An MDRC Working Paper

New Hope's Eight-Year Impacts on Employment and Family Income

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July 2008

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Introduction

In recent years, dramatic changes in the nature of social policies directed at low-income adults have generated many program models for promoting and supporting work (Bloom and Michalopoulos, 2001; Greenberg, Cebulla, and Bouchet, 2005). New Hope was an example of such a program. With its requirement that participants be employed full time (30 hours per week) to qualify for benefits, New Hope was designed to increase the incentives for and reduce the barriers to work by offering a menu of earnings supplements, subsidized health insurance, and subsidized child care. Based on a belief that everyone deserves the opportunity to escape poverty through employment, the program was available to all adults willing to work, not just those with dependent children, a significant departure from past and current welfare policies. Community activists designed New Hope, but the conditioning of benefits on full-time work quickly won the program support from Milwaukee's business elite.

The program operated in two poor Milwaukee neighborhoods between 1994 and 1998 and was evaluated using a random assignment design (Duncan, Huston, and Weisner, 2007). Published studies of New Hope's participants' outcomes after two (Bos et al., 1999) and five (Huston et al., 2003) years revealed a range of positive program impacts, including increased employment, lower poverty rates and improved school achievement and behavior among the children. Although most the program's effects on employment and earnings did not persist beyond the third year, after which the program ended, effects on poverty lasted into year five. In addition, effects on employment and earnings did persist for certain types of participants, in particular, those facing moderate barriers to work.

This paper takes a longer-run look at New Hope's impacts on employment and earnings, as well as on family income and poverty, up to eight years beyond the point of random assignment. It examines whether the program's effects on poverty continued beyond year five and whether the positive employment effects found for the moderately disadvantaged group lasted into the longer term.

The New Hope Model

New Hope was an innovative program designed to encourage work, reduce poverty, and demonstrate effective policies for working-poor adults and families. It was developed by a community group in Milwaukee not as a "welfare program but rather as a model for an ongoing program to assist working adults' efforts to support themselves and their families." For purposes of evaluation, the program ran for three years, but it was intended to be a permanent policy (Brock et al., 1997).

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New Hope's underlying principles were that people who are willing to work full time should be able to secure full-time employment and enjoy an above-poverty family income. The program — in existence from 1994 through 1998 — was available to all adults who lived in one of the two targeted neighborhoods and who had a household income at or below 150 percent of the poverty line. New Hope's benefits package consisted of four key components, all but the first of which were conditioned on proof of 30 or more hours of weekly work:

- **Job Access**. Participants who were unemployed or who wanted to change jobs received individualized job search assistance. If participants could not find work in the regular job market after an eight-week job search, they could apply for a community service job (CSJ) in a nonprofit organization. These opportunities were also offered to participants who were between jobs or who were employed but not working the 30-hour minimum. The CSJs paid minimum wage and might be either full-time or part-time. The positions lasted up to 6 months, and participants could work in CSJs for a total of 12 months.

- **Earnings Supplements**. New Hope offered monthly earnings supplements to participants who worked at least 30 hours per week but whose earnings left their household below 200 percent of the poverty line. CSJ wages and employment were counted toward the 30-hour requirement, and they also qualified a participant for the federal and Wisconsin Earned Income Tax Credits (EITCs). Combined with the EITC, New Hope's earnings supplements raised most participants' annual household income above the federal poverty threshold.[1]

- **Health Insurance**. New Hope offered a health insurance plan to participants who worked at least 30 hours per week but were not covered by employers' health insurance or Medicaid. Participants were required to contribute toward the health insurance premium on a sliding scale that took into account their income and household size; New Hope subsidized the remainder.

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[1]Participants' income could be below the poverty line if they worked just 30 hours, but it would rise above the line as their hours increased. The exception was for very large households: Earnings supplements were adjusted upward for household size, up to a maximum of two adults and four children. New Hope's other financial benefits — health insurance and child care — were extended to all eligible household members, regardless of household size. For more detail on how the financial benefits were calibrated, see Appendix C in Brock et al. (1997). As an example, in 1994, one wage-earner with two children would have received $68 per month in supplement payments; in 1996, however — given the expansion of the EITC and the fact that supplