.

Figure 4.6 reveals that earnings and AFDC impacts emerged for the Fullerton-Jeffries late cohort within two years, while the Hamtramck program produced no impacts on earnings (although AFDC impacts emerged by the end of two years). Specifically, the Fullerton-Jeffries program increased earnings in year 2 by a statistically significant \$1,032 (or 35 percent; not shown in tables) and reduced AFDC expenditures by a statistically significant \$441 (or 11 percent; not shown in tables). Hamtramck program group members who enrolled in the program during this period did not achieve statistically significant earnings gains or AFDC reductions in year 2 (although AFDC impacts emerged in the last two quarters of follow-up).

C. Effect of the Sequential Treatment

Possibly the initial education and training assignment from MOST followed by job search at the Work First office worked in combination to increase earnings in the later years. Program group members randomly assigned in the middle cohort were allowed to attend education and training programs, but because Work First was implemented between one and two years after assignment, they were not allowed to languish in school. As soon as Work First was implemented, those who were not progressing or could not complete their education or training activities in the next term were supposed to be referred to Work First.

This hypothesis cannot be tested directly. While the middle cohort was more likely to receive this sequential treatment, any emerging impacts may be due to MOST or Work First alone and not a combination of the two programs. In any case, neither program produced significant earnings increases during the first two years of follow-up; earnings and welfare impacts were emerging in year 3 for the Hamtramck program.

D. Looking Ahead

The full sample will be tracked for five years following random assignment. The five-year analysis will provide additional information on whether the impacts resulted primarily from the MOST program or the Work First program, or from a combination of both programs. More follow-up is needed in that the Human Capital Development (HCD) approach is not expected to produce employment, earnings, or AFDC impacts initially, but is expected to increase skills and earning power and promote self-

¹⁶While the Work First program was not operational until October 1994, the MOST program essentially stopped referring individuals to education and training in early fall 1994, to prepare for the transition to Work First. Thus, program group members in the late cohort received fewer months of MOST services than the 5 to 10 months presented in Table 4.5.

sufficiency in the long run. In theory, HCD programs lead to earnings impacts that continue to grow in the long run. In contrast, the earnings impacts of Labor Force Attachment (LFA) models may cease growing and may even begin to decline in the long run as control group members gradually find employment on their own or, eventually, through the Work First program.¹⁷

More will be learned about the relative effectiveness of LFA and HCD programs in the five-year analyses of programs in Atlanta, Grand Rapids, and Riverside, where a rigorous differential study was implemented. 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, and a control group not subject to any welfare-to-work program for three years following random assignment. Findings from these sites will give more definitive evidence regarding whether a program that stresses education and training or a program that stresses immediate employment is more effective in the long run.

¹⁷See Hamilton et al., 1997, pp. 261-264, for a more in-depth discussion of the theoretical patterns of impacts between LFA and HCD programs.

Appendix A

Supplementary Table to Chapter 1

Appendix Table A.1
National Evaluation of Welfare-to-Work Strategies
Selected Characteristics of Sample Members,
by Period of Random Assignment

Detroit Program

Characteristic	Randomly Assigned May 1992 - December 1993	Randomly Assigned January - June 1994	Full Sample
Demographic characteristics			
Sex (%)			
Male	3.5	2.8	3.3
Female	96.5	97.2	96.7
Age (%)			
Under 19	2.9	2.7	2.9
19-24	27.4	22.7	26.2 ***
25-34	42.8	44.9	43.3
35-44	22.3	23.8	22.7
45 or over	4.7	5.9	5.0 *
Average age (years)	29.8	30.7	30.0
Race / ethnicity (%)			
White	11.9	8.2	11.0 ***
Black	86.2	90.7	87.3 ***
Hispanic	0.9	0.4	0.8
Native American	0.2	0.3	0.2
Other	0.8	0.4	0.7
Family status			
Marital status (%)			
Never married	68.0	68.1	68.0
Married, living with spouse	2.8	2.3	2.7
Separated	15.5	16.5	15.8
Divorced	12.6	11.6	12.3
Widowed	1.1	1.5	1.2
Age of youngest child (%)			
2 or under	39.9	37.6	39.3
3 or 5	24.9	25.2	25.0
6 or over	35.2	37.2	35.7
Average number of children	2.0	2.1	2.0
Labor force status			
Worked full time for 6 months or more for one employer (%)	47.4	50.0	48.1
Any earnings in past 12 months (%)	19.9	24.3	21.1 ***
Currently employed (%)	5.8	9.7	6.8 ***

(continued)

Appendix Table A.1 (continued)

Characteristic	Randomly Assigned May 1992 - December 1993	Randomly Assigned January - June 1994	Full Sample
Education and basic skills levels			
Highest degree/diploma earned (%)			
GED ^a	11.3	9.1	10.7 **
High school diploma	35.6	40.8	37.0 ***
Technical/AA/2-year college degree	8.3	7.5	8.0
4-year (or more) college degree	1.1	1.0	1.1
None of the above	43.7	41.7	43.2
Highest grade completed in school (average)	11.2	11.3	11.2
Enrolled in education or training in past 12 months (%)	21.0	17.2	20.0 ***
Currently enrolled in education or training (%)	29.9	23.5	28.2 ***
Public assistance status			
Total prior AFDC receipt (%) ^b			
None	3.1	2.2	2.8
Less than 1 year	14.5	11.4	13.7 ***
1 year or more but less than 2 years	9.7	7.5	9.1 **
2 years or more but less than 5 years	24.8	21.9	24.0 **
5 years or more but less than 10 years	21.8	24.3	22.5 *
10 years or more	26.2	32.8	27.9 ***
Raised as a child in a household receiving AFDC (%)	39.7	41.2	40.1
First spell of AFDC receipt (%) ^c	3.3	6.4	4.1 ***
Housing status			
Current housing status (%)			
Public housing	5.7	5.0	5.5
Subsidized housing	1.3	0.5	1.1 **
Emergency or temporary housing	0.7	1.0	0.8
None of the above	92.3	93.5	92.6
Sample size	3293	1166	4459

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

NOTES: ^aThe GED credential is given to those who pass the GED test and is intended to signify knowledge of high school subjects.

^bThis refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

^cThis does not mean that such individuals are new to the AFDC rolls, only that this is their first spell on AFDC. This spell, however, may have lasted several years.

Appendix B

Supplementary Tables to Chapter 2

Appendix Table B.1
National Evaluation of Welfare-to-Work Strategies
Selected Income Maintenance and Integrated Staff Survey Measures
Detroit Program

Measure	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City ^a	Portland
Relations between IM workers and JOBS							
Percent who report few problems dealing with JOBS staff	81.7	63.2	71.8	68.0	69.3	n/a	68.3
Percent who say they know a lot about JOBS	74.1	50.0	77.1	59.7	36.4	n/a	72.5
Percent who received helpful training on JOBS	17.0	13.3	22.6	48.3	13.6	n/a	57.7
Percent who have supervisors who pay close attention to JOBS-related functions	43.4	33.6	32.0	53.1	33.0	n/a	22.5
Average number of minutes discussing JOBS with clients ^b	2.0	3.1	4.1	5.6 ^c	2.9	7.9	8.8
Rule enforcement and sanctioning							
Percent who never delay imposing sanctions on noncompliant clients ^b	84.8	98.0	87.2	70.9	87.0	28.5	51.6

(continued)

Appendix Table B.1 (continued)

Measure	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City ^a	Portland
Perceptions of effectiveness of JOBS							
Percent who think JOBS will help clients become self-supporting	33.9	33.3	59.1	67.3	43.1	n/a	74.0
Sample size ^d	113	120	105	136	114	180	110

SOURCES: Income Maintenance and Integrated Staff Activities and Attitudes surveys.

NOTES: N/a = not applicable.

^aAll staff in Oklahoma City are integrated. The Income Maintenance Staff Survey was not administered.

^bOnly these two measures include the responses of both IM and integrated staff.

^cThis table presents the number for IM staff. The average number of minutes for integrated staff is 11.7.

^dSample sizes may vary because not all survey items were applicable to some staff.

Appendix Table B.2
National Evaluation of Welfare-to-Work Strategies
Selected JOBS and Integrated Staff Survey Measures

Detroit Program

Measure	Atlanta HCD	Atlanta LFA	Grand Rapids ^a	Riverside HCD	Riverside LFA	Columbus Integrated	Columbus Traditional	Detroit	Oklahoma City	Portland
Employment preparation strategy										
Percent who lean toward Labor Force Attachment	0.0	27.3	30.4	46.7	83.0	4.6	5.3	0.0	3.0	18.9
Percent who lean toward Human Capital Development	87.5	54.6	43.5	26.7	8.5	68.2	65.8	72.2	87.9	37.7
Percent who encourage clients to take any job	50.0	81.8	73.9	100.0	95.8	57.1	34.2	55.6	44.9	54.0
Percent who encourage clients to be selective in taking a job	25.0	0.0	4.4	0.0	2.1	14.3	31.6	5.6	23.7	16.0
Personalized attention and encouragement										
Percent who try to learn in depth about clients' needs, interests, and backgrounds during program intake	93.8	50.0	21.7	75.0	47.8	63.6	46.0	16.7	39.3	61.5
Percent who try to identify and remove barriers to client participation	100.0	90.9	87.0	100.0	100.0	81.8	82.1	44.4	80.0	90.7
Percent who encourage and provide positive reinforcement to clients	31.3	36.4	27.3	62.5	50.0	52.4	38.5	22.2	23.0	39.6

(continued)

Appendix Table B.2 (continued)

Measure	Atlanta HCD	Atlanta LFA	Grand Rapids ^a	Riverside HCD	Riverside LFA	Columbus Integrated	Columbus Traditional	Detroit	Oklahoma City	Portland
Participation monitoring										
Percent who report receiving a lot of information on client progress from service providers	31.3	27.3	27.3	46.7	40.0	13.6	21.6	11.8	24.7	35.4
Average numbers of weeks before learning about attendance problems from service providers	3.4	2.8	1.6	1.7	1.7	2.5	3.1	3.7	2.7	1.9
Average number of weeks before contacting clients about their attendance problems	1.9	1.7	1.5	1.6	1.4	1.6	2.9	2.5	2.2	1.5
Rule enforcement and sanctioning										
Percent who strongly emphasize penalties for noncompliance to new clients	68.8	81.8	82.6	68.8	51.1	86.4	70.6	83.3	58.6	59.1
Percent who never delay requesting sanctions for noncompliant clients ^b	50.0	45.5	91.3	93.3	88.4	n/a	38.5	16.7	63.6	91.7

(continued)

Appendix Table B.2 (continued)

Measure	Atlanta HCD	Atlanta LFA	Grand Rapids ^a	Riverside HCD	Riverside LFA	Columbus Integrated	Columbus Traditional	Detroit	Oklahoma City	Portland
Staff supervision, evaluation, and training										
Percent who say they received helpful training on how to be an effective case manager	81.3	45.5	21.7	60.0	51.1	31.8	38.5	38.9	34.3	48.1
Percent who say that supervisors pay close attention to case manager performance	93.8	90.9	78.3	87.5	93.0	95.5	82.1	72.2	53.0	92.6
Percent who report good communication with program administrators	43.8	18.2	13.0	31.3	43.8	36.4	53.9	76.5	34.5	35.3
Percent who say that good performance is recognized	37.5	36.4	47.8	56.3	53.2	50.0	30.8	22.2	26.9	40.7
Percent who report high job satisfaction	12.5	9.1	26.1	25.0	27.7	4.6	28.2	5.6	9.5	22.2
Perceptions of the effectiveness of JOBS										
Percent who think JOBS will help clients become self-supporting	81.3	90.9	82.6	93.8	89.6	81.8	74.4	38.9	62.0	98.2
Sample size ^c	16	11	23	16	48	22	39	18	202	54

SOURCES: Integrated and JOBS Staff Activities and Attitudes surveys.

NOTES: ^aThe same Grand Rapids staff worked with both LFA and HCD sample members.

^bThis scale indicates responses of JOBS staff only.

^cSample sizes may vary because not all survey items were applicable to some staff.

Appendix Table B.3
National Evaluation of Welfare-to-Work Strategies
Selected Client Survey Measures

Detroit Program

Measure	Atlanta HCD	Atlanta LFA	Grand Rapids HCD	Grand Rapids LFA	Riverside HCD	Riverside LFA	Columbus Integrated	Columbus Traditional	Detroit	Oklahoma City	Portland
Employment preparation strategy											
Percent who feel pushed to take a job	29.1	39.7	38.7	47.4	46.2	56.2	43.2	28.8	32.2	24.3	44.6
Personalized attention and encouragement											
Percent who feel their JOBS case manager knows a lot about them and their family	42.5	44.1	27.7	25.9	39.6	35.7	53.5	38.0	32.1	43.0	35.5
Percent who believe JOBS staff would help them resolve problems that affected their participation in JOBS	43.8	46.5	26.3	25.0	44.0	45.5	54.8	38.6	32.2	35.3	40.9
Rule enforcement and sanctioning											
Percent who say they were informed about penalties for noncompliance	68.8	67.9	82.4	80.9	71.9	69.5	68.2	69.1	58.1	44.8	67.6
Percent who felt the JOBS staff just wanted to enforce the rules	52.0	57.4	63.8	71.8	64.9	61.8	64.0	59.6	58.7	49.8	58.8

(continued)

Appendix Table B.3 (continued)

Measure	Atlanta HCD	Atlanta LFA	Grand Rapids HCD	Grand Rapids LFA	Riverside HCD	Riverside LFA	Columbus Integrated	Columbus Traditional	Detroit	Oklahoma City	Portland
Perceptions of effectiveness of JOBS											
Percent who think the program improved their long-run chances of getting or keeping a job	39.3	39.4	28.0	30.5	34.9	32.1	42.3	37.5	43.3	32.0	42.2
Sample size	1,113	804	574	574	621	564	371	366	210	259	297

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTE: Eligible sample members in Columbus, Detroit, and Oklahoma City had an equal chance of being chosen to be interviewed. In contrast, sample members in Atlanta, Grand Rapids, Portland, and Riverside had a greater or lesser chance depending on their background characteristics or month of random assignment. To compensate for these differences, survey respondents in these four sites were weighted by the inverse of their probability of selection.

Appendix C

Supplementary Participation Tables

Appendix Table C.1

National Evaluation of Welfare-to-Work Strategies

**Two-Year Impacts on Participation in Job Search, Education,
Training, and Work Experience, and on Sanctioning,
for Sample Members With a High School Diploma or GED**

Detroit Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			<i>Hours of Participation Among Participants</i>		
	Program	Control	Difference	Program	Control	Difference	<i>Program</i>	<i>Control</i>	<i>Difference</i>
	Group	Group		Group	Group		<i>Group</i>	<i>Group</i>	
Participated in:									
Any activity	47.1	42.6	4.5	294.7	234.7	60.1	<i>626.1</i>	<i>550.6</i>	<i>75.5</i>
Job search	12.2	5.1	7.0 *	17.1	7.5	9.5	<i>140.3</i>	<i>146.6</i>	<i>-6.3</i>
Any education or training activity	39.8	40.9	-1.0	277.6	227.1	50.5	<i>696.9</i>	<i>555.5</i>	<i>141.4</i>
Basic education	6.9	10.1	-3.1	36.6	31.3	5.3	<i>529.4</i>	<i>311.6</i>	<i>217.9</i>
College	18.7	23.5	-4.8	143.7	152.9	-9.2	<i>767.5</i>	<i>649.7</i>	<i>117.8</i>
Vocational training	16.6	10.0	6.6	97.3	42.9	54.4	<i>587.1</i>	<i>429.7</i>	<i>157.5</i>
Work experience or on-the-job training	1.0	2.4	-1.4	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sanctioned ^a	1.6	1.8	-0.1	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sample size ^b	125	113		125	113		<i>varies</i>	<i>varies</i>	

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as:

* = 10 percent; ** = 5 percent; and *** = 1 percent.

Numbers may not add to 100 percent because of rounding.

Differences between program and control group members (shown in italics) for "hours of participation among participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

^aSanctioned between date of random assignment and date of survey interview.

^bSample sizes for individual measures vary because of missing values.

Appendix Table C.2
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Participation in Job Search, Education,
Training, and Work Experience, and on Sanctioning,
for Sample Members Without a High School Diploma or GED
Detroit Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Program	Control	Difference	Program	Control	Difference	Program	Control	Difference
	Group	Group		Group	Group		Group	Group	
Participated in:									
Any activity	53.3	42.4	10.9	226.4	189.7	36.7	<i>424.5</i>	<i>447.3</i>	-22.8
Job search	12.3	4.4	7.9 *	15.2	2.6	12.5 **	<i>122.9</i>	<i>60.4</i>	62.5
Any education or training activity	49.2	40.9	8.3	211.2	187.0	24.2	<i>428.9</i>	<i>457.1</i>	-28.2
Basic education	34.5	31.7	2.7	104.6	96.6	8.0	<i>303.5</i>	<i>304.3</i>	-0.9
College	7.3	2.7	4.6	21.1	11.1	9.9	<i>288.4</i>	<i>411.2</i>	-122.7
Vocational training	18.3	11.1	7.2	85.5	79.3	6.2	<i>466.7</i>	<i>714.6</i>	-247.9
Work experience or on-the-job training	1.3	-0.1	1.5	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sanctioned ^a	5.7	3.1	2.6	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sample size ^b	85	103		85	103		<i>varies</i>	<i>varies</i>	

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as:

* = 10 percent; ** = 5 percent; and *** = 1 percent.

Numbers may not add to 100 percent because of rounding.

Differences between program group members and control group members (shown in italics) for "hours of participation among participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

^aSanctioned between date of random assignment and date of survey interview.

^bSample sizes for individual measures vary because of missing values.

Appendix Table C.3

National Evaluation of Welfare-to-Work Strategies Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, for Sample Members in the Fullerton-Jeffries Office Detroit Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			Hours of Participation Among Participants		
	Program	Control	Difference	Program	Control	Difference	Program	Control	Difference
	Group	Group		Group	Group		Group		
Participated in:									
Any activity	55.2	42.3	12.9	235.3	243.6	-8.3	<i>426.4</i>	<i>575.9</i>	<i>-149.5</i>
Job search	14.7	8.5	6.1	16.2	10.4	5.8	<i>110.3</i>	<i>121.4</i>	<i>-11.1</i>
Any education or training activity	48.6	37.8	10.8	219.2	233.3	-14.1	<i>450.8</i>	<i>617.0</i>	<i>-166.2</i>
Basic education	21.0	15.6	5.4	66.6	58.1	8.6	<i>317.7</i>	<i>372.9</i>	<i>-55.3</i>
College	16.3	11.4	4.9	71.4	101.8	-30.4	<i>438.2</i>	<i>895.5</i>	<i>-457.3</i>
Vocational training	17.4	13.6	3.8	81.1	73.4	7.7	<i>465.3</i>	<i>540.1</i>	<i>-74.9</i>
Work experience or on-the-job training	-0.2	1.4	-1.6	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sanctioned ^a	2.4	2.0	0.4	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sample size ^b	92	88		92	88		<i>varies</i>	<i>varies</i>	

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as:

* = 10 percent; ** = 5 percent; and *** = 1 percent.

Numbers may not add up to 100 percent because of rounding.

Differences between program and control group members (shown in italics) for "hours of participation among participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

^aSanctioned between date of random assignment and date of survey interview.

^bSample sizes for individual measures vary because of missing values.

Appendix Table C.4
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Participation in Job Search, Education,
Training, and Work Experience, and on Sanctioning,
for Sample Members in the Hamtramck Office
Detroit Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			<i>Hours of Participation Among Participants</i>		
	Program	Control	Difference	Program	Control	Difference	<i>Program</i>	<i>Control</i>	<i>Difference</i>
	Group	Group		Group	Group		Group	Group	
Participated in:									
Any activity	47.7	40.4	7.3	308.1	177.2	130.9 *	<i>645.7</i>	<i>438.8</i>	<i>206.9</i>
Job search	9.9	2.6	7.3 **	16.3	1.7	14.6 **	<i>164.9</i>	<i>66.0</i>	<i>99.0</i>
Any education or training activity	42.7	40.4	2.3	291.8	175.5	116.2 *	<i>683.8</i>	<i>434.9</i>	<i>248.9</i>
Basic education	18.7	21.0	-2.3	69.7	58.5	11.2	<i>372.8</i>	<i>278.1</i>	<i>94.6</i>
College	12.4	15.1	-2.7	113.9	72.0	41.9	<i>918.7</i>	<i>475.7</i>	<i>443.0</i>
Vocational training	17.9	7.7	10.2 **	108.2	45.0	63.2 *	<i>603.5</i>	<i>584.6</i>	<i>18.9</i>
Work experience or on-the-job training	2.2	1.1	1.1	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sanctioned ^a	4.2	2.4	1.8	n/a	n/a	n/a	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Sample size ^b	118	128		118	128		<i>varies</i>	<i>varies</i>	

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as:

* = 10 percent; ** = 5 percent; and *** = 1 percent.

Numbers may not add to 100 percent because of rounding.

Differences between program and control group members (shown in italics) for "hours of participation among participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

^aSanctioned between date of random assignment and date of survey interview.

^bSample sizes for individual measures vary because of missing values.

Appendix Table C.6

National Evaluation of Welfare-to-Work Strategies

**Rates of Participation in Work First Within a Two- and Three-Year Follow-Up Period
for Control Group Members, by District Office and Random Assignment Cohort**

Detroit Program

	Full Program Group			Fullerton-Jeffries			Hamtramck		
	Early	Middle	Late	Early	Middle	Late	Early	Middle	Late
Within 2 years of random assignment									
Referred (%)	0.4	7.7	13.8	0.8	10.3	9.9	0.0	5.7	16.4
Participated in: (%)									
Any activity	0.2	3.0	7.3	0.4	4.2	4.3	0.0	2.1	9.3
Job search	0.0	1.3	4.3	0.0	2.0	1.7	0.0	0.6	5.9
Basic education	0.0	0.1	0.2	0.0	0.2	0.0	0.0	0.0	0.3
College	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational training	0.0	0.4	0.5	0.0	0.0	0.0	0.0	0.6	0.8
Work experience	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entered employment (%)	0.0	1.2	3.2	0.0	1.4	0.9	0.0	1.0	4.8
Within 3 years of random assignment									
Referred (%)	14.8	21.6	36.6	18.2	25.8	37.3	11.5	18.3	36.2
Participated in: (%)									
Any activity	6.1	11.0	15.8	7.4	14.3	12.0	4.8	8.4	18.4
Job search	2.3	6.6	12.4	2.3	9.3	9.0	2.2	4.5	14.7
Basic education	0.2	0.2	0.3	0.4	0.4	0.0	0.0	0.0	0.6
College	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational training	0.2	0.4	1.0	0.4	0.2	0.4	0.0	0.6	1.4
Work experience	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entered employment (%)	2.3	4.5	9.9	2.3	5.2	6.4	2.2	3.9	12.1
Sample size ^a	528	1,115	587	258	497	233	270	618	354

SOURCE: MDRC calculations from Michigan Work First management information system records.

NOTES: The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

^aThe data did not include an office designation for three individuals. These individuals are excluded from the subgroup analysis.

Appendix D

Supplementary Cost Tables

Appendix Table D.1

National Evaluation of Welfare-to-Work Strategies

**Estimated JOBS Cost per Control Group Member Within Two Years
After Orientation (in 1993 Dollars)**

Detroit Program

Activity	Welfare Department Cost (\$)	Work First Cost (\$)	Non-Welfare Agency Cost (\$)	Total Gross Cost per Control Group Member (\$)
Job search	0	25	17	42
Education and training	149	0	1,549	1,699
Work experience	0	0	9	9
Subtotal (operating)	149	25	1,575	1,750
Child care	303	0	0	303
Other support services	15	0	0	15
Total	467	25	1,575	2,067

SOURCES: MDRC calculations based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC child care and other support service calculations from Wayne County payment data.

NOTES: Rounding may cause slight discrepancies in calculating sums.

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

Appendix Table D.2

National Evaluation of Welfare-to-Work Strategies

**Estimated Cost per Program Group Member Within Two Years After Orientation,
by Agency and District Office (in 1993 Dollars)**

Detroit Program

Office and Activity or Service	Program-Related Cost				Non-Program-Related Cost		Total Gross Cost per Program Group Member (\$)
	MOST Welfare Department Cost (\$)	MOST Non-Welfare Agency Cost (\$)	Work First Cost (\$)	Total Program Cost (\$)	Welfare Department Cost (\$)	Non-Welfare Agency Cost (\$)	
Fullerton-Jefferies							
Job search	118	0	175	293	0	6	299
Education and training	1,396	1,099	0	2,495	0	830	3,325
Work experience	0	0	0	0	0	0	0
Subtotal (operating)	1,514	1,099	175	2,788	0	836	3,624
Child care	346	0	0	346	151	0	497
Other support services	58	0	0	58	0	0	58
Total	1,918	1,099	175	3,193	151	836	4,179
Hamtramck							
Job search	93	0	100	193	0	0	193
Education and training	868	1,388	0	2,256	0	856	3,111
Work experience	123	0	0	123	0	2	125
Subtotal (operating)	1,084	1,388	100	2,571	0	858	3,429
Child care	191	0	0	191	79	0	271
Other support services	53	0	0	53	0	0	53
Total	1,328	1,388	100	2,816	79	858	3,753

SOURCES: MDRC calculations are based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC child care and other support service calculations from Wayne County payment data.

NOTES: Rounding may cause slight discrepancies in calculating sums.

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

Appendix Table D.3

National Evaluation of Welfare-to-Work Strategies

**Estimated Cost per Program Group Member Within Two Years After Orientation,
by Agency and High School Diploma/GED Status (in 1993 Dollars)**

Detroit Program

Subgroup and Activity or Service	Program-Related Cost				Non-Program-Related Cost		Total Gross Cost per Program Group Member (\$)
	MOST Welfare Department Cost (\$)	MOST Non-Welfare Agency Cost (\$)	Work First Cost (\$)	Total Program Cost (\$)	Welfare Department Cost (\$)	Non-Welfare Agency Cost (\$)	
Respondents with a high school diploma or GED							
Job search	97	0	120	218	0	4	222
Education and training	1,213	1,449	0	2,663	0	848	3,511
Work experience	116	0	0	116	0	0	116
Subtotal (operating)	1,427	1,449	120	2,996	0	852	3,849
Child care	298	0	0	298	160	0	458
Other support services	63	0	0	63	0	0	63
Total	1,787	1,449	120	3,357	160	852	4,369
Respondents without a high school diploma or GED							
Job search	112	0	152	263	0	0	263
Education and training	877	985	0	1,861	0	839	2,701
Work experience	0	0	0	0	0	3	3
Subtotal (operating)	988	985	152	2,125	0	842	2,967
Child care	203	0	0	203	43	0	246
Other support services	44	0	0	44	0	0	44
Total	1,236	985	152	2,372	43	842	3,258

SOURCES: MDRC calculations based on fiscal and participation data from the Michigan Family Independence Agency, Department of Education, and Jobs Commission; information collected on tuition charged at proprietary schools attended by sample members; and the MDRC Two-Year Client Survey. MDRC child care and other support service calculations from Wayne County payment data.

NOTES: Rounding may cause slight discrepancies in calculating sums.

Child care costs were calculated for sample members who were randomly assigned from August 1992 to June 1994. Data on child care payments made before August 1992 were not available.

Appendix E

Supplementary Tables to Chapter 4

Appendix Table E.1
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps
Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	41.2	40.6	0.6	1.6
Q6 to 9	54.2	51.5	2.6 *	5.1
Q2 to 9	62.3	58.2	4.1 ***	7.0
Quarters employed				
Q2 to 5	0.9	0.9	0.0	1.1
Q6 to 9	1.4	1.3	0.1 **	7.6
Q2 to 9	2.3	2.2	0.1	5.0
Employed (%)				
Q2	18.4	18.2	0.2	1.2
Q3	21.2	21.7	-0.5	-2.1
Q4	24.3	22.9	1.3	5.8
Q5	26.1	26.2	-0.1	-0.5
Q6	30.8	29.8	1.0	3.2
Q7	35.1	32.0	3.1 **	9.5
Q8	36.4	33.5	2.9 **	8.7
Q9	38.6	35.5	3.1 **	8.7
Earnings (\$)				
Q2 to 5	1,398	1,341	57	4.2
Q6 to 9	2,971	2,660	311 **	11.7
Q2 to 9	4,369	4,001	367 *	9.2
Q2	229	214	15	7.0
Q3	314	296	18	5.9
Q4	373	368	6	1.6
Q5	481	463	19	4.0
Q6	607	560	47	8.4
Q7	703	622	81 *	12.9
Q8	782	692	90 **	12.9
Q9	879	785	93 *	11.9

(continued)

Appendix Table E.1 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	97.5	97.4	0.1	0.1
Q6 to 9	83.3	85.1	-1.8 *	-2.1
Q2 to 9	97.6	97.6	0.0	0.0
Months received AFDC				
Q2 to 5	10.6	10.7	-0.1	-1.2
Q6 to 9	8.6	9.0	-0.4 ***	-3.9
Q2 to 9	19.2	19.7	-0.5 **	-2.4
Received AFDC (%)				
Q2	96.6	97.1	-0.4	-0.4
Q3	93.3	93.7	-0.5	-0.5
Q4	89.3	90.1	-0.8	-0.9
Q5	85.4	86.5	-1.1	-1.2
Q6	80.5	82.4	-1.9 *	-2.3
Q7	77.1	79.2	-2.1 *	-2.6
Q8	73.6	75.4	-1.8	-2.4
Q9	70.1	73.7	-3.6 ***	-4.8
AFDC amount (\$)				
Q2 to 5	4,672	4,690	-19	-0.4
Q6 to 9	3,785	3,924	-139 **	-3.5
Q2 to 9	8,457	8,615	-158	-1.8
Q2	1,246	1,251	-5	-0.4
Q3	1,195	1,195	0	0.0
Q4	1,143	1,147	-4	-0.4
Q5	1,087	1,097	-10	-0.9
Q6	1,023	1,043	-20	-1.9
Q7	968	992	-24	-2.4
Q8	916	955	-39 **	-4.1
Q9	877	933	-56 ***	-6.0

(continued)

Appendix Table E.1 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	98.0	97.9	0.2	0.2
Q6 to 9	88.1	89.4	-1.3	-1.4
Q2 to 9	98.3	98.1	0.2	0.2
Months received Food Stamps				
Q2 to 5	11.0	11.1	-0.1	-0.8
Q6 to 9	9.5	9.8	-0.3 **	-3.0
Q2 to 9	20.5	20.8	-0.4 **	-1.8
Received Food Stamps (%)				
Q2	97.2	97.3	-0.1	-0.1
Q3	95.1	95.3	-0.2	-0.3
Q4	92.6	93.1	-0.5	-0.5
Q5	89.7	90.6	-0.9	-1.0
Q6	86.3	87.0	-0.7	-0.9
Q7	83.4	84.6	-1.2	-1.4
Q8	81.0	82.6	-1.7	-2.0
Q9	78.2	81.7	-3.5 ***	-4.3
Food Stamp amount (\$)				
Q2 to 5	2,501	2,522	-21	-0.8
Q6 to 9	2,236	2,307	-71 **	-3.1
Q2 to 9	4,737	4,829	-92 *	-1.9
Q2	645	648	-3	-0.5
Q3	633	636	-3	-0.4
Q4	621	627	-7	-1.1
Q5	602	611	-8	-1.4
Q6	585	595	-11	-1.8
Q7	568	577	-9	-1.6
Q8	551	572	-20 **	-3.6
Q9	533	564	-31 ***	-5.4
Sample size (total=4, 459)	2,226	2,233		

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings, AFDC, and Food Stamps records.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

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.

"Percentage difference" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Appendix Table E.2

National Evaluation of Welfare-to-Work Strategies

**Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Randomly Assigned Through December 1993**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	38.0	38.0	0.0	0.0
Q6 to 9	52.6	49.8	2.8 *	5.5
Q10 to 13	60.3	56.8	3.5 **	6.1
Q2 to 13	72.4	68.8	3.6 **	5.3
Quarters employed				
Q2 to 5	0.8	0.8	0.0	0.7
Q6 to 9	1.3	1.2	0.1	4.5
Q10 to 13	1.7	1.5	0.1 **	8.7
Q2 to 13	3.8	3.6	0.2 *	5.5
Employed (%)				
Q2	17.0	16.6	0.4	2.5
Q3	19.6	20.0	-0.4	-2.0
Q4	22.6	20.9	1.7	8.2
Q5	23.5	24.7	-1.1	-4.6
Q6	27.8	27.8	0.1	0.3
Q7	31.5	30.0	1.5	4.8
Q8	33.5	31.5	2.0	6.3
Q9	36.5	34.3	2.1	6.2
Q10	40.3	36.6	3.8 **	10.3
Q11	42.5	39.1	3.5 **	8.8
Q12	44.3	40.5	3.8 **	9.5
Q13	39.8	37.4	2.3	6.2
Earnings (\$)				
Q2 to 5	1,280	1,201	79	6.5
Q6 to 9	2,734	2,460	274	11.1
Q10 to 13	4,293	3,709	585 **	15.8
Q2 to 13	8,307	7,370	937 **	12.7
Q2	215	188	27	14.5
Q3	299	266	33	12.6
Q4	346	337	9	2.7
Q5	419	410	9	2.1
Q6	552	498	53	10.7
Q7	626	577	48	8.3
Q8	717	647	70	10.7
Q9	840	737	103 *	13.9
Q10	965	818	147 **	18.0
Q11	1,088	953	135 **	14.2
Q12	1,185	1,016	169 **	16.6
Q13	1,055	922	134 **	14.5

(continued)

Appendix Table E.2 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC, Q2 to 5 (%)				
Q2 to 5	97.5	97.5	0.0	0.0
Q6 to 9	84.2	85.9	-1.8	-2.0
Q10 to 13	70.8	75.6	-4.8 ***	-6.3
Q2 to 13	97.8	97.8	0.0	0.0
Months received AFDC				
Q2 to 5	10.7	10.8	-0.2 *	-1.5
Q6 to 9	8.8	9.1	-0.3 *	-2.8
Q10 to 13	7.2	7.7	-0.5 ***	-6.7
Q2 to 13	26.7	27.6	-0.9 ***	-3.4
Received AFDC (%)				
Q2	96.5	97.1	-0.6	-0.7
Q3	93.1	94.3	-1.2	-1.3
Q4	89.9	90.8	-0.9	-1.0
Q5	86.3	87.7	-1.5	-1.7
Q6	82.0	83.5	-1.6	-1.9
Q7	78.8	80.2	-1.5	-1.8
Q8	74.9	75.9	-1.0	-1.4
Q9	71.5	74.2	-2.7 *	-3.7
Q10	68.2	72.6	-4.4 ***	-6.0
Q11	64.8	68.9	-4.2 ***	-6.1
Q12	61.4	65.9	-4.4 ***	-6.7
Q13	58.4	62.9	-4.5 ***	-7.1
AFDC amount (\$)				
Q2 to 5	4,675	4,713	-37	-0.8
Q6 to 9	3,864	3,958	-94	-2.4
Q10 to 13	3,171	3,353	-183 **	-5.4
Q2 to 13	11,710	12,024	-314 *	-2.6
Q2	1,240	1,252	-12	-1.0
Q3	1,189	1,200	-11	-0.9
Q4	1,149	1,153	-5	-0.4
Q5	1,099	1,108	-9	-0.8
Q6	1,042	1,055	-12	-1.2
Q7	984	1,002	-18	-1.8
Q8	937	959	-22	-2.3
Q9	900	942	-42 **	-4.5
Q10	857	904	-46 **	-5.1
Q11	816	862	-46 **	-5.4
Q12	766	813	-47 **	-5.8
Q13	732	774	-42 *	-5.5

(continued)

Appendix Table E.2 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	97.8	98.0	-0.2	-0.2
Q6 to 9	88.0	90.2	-2.2 **	-2.4
Q10 to 13	79.2	83.2	-4.0 ***	-4.8
Q2 to 13	98.2	98.4	-0.1	-0.1
Months received Food Stamps				
Q2 to 5	10.9	11.1	-0.2 *	-1.5
Q6 to 9	9.5	9.9	-0.3 **	-3.2
Q10 to 13	8.2	8.8	-0.5 ***	-6.2
Q2 to 13	28.7	29.7	-1.0 ***	-3.5
Received Food Stamps (%)				
Q2	96.7	97.4	-0.7	-0.7
Q3	94.4	95.9	-1.5 **	-1.6
Q4	92.5	93.5	-1.0	-1.1
Q5	90.2	91.3	-1.2	-1.3
Q6	86.4	88.1	-1.6	-1.8
Q7	83.9	85.2	-1.3	-1.5
Q8	80.9	83.0	-2.1	-2.5
Q9	77.8	81.9	-4.0 ***	-4.9
Q10	76.5	80.4	-3.9 ***	-4.9
Q11	73.6	78.2	-4.7 ***	-6.0
Q12	69.9	75.5	-5.6 ***	-7.4
Q13	67.3	71.3	-4.0 **	-5.6
Food Stamp amount (\$)				
Q2 to 5	2,453	2,503	-50 *	-2.0
Q6 to 9	2,226	2,298	-72 *	-3.1
Q10 to 13	1,978	2,109	-131 ***	-6.2
Q2 to 13	6,657	6,910	-253 ***	-3.7
Q2	632	645	-13 **	-2.0
Q3	617	632	-15 **	-2.3
Q4	608	619	-11	-1.8
Q5	596	607	-11	-1.9
Q6	583	594	-11	-1.8
Q7	569	577	-8	-1.4
Q8	546	567	-21 **	-3.8
Q9	528	560	-32 ***	-5.6
Q10	522	556	-34 ***	-6.1
Q11	509	544	-35 ***	-6.5
Q12	482	517	-35 ***	-6.7
Q13	465	492	-27 **	-5.5
Sample size (total=3,293)	1,649	1,644		

SOURCES and NOTES: See Table E.1.

Appendix Table E.3
National Evaluation of Welfare-to-Work Strategies
Impacts on Employment, Earnings, and AFDC, by Research Group
and Period of Random Assignment

Detroit Program

Outcome	Sample Members Randomly Assigned May 1992-December 1993			Sample Members Randomly Assigned January-June 1994		
	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Years 1-2						
Ever employed (%)	60.7	56.5	4.2 ***	66.8	62.9	4.0
Average total earnings (\$)	4,014	3,661	353	5,398	4,934	463
Average total AFDC payments (\$)	8,539	8,671	-132	8,207	8,473	-266
Percentage difference (%)			-1.5			-3.1
Average combined income ^a	17,232	17,132	99	18,463	18,361	101
Last quarter of year 2						
Ever received AFDC (%)	71.5	74.2	-2.7 *	66.0	72.3	-6.3 **
Sample size (total=4,459)	1,649	1,644		577	589	

SOURCES: MDRC calculations from Michigan unemployment insurance (UI) earnings records and AFDC records.

NOTES: 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."

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

^a"Combined income" is income from earnings, AFDC, and Food Stamps.

Appendix Table E.4

National Evaluation of Welfare-to-Work Strategies

**Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members in the Fullerton-Jeffries Office**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	39.9	41.9	-2.1	-4.9
Q6 to 9	55.0	52.1	2.8	5.5
Q2 to 9	62.6	59.3	3.4	5.7
Quarters employed				
Q2 to 5	0.9	0.9	0.0	-2.8
Q6 to 9	1.4	1.3	0.1	4.9
Q2 to 9	2.3	2.2	0.0	1.8
Employed (%)				
Q2	17.6	18.8	-1.1	-6.1
Q3	20.0	21.6	-1.6	-7.5
Q4	23.6	23.3	0.3	1.4
Q5	25.8	25.9	-0.1	-0.4
Q6	31.0	31.7	-0.7	-2.2
Q7	35.1	31.7	3.4 *	10.8
Q8	35.6	33.9	1.7	4.9
Q9	37.9	35.8	2.2	6.0
Earnings (\$)				
Q2 to 5	1,345	1,340	5	0.4
Q6 to 9	2,973	2,702	270	10.0
Q2 to 9	4,318	4,042	275	6.8
Q2	216	200	16	8.1
Q3	290	292	-2	-0.5
Q4	339	360	-21	-5.9
Q5	499	488	12	2.4
Q6	622	595	27	4.5
Q7	692	603	89	14.7
Q8	783	711	72	10.1
Q9	876	793	83	10.4

(continued)

Appendix Table E.4 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	98.0	97.6	0.4	0.4
Q6 to 9	83.8	85.6	-1.8	-2.1
Q2 to 9	98.0	97.8	0.2	0.2
Months received AFDC				
Q2 to 5	10.7	10.8	-0.1	-1.0
Q6 to 9	8.9	9.0	-0.1	-1.6
Q2 to 9	19.5	19.8	-0.3	-1.3
Received AFDC (%)				
Q2	97.0	97.2	-0.2	-0.2
Q3	93.5	94.3	-0.8	-0.8
Q4	90.1	90.3	-0.2	-0.2
Q5	86.1	86.9	-0.8	-1.0
Q6	81.1	82.9	-1.8	-2.2
Q7	78.7	79.2	-0.5	-0.6
Q8	75.8	75.5	0.4	0.5
Q9	73.1	74.2	-1.1	-1.5
AFDC amount (\$)				
Q2 to 5	4,622	4,640	-17	-0.4
Q6 to 9	3,871	3,896	-25	-0.6
Q2 to 9	8,493	8,536	-42	-0.5
Q2	1,235	1,239	-4	-0.3
Q3	1,179	1,181	-2	-0.2
Q4	1,132	1,133	-2	-0.1
Q5	1,076	1,086	-10	-0.9
Q6	1,031	1,030	1	0.1
Q7	978	983	-5	-0.6
Q8	940	953	-13	-1.3
Q9	922	930	-8	-0.9

(continued)

Appendix Table E.4 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	98.6	98.7	-0.1	-0.1
Q6 to 9	88.8	90.1	-1.3	-1.5
Q2 to 9	98.7	98.8	-0.1	-0.1
Months received Food Stamps				
Q2 to 5	11.0	11.1	-0.1	-1.0
Q6 to 9	9.7	9.9	-0.2	-2.3
Q2 to 9	20.7	21.0	-0.3	-1.6
Received Food Stamps (%)				
Q2	97.5	97.8	-0.3	-0.3
Q3	95.6	96.0	-0.4	-0.5
Q4	93.0	94.1	-1.1	-1.2
Q5	90.8	92.3	-1.5	-1.6
Q6	86.9	88.0	-1.1	-1.3
Q7	84.1	85.5	-1.4	-1.6
Q8	82.5	83.9	-1.4	-1.7
Q9	80.3	82.1	-1.8	-2.2
Food Stamp amount (\$)				
Q2 to 5	2,486	2,501	-14	-0.6
Q6 to 9	2,278	2,319	-42	-1.8
Q2 to 9	4,764	4,820	-56	-1.2
Q2	636	640	-4	-0.6
Q3	627	628	-1	-0.1
Q4	618	624	-6	-0.9
Q5	605	609	-4	-0.7
Q6	589	595	-6	-1.0
Q7	574	581	-7	-1.2
Q8	562	578	-16	-2.8
Q9	552	565	-13	-2.2
Sample size (total=1,959)	971	988		

SOURCES and NOTES: See Table E.1.

Appendix Table E.5
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members in the Hamtramck Office

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	42.3	39.5	2.9	7.2
Q6 to 9	53.5	51.1	2.5	4.8
Q2 to 9	62.1	57.3	4.8 ***	8.4
Quarters employed				
Q2 to 5	0.9	0.9	0.0	4.6
Q6 to 9	1.4	1.3	0.1 **	10.1
Q2 to 9	2.3	2.2	0.2 *	7.9
Employed (%)				
Q2	19.1	17.7	1.4	8.1
Q3	22.3	21.7	0.6	2.6
Q4	24.8	22.5	2.2	9.9
Q5	26.3	26.4	-0.2	-0.7
Q6	30.7	28.3	2.3	8.3
Q7	35.0	32.2	2.8	8.7
Q8	37.0	33.0	4.0 **	12.1
Q9	39.1	35.3	3.9 **	11.0
Earnings (\$)				
Q2 to 5	1,442	1,337	105	7.9
Q6 to 9	2,982	2,608	374 *	14.3
Q2 to 9	4,424	3,945	479 *	12.1
Q2	240	224	16	7.3
Q3	333	298	35	11.7
Q4	400	372	28	7.6
Q5	469	443	26	5.8
Q6	598	527	71	13.4
Q7	714	632	82	13.0
Q8	785	671	114 **	17.1
Q9	884	777	107 *	13.7

(continued)

Appendix Table E.5 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	97.0	97.4	-0.3	-0.3
Q6 to 9	82.8	84.6	-1.9	-2.2
Q2 to 9	97.2	97.5	-0.3	-0.4
Months received AFDC				
Q2 to 5	10.5	10.7	-0.2	-1.5
Q6 to 9	8.4	9.0	-0.5 ***	-5.9
Q2 to 9	19.0	19.7	-0.7 ***	-3.5
Received AFDC (%)				
Q2	96.2	97.0	-0.8	-0.8
Q3	93.0	93.3	-0.4	-0.4
Q4	88.6	90.2	-1.6	-1.7
Q5	84.9	86.2	-1.4	-1.6
Q6	80.1	82.1	-2.0	-2.5
Q7	75.9	79.4	-3.5 **	-4.4
Q8	71.7	75.4	-3.7 **	-5.0
Q9	67.7	73.3	-5.6 ***	-7.7
AFDC amount (\$)				
Q2 to 5	4,706	4,736	-30	-0.6
Q6 to 9	3,715	3,952	-238 ***	-6.0
Q2 to 9	8,421	8,688	-267 **	-3.1
Q2	1,254	1,262	-8	-0.7
Q3	1,206	1,207	-1	-0.1
Q4	1,151	1,160	-9	-0.8
Q5	1,096	1,107	-11	-1.0
Q6	1,017	1,055	-38 *	-3.6
Q7	960	1,001	-41 *	-4.1
Q8	897	959	-63 **	-6.5
Q9	840	936	-96 ***	-10.2

(continued)

Appendix Table E.5 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	97.6	97.3	0.3	0.3
Q6 to 9	87.6	88.9	-1.3	-1.4
Q2 to 9	97.9	97.6	0.3	0.3
Months received Food Stamps				
Q2 to 5	10.9	11.0	-0.1	-0.6
Q6 to 9	9.4	9.7	-0.4 **	-3.7
Q2 to 9	20.3	20.7	-0.4 *	-2.1
Received Food Stamps (%)				
Q2	96.8	96.9	-0.1	-0.1
Q3	94.7	94.8	-0.2	-0.2
Q4	92.4	92.4	0.0	0.0
Q5	88.9	89.3	-0.4	-0.4
Q6	85.8	86.3	-0.5	-0.5
Q7	82.9	84.0	-1.1	-1.3
Q8	79.7	81.7	-2.0	-2.4
Q9	76.4	81.5	-5.0 ***	-6.2
Food Stamp amount (\$)				
Q2 to 5	2,512	2,539	-28	-1.1
Q6 to 9	2,202	2,302	-100 **	-4.3
Q2 to 9	4,714	4,841	-127 *	-2.6
Q2	651	655	-4	-0.6
Q3	637	642	-5	-0.8
Q4	623	630	-7	-1.1
Q5	600	612	-11	-1.8
Q6	581	596	-15	-2.5
Q7	562	575	-12	-2.2
Q8	542	567	-26 **	-4.5
Q9	517	563	-47 ***	-8.3
<hr/>				
Sample size (total=2,497)	1,255	1,242		

SOURCES and NOTES: See Table E.1.

Appendix Table E.6

National Evaluation of Welfare-to-Work Strategies

**Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Randomly Assigned Through December 1993
by District Office: Fullerton-Jeffries**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	36.7	39.1	-2.4	-6.2
Q6 to 9	52.7	50.8	1.9	3.8
Q10 to 13	61.5	56.8	4.7 *	8.2
Q2 to 13	73.2	69.0	4.2 *	6.1
Quarters employed				
Q2 to 5	0.8	0.8	0.0	-3.3
Q6 to 9	1.3	1.3	0.0	-1.6
Q10 to 13	1.7	1.5	0.2 **	11.0
Q2 to 13	3.7	3.6	0.1	3.3
Employed (%)				
Q2	16.1	16.8	-0.8	-4.5
Q3	19.0	20.0	-1.1	-5.3
Q4	21.7	21.3	0.3	1.6
Q5	22.8	24.0	-1.2	-5.1
Q6	27.3	30.7	-3.4	-11.1
Q7	31.3	30.2	1.1	3.5
Q8	32.3	32.4	-0.1	-0.4
Q9	35.0	34.5	0.4	1.3
Q10	40.8	35.7	5.1 **	14.3
Q11	41.2	38.9	2.3	6.0
Q12	44.0	40.0	4.0	10.1
Q13	43.2	37.9	5.3 **	13.9
Earnings (\$)				
Q2 to 5	1,277	1,197	80	6.7
Q6 to 9	2,676	2,625	51	1.9
Q10 to 13	4,297	3,844	452	11.8
Q2 to 13	8,249	7,666	583	7.6
Q2	199	161	38	23.7
Q3	300	269	31	11.6
Q4	328	320	8	2.5
Q5	450	447	3	0.6
Q6	559	557	2	0.3
Q7	622	594	28	4.7
Q8	695	690	5	0.7
Q9	800	783	16	2.1
Q10	930	845	85	10.1
Q11	1,056	986	70	7.1
Q12	1,187	1,023	164	16.0
Q13	1,123	990	133	13.4

(continued)

Appendix Table E.6 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	98.1	98.0	0.1	0.1
Q6 to 9	85.3	86.5	-1.2	-1.4
Q10 to 13	74.7	75.5	-0.8	-1.1
Q2 to 13	98.0	98.2	-0.2	-0.2
Months received AFDC				
Q2 to 5	10.8	10.9	-0.1	-1.1
Q6 to 9	9.1	9.1	0.1	0.8
Q10 to 13	7.7	7.7	0.0	-0.6
Q2 to 13	27.6	27.7	-0.1	-0.3
Received AFDC (%)				
Q2	96.7	97.5	-0.8	-0.8
Q3	93.7	95.1	-1.4	-1.4
Q4	91.2	91.1	0.1	0.1
Q5	87.9	88.7	-0.8	-0.9
Q6	83.1	84.4	-1.3	-1.5
Q7	80.8	79.9	0.9	1.1
Q8	77.7	75.9	1.8	2.4
Q9	75.1	74.3	0.8	1.1
Q10	72.8	71.9	0.9	1.2
Q11	69.0	69.2	-0.2	-0.3
Q12	65.3	66.3	-1.0	-1.5
Q13	62.5	63.9	-1.4	-2.2
AFDC amount (\$)				
Q2 to 5	4,681	4,694	-13	-0.3
Q6 to 9	4,006	3,916	90	2.3
Q10 to 13	3,410	3,383	28	0.8
Q2 to 13	12,097	11,992	104	0.9
Q2	1,242	1,251	-9	-0.7
Q3	1,188	1,192	-5	-0.4
Q4	1,150	1,148	2	0.2
Q5	1,101	1,103	-1	-0.1
Q6	1,062	1,044	18	1.8
Q7	1,009	988	21	2.1
Q8	976	954	23	2.4
Q9	959	931	28	3.0
Q10	922	899	23	2.6
Q11	873	867	6	0.7
Q12	822	824	-2	-0.3
Q13	794	793	0	0.1

(continued)

Appendix Table E.6 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	98.2	98.9	-0.7	-0.7
Q6 to 9	88.7	90.4	-1.7	-1.9
Q10 to 13	82.1	83.8	-1.6	-2.0
Q2 to 13	98.6	99.0	-0.4	-0.4
Months received Food Stamps				
Q2 to 5	11.0	11.2	-0.2 *	-1.8
Q6 to 9	9.8	9.9	-0.1	-1.5
Q10 to 13	8.6	8.9	-0.2	-2.6
Q2 to 13	29.4	30.0	-0.6	-1.9
Received Food Stamps (%)				
Q2	96.8	97.9	-1.2	-1.2
Q3	94.9	96.6	-1.8 *	-1.8
Q4	92.4	94.4	-2.0	-2.1
Q5	91.2	92.9	-1.7	-1.8
Q6	86.9	88.9	-2.0	-2.2
Q7	84.6	85.8	-1.3	-1.5
Q8	83.0	84.2	-1.2	-1.4
Q9	80.8	81.8	-1.0	-1.2
Q10	79.5	80.8	-1.3	-1.7
Q11	76.7	78.6	-2.0	-2.5
Q12	73.3	76.8	-3.5	-4.5
Q13	70.5	73.1	-2.5	-3.5
Food Stamp amount (\$)				
Q2 to 5	2,465	2,505	-40	-1.6
Q6 to 9	2,308	2,307	1	0.0
Q10 to 13	2,110	2,133	-23	-1.1
Q2 to 13	6,883	6,945	-62	-0.9
Q2	631	641	-10	-1.5
Q3	621	630	-9	-1.4
Q4	610	624	-14	-2.2
Q5	603	611	-7	-1.2
Q6	594	596	-2	-0.3
Q7	584	583	1	0.3
Q8	567	572	-4	-0.8
Q9	562	557	6	1.0
Q10	553	552	2	0.3
Q11	544	550	-6	-1.2
Q12	518	531	-14	-2.5
Q13	496	500	-5	-0.9
Sample size (total=1,507)	752	755		

SOURCES and NOTES: See Table E.1.

Appendix Table E.7

National Evaluation of Welfare-to-Work Strategies

Three-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Randomly Assigned Through December 1993
by District Office: Hamtramck

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	39.0	37.0	2.0	5.4
Q6 to 9	52.3	49.2	3.2	6.5
Q10 to 13	59.1	56.9	2.2	3.8
Q2 to 13	71.7	68.6	3.1	4.5
Quarters employed				
Q2 to 5	0.9	0.8	0.0	3.7
Q6 to 9	1.3	1.2	0.1 *	9.5
Q10 to 13	1.6	1.5	0.1	6.3
Q2 to 13	3.8	3.6	0.2	6.7
Employed (%)				
Q2	17.7	16.4	1.3	8.0
Q3	20.1	20.1	0.0	0.1
Q4	23.3	20.5	2.8	13.5
Q5	24.1	25.2	-1.1	-4.3
Q6	28.3	25.3	3.0	11.8
Q7	31.5	30.0	1.6	5.3
Q8	34.4	30.8	3.6 *	11.7
Q9	37.6	34.4	3.2	9.4
Q10	39.8	37.4	2.4	6.4
Q11	43.4	39.2	4.2 *	10.6
Q12	44.5	41.0	3.4	8.4
Q13	36.8	37.1	-0.3	-0.8
Earnings (\$)				
Q2 to 5	1,280	1,208	73	6.0
Q6 to 9	2,786	2,320	466 **	20.1
Q10 to 13	4,295	3,584	711 **	19.8
Q2 to 13	8,362	7,112	1,249 **	17.6
Q2	229	211	18	8.5
Q3	297	266	32	11.9
Q4	360	352	8	2.3
Q5	394	379	15	4.0
Q6	547	447	100 *	22.3
Q7	629	563	67	11.9
Q8	738	610	127 *	20.9
Q9	872	700	172 **	24.6
Q10	991	800	192 **	24.0
Q11	1,115	922	192 **	20.9
Q12	1,186	1,005	181 **	18.0
Q13	1,003	857	146 *	17.0

(continued)

Appendix Table E.7 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	96.9	97.2	-0.3	-0.3
Q6 to 9	83.1	85.4	-2.3	-2.7
Q10 to 13	67.4	75.8	-8.4 ***	-11.1
Q2 to 13	97.4	97.5	-0.1	-0.1
Months received AFDC				
Q2 to 5	10.5	10.8	-0.2	-2.0
Q6 to 9	8.5	9.1	-0.6 ***	-6.1
Q10 to 13	6.8	7.7	-0.9 ***	-12.0
Q2 to 13	25.8	27.5	-1.7 ***	-6.1
Received AFDC (%)				
Q2	96.1	97.0	-0.9	-0.9
Q3	92.4	93.7	-1.2	-1.3
Q4	88.8	90.5	-1.8	-1.9
Q5	84.9	86.9	-2.0	-2.3
Q6	81.0	82.8	-1.8	-2.2
Q7	77.0	80.5	-3.5 *	-4.4
Q8	72.4	76.0	-3.6 *	-4.7
Q9	68.3	74.3	-6.0 ***	-8.0
Q10	64.1	73.2	-9.0 ***	-12.3
Q11	61.2	68.7	-7.5 ***	-11.0
Q12	58.2	65.5	-7.2 ***	-11.0
Q13	54.9	62.1	-7.2 ***	-11.6
AFDC amount (\$)				
Q2 to 5	4,667	4,732	-64	-1.4
Q6 to 9	3,739	3,996	-257 **	-6.4
Q10 to 13	2,968	3,331	-363 ***	-10.9
Q2 to 13	11,375	12,059	-684 ***	-5.7
Q2	1,236	1,255	-19	-1.5
Q3	1,188	1,207	-19	-1.6
Q4	1,147	1,158	-11	-1.0
Q5	1,097	1,112	-16	-1.4
Q6	1,025	1,065	-39	-3.7
Q7	963	1,015	-52 *	-5.2
Q8	903	964	-61 **	-6.3
Q9	848	952	-104 ***	-10.9
Q10	801	908	-107 ***	-11.8
Q11	768	859	-91 ***	-10.6
Q12	720	805	-85 ***	-10.5
Q13	679	759	-80 ***	-10.6

(continued)

Appendix Table E.7 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	97.4	97.5	-0.1	-0.1
Q6 to 9	87.3	90.0	-2.7 *	-3.0
Q10 to 13	76.5	82.8	-6.3 ***	-7.6
Q2 to 13	97.8	97.9	0.0	0.0
Months received Food Stamps				
Q2 to 5	10.9	11.0	-0.2	-1.4
Q6 to 9	9.3	9.8	-0.5 **	-5.0
Q10 to 13	7.8	8.7	-0.8 ***	-9.5
Q2 to 13	28.1	29.5	-1.5 ***	-5.0
Received Food Stamps (%)				
Q2	96.5	97.1	-0.6	-0.6
Q3	93.9	95.4	-1.5	-1.6
Q4	92.5	92.7	-0.3	-0.3
Q5	89.2	90.1	-0.8	-0.9
Q6	86.0	87.4	-1.4	-1.6
Q7	83.2	84.7	-1.5	-1.7
Q8	79.0	82.0	-3.0 *	-3.7
Q9	75.2	82.1	-6.9 ***	-8.4
Q10	73.9	80.2	-6.3 ***	-7.9
Q11	70.8	78.0	-7.3 ***	-9.3
Q12	66.9	74.5	-7.5 ***	-10.1
Q13	64.5	69.8	-5.3 **	-7.6
Food Stamp amount (\$)				
Q2 to 5	2,440	2,504	-63 *	-2.5
Q6 to 9	2,154	2,293	-139 **	-6.1
Q10 to 13	1,865	2,091	-226 ***	-10.8
Q2 to 13	6,459	6,887	-428 ***	-6.2
Q2	632	650	-18 **	-2.8
Q3	613	634	-21 **	-3.3
Q4	607	616	-9	-1.5
Q5	589	604	-15	-2.4
Q6	573	592	-19	-3.2
Q7	555	573	-18	-3.1
Q8	527	565	-37 **	-6.6
Q9	498	564	-66 ***	-11.6
Q10	496	561	-66 ***	-11.7
Q11	478	539	-61 ***	-11.3
Q12	452	505	-53 ***	-10.5
Q13	438	485	-47 ***	-9.7
Sample size (total=1,785)	897	888		

SOURCES and NOTES: See Table E.1.

Appendix Table E.8

National Evaluation of Welfare-to-Work Strategies

Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Without a High School Diploma or GED
by District Office: Hamtramck

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	38.7	33.7	4.9 *	14.6
Q6 to 9	50.1	46.0	4.2	9.1
Q2 to 9	59.0	51.8	7.1 **	13.8
Quarters employed				
Q2 to 5	0.8	0.7	0.1	11.6
Q6 to 9	1.3	1.1	0.2 **	15.3
Q2 to 9	2.1	1.8	0.3 *	13.8
Employed (%)				
Q2	16.3	12.9	3.4 *	26.8
Q3	19.6	19.0	0.6	3.0
Q4	21.3	18.1	3.2	17.7
Q5	22.3	21.3	1.0	4.8
Q6	29.2	25.0	4.2 *	17.0
Q7	30.7	27.3	3.4	12.6
Q8	32.2	26.4	5.7 **	21.6
Q9	35.8	32.2	3.6	11.1
Earnings (\$)				
Q2 to 5	1,105	895	210	23.4
Q6 to 9	2,408	1,835	573 **	31.2
Q2 to 9	3,513	2,730	783 **	28.7
Q2	174	141	33	23.5
Q3	257	200	57	28.7
Q4	306	255	51	19.8
Q5	368	299	69	23.0
Q6	524	365	159 **	43.6
Q7	593	446	147 **	33.0
Q8	600	473	127 *	26.8
Q9	691	551	140 *	25.4

(continued)

Appendix Table E.8 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	96.9	97.8	-0.9	-0.9
Q6 to 9	84.6	87.6	-2.9	-3.4
Q2 to 9	97.0	98.1	-1.1	-1.1
Months received AFDC				
Q2 to 5	10.7	10.9	-0.2	-1.6
Q6 to 9	8.8	9.5	-0.6 ***	-6.8
Q2 to 9	19.5	20.3	-0.8 **	-4.0
Received AFDC (%)				
Q2	96.5	97.5	-0.9	-1.0
Q3	92.8	95.0	-2.2	-2.3
Q4	89.3	91.4	-2.0	-2.2
Q5	87.0	87.4	-0.4	-0.5
Q6	82.2	84.5	-2.4	-2.8
Q7	78.5	83.2	-4.7 **	-5.7
Q8	74.8	79.7	-4.8 **	-6.0
Q9	72.0	78.6	-6.6 ***	-8.4
AFDC amount (\$)				
Q2 to 5	4,964	5,006	-42	-0.8
Q6 to 9	4,050	4,327	-277 **	-6.4
Q2 to 9	9,014	9,333	-319	-3.4
Q2	1,314	1,324	-9	-0.7
Q3	1,263	1,280	-17	-1.3
Q4	1,219	1,221	-3	-0.2
Q5	1,168	1,181	-13	-1.1
Q6	1,091	1,134	-43	-3.8
Q7	1,040	1,088	-48	-4.4
Q8	987	1,059	-72 **	-6.8
Q9	932	1,046	-114 ***	-10.9

(continued)

Appendix Table E.8 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	97.5	97.6	-0.1	-0.1
Q6 to 9	89.7	91.7	-2.0	-2.2
Q2 to 9	98.0	97.9	0.1	0.1
Months received Food Stamps				
Q2 to 5	11.0	11.1	-0.1	-1.2
Q6 to 9	9.7	10.2	-0.5 **	-4.9
Q2 to 9	20.7	21.3	-0.6 *	-2.9
Received Food Stamps (%)				
Q2	96.8	97.5	-0.7	-0.7
Q3	95.1	96.4	-1.3	-1.3
Q4	92.9	93.5	-0.6	-0.6
Q5	90.1	90.4	-0.4	-0.4
Q6	88.1	88.5	-0.5	-0.5
Q7	85.0	87.7	-2.7	-3.1
Q8	81.3	85.8	-4.4 **	-5.2
Q9	79.2	86.2	-7.0 ***	-8.1
Food Stamp amount (\$)				
Q2 to 5	2,606	2,664	-59	-2.2
Q6 to 9	2,331	2,479	-148 **	-6.0
Q2 to 9	4,937	5,143	-206 **	-4.0
Q2	676	684	-8	-1.2
Q3	663	681	-19	-2.7
Q4	645	660	-15	-2.3
Q5	623	640	-17	-2.7
Q6	614	629	-16	-2.5
Q7	590	617	-28	-4.5
Q8	571	617	-46 **	-7.5
Q9	556	614	-58 ***	-9.4
Sample size (total=1,130)	563	567		

SOURCES AND NOTES: See Table E.1.

Appendix Table E.9
National Evaluation of Welfare-to-Work Strategies
Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members With a High School Diploma or GED

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	44.9	45.4	-0.5	-1.0
Q6 to 9	57.5	56.1	1.4	2.5
Q2 to 9	65.4	63.0	2.4	3.8
Quarters employed				
Q2 to 5	1.0	1.0	0.0	-0.7
Q6 to 9	1.6	1.5	0.1	6.5
Q2 to 9	2.6	2.5	0.1	3.5
Employed (%)				
Q2	21.7	22.3	-0.7	-3.0
Q3	24.0	25.3	-1.3	-5.0
Q4	27.6	26.7	1.0	3.6
Q5	30.0	29.8	0.2	0.7
Q6	33.9	33.0	0.8	2.6
Q7	39.5	36.5	3.0	8.3
Q8	40.7	38.9	1.8	4.7
Q9	42.6	38.8	3.8 **	9.8
Earnings (\$)				
Q2 to 5	1,754	1,728	26	1.5
Q6 to 9	3,643	3,332	311	9.3
Q2 to 9	5,397	5,060	337	6.7
Q2	296	281	15	5.2
Q3	394	391	3	0.9
Q4	464	470	-7	-1.4
Q5	600	585	15	2.6
Q6	726	697	28	4.0
Q7	855	778	77	9.9
Q8	972	871	101	11.6
Q9	1,090	985	105	10.6

(continued)

Appendix Table E.9 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	97.6	97.2	0.3	0.4
Q6 to 9	80.9	82.8	-1.9	-2.2
Q2 to 9	97.7	97.5	0.2	0.2
Months received AFDC				
Q2 to 5	10.4	10.6	-0.1	-1.4
Q6 to 9	8.2	8.5	-0.4 *	-4.1
Q2 to 9	18.6	19.1	-0.5 *	-2.6
Received AFDC (%)				
Q2	96.3	96.8	-0.5	-0.5
Q3	92.6	92.8	-0.2	-0.2
Q4	87.6	88.8	-1.2	-1.4
Q5	83.3	84.8	-1.5	-1.8
Q6	77.9	80.3	-2.4	-3.0
Q7	73.6	75.7	-2.1	-2.8
Q8	70.4	71.4	-1.0	-1.5
Q9	65.7	69.3	-3.6 **	-5.2
AFDC amount (\$)				
Q2 to 5	4,446	4,469	-23	-0.5
Q6 to 9	3,466	3,615	-149 *	-4.1
Q2 to 9	7,912	8,083	-172	-2.1
Q2	1,200	1,207	-7	-0.6
Q3	1,141	1,139	2	0.1
Q4	1,082	1,089	-7	-0.6
Q5	1,023	1,033	-11	-1.0
Q6	950	976	-26	-2.6
Q7	886	921	-35	-3.8
Q8	838	874	-36	-4.2
Q9	792	843	-52 **	-6.1

(continued)

Appendix Table E.9 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	98.2	97.8	0.4	0.4
Q6 to 9	86.2	87.4	-1.2	-1.3
Q2 to 9	98.3	98.1	0.3	0.3
Months received Food Stamps				
Q2 to 5	10.9	10.9	-0.1	-0.6
Q6 to 9	9.1	9.4	-0.2	-2.6
Q2 to 9	20.0	20.3	-0.3	-1.5
Received Food Stamps (%)				
Q2	97.3	97.0	0.3	0.3
Q3	94.7	94.6	0.0	0.0
Q4	91.7	92.3	-0.6	-0.7
Q5	88.4	89.3	-0.9	-1.0
Q6	84.2	85.3	-1.1	-1.3
Q7	81.1	81.7	-0.5	-0.7
Q8	78.6	79.0	-0.4	-0.5
Q9	74.7	77.5	-2.8 *	-3.6
Food Stamp amount (\$)				
Q2 to 5	2,408	2,413	-5	-0.2
Q6 to 9	2,099	2,145	-46	-2.1
Q2 to 9	4,507	4,558	-51	-1.1
Q2	624	624	0	0.0
Q3	609	607	2	0.4
Q4	596	599	-3	-0.5
Q5	578	582	-4	-0.7
Q6	553	563	-10	-1.8
Q7	536	538	-3	-0.5
Q8	518	527	-9	-1.7
Q9	492	516	-24 *	-4.7
Sample size (total=2,518)	1,258	1,260		

SOURCES AND NOTES: See Table E.1.

Appendix Table E.10

National Evaluation of Welfare-to-Work Strategies

**Two-Year Impacts on Employment, Earnings, AFDC, and Food Stamps,
for Sample Members Without a High School Diploma or GED**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	36.5	34.3	2.2	6.5
Q6 to 9	49.5	46.0	3.5	7.6
Q2 to 9	58.0	52.2	5.8 ***	11.2
Quarters employed				
Q2 to 5	0.7	0.7	0.0	4.2
Q6 to 9	1.2	1.1	0.1	8.1
Q2 to 9	1.9	1.8	0.1	6.6
Employed (%)				
Q2	14.5	12.6	1.8	14.4
Q3	17.6	17.1	0.5	2.9
Q4	19.7	18.2	1.5	8.3
Q5	20.8	21.7	-0.9	-4.1
Q6	26.7	25.9	0.8	3.3
Q7	29.1	26.4	2.7	10.1
Q8	30.5	26.7	3.8 *	14.0
Q9	33.2	31.5	1.6	5.2
Earnings (\$)				
Q2 to 5	921	854	67	7.9
Q6 to 9	2,084	1,805	279	15.4
Q2 to 9	3,005	2,659	346	13.0
Q2	142	127	14	11.2
Q3	205	178	27	15.4
Q4	250	240	10	4.0
Q5	324	308	16	5.2
Q6	450	386	63	16.3
Q7	503	424	79	18.6
Q8	534	460	74	16.1
Q9	598	535	63	11.8

(continued)

Appendix Table E.10 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	97.3	97.8	-0.5	-0.6
Q6 to 9	86.2	88.1	-1.8	-2.1
Q2 to 9	97.3	97.9	-0.6	-0.6
Months received AFDC				
Q2 to 5	10.8	11.0	-0.1	-1.1
Q6 to 9	9.2	9.6	-0.3 *	-3.5
Q2 to 9	20.1	20.5	-0.5	-2.2
Received AFDC (%)				
Q2	96.8	97.5	-0.7	-0.7
Q3	94.0	95.0	-1.1	-1.1
Q4	91.5	92.1	-0.6	-0.6
Q5	88.1	88.7	-0.5	-0.6
Q6	84.0	85.2	-1.2	-1.5
Q7	81.7	83.8	-2.1	-2.5
Q8	77.9	80.4	-2.5	-3.1
Q9	76.0	79.1	-3.1 *	-4.0
AFDC amount (\$)				
Q2 to 5	4,966	4,975	-9	-0.2
Q6 to 9	4,205	4,318	-114	-2.6
Q2 to 9	9,171	9,293	-122	-1.3
Q2	1,306	1,309	-3	-0.2
Q3	1,264	1,266	-2	-0.1
Q4	1,223	1,222	1	0.1
Q5	1,173	1,177	-5	-0.4
Q6	1,119	1,129	-11	-1.0
Q7	1,077	1,084	-7	-0.6
Q8	1,020	1,058	-38	-3.6
Q9	989	1,047	-58 **	-5.5

(continued)

Appendix Table E.10 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received Food Stamps (%)				
Q2 to 5	97.8	98.0	-0.2	-0.2
Q6 to 9	90.6	92.0	-1.4	-1.6
Q2 to 9	98.2	98.2	0.0	0.0
Months received Food Stamps				
Q2 to 5	11.1	11.2	-0.1	-1.1
Q6 to 9	10.0	10.3	-0.3 **	-3.3
Q2 to 9	21.1	21.5	-0.5 *	-2.2
Received Food Stamps (%)				
Q2	96.9	97.7	-0.8	-0.9
Q3	95.6	96.3	-0.7	-0.7
Q4	93.9	94.2	-0.3	-0.3
Q5	91.5	92.3	-0.7	-0.8
Q6	88.9	89.2	-0.3	-0.3
Q7	86.3	88.4	-2.1	-2.3
Q8	84.2	87.3	-3.1 **	-3.6
Q9	82.8	87.0	-4.3 ***	-4.9
Food Stamp amount (\$)				
Q2 to 5	2,623	2,661	-38	-1.4
Q6 to 9	2,417	2,514	-96 *	-3.8
Q2 to 9	5,041	5,175	-134 *	-2.6
Q2	672	679	-7	-1.1
Q3	664	673	-9	-1.3
Q4	653	663	-10	-1.5
Q5	634	646	-11	-1.8
Q6	625	636	-11	-1.7
Q7	610	627	-17	-2.7
Q8	595	627	-32 **	-5.1
Q9	587	624	-37 **	-5.9
Sample size (total=1,940)	968	972		

SOURCES AND NOTES: See Table E.1.

Appendix Table E.11

**Two-Year Impacts on Employment, Earnings, and AFDC,
by District Office and Random Assignment Cohort**

Detroit Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed in years 1-2 (%)				
Fullerton-Jeffries				
Early cohort	57.5	60.2	-2.8	-4.6
Middle cohort	62.8	55.9	6.8 **	12.2
Late cohort	67.6	66.0	1.6	2.4
Hamtramck				
Early cohort	59.1	47.3	11.8 ***	25.0
Middle cohort	60.9	59.7	1.1	1.9
Late cohort	66.2	60.7	5.6	9.2
Cumulative earnings over 2 years (\$)				
Fullerton-Jeffries				
Early cohort	3,171	3,537	-365	-10.3
Middle cohort	4,348	3,975	373	9.4
Late cohort	5,560	4,767	793	16.6
Hamtramck				
Early cohort	3,687	2,396	1,291 ***	53.9
Middle cohort	4,184	4,062	122	3.0
Late cohort	5,350	4,962	388	7.8
Earnings in last quarter of year 2 (\$)				
Fullerton-Jeffries				
Early cohort	583	660	-77	-11.6
Middle cohort	912	846	66	7.8
Late cohort	1,140	823	317 **	38.5
Hamtramck				
Early cohort	732	438	294 ***	67.3
Middle cohort	923	822	100	12.2
Late cohort	925	960	-36	-3.7
Cumulative AFDC payments over 2 years (\$)				
Fullerton-Jeffries				
Early cohort	9,054	8,596	458 *	5.3
Middle cohort	8,501	8,614	-113	-1.3
Late cohort	7,826	8,298	-473	-5.7
Hamtramck				
Early cohort	8,512	9,082	-570 **	-6.3
Middle cohort	8,375	8,562	-186	-2.2
Late cohort	8,405	8,641	-236	-2.7

(continued)

Appendix Table E.11 (continued)

Outcome	Program Group	Control Group
Sample sizes		
Fullerton-Jeffries		
Early cohort (total=513)	255	258
Middle cohort (total=994)	497	497
Late cohort (total=452)	219	233
Hamtramck		
Early cohort (total=531)	261	270
Middle cohort (total=1,254)	636	618
Late cohort (total=712)	358	354

SOURCES and NOTES: See Appendix Table E.1.

The early cohort consists of those sample members randomly assigned between May and December 1992, the middle cohort of those randomly assigned between January and December 1993, and the late cohort of those randomly assigned between January and June 1994.

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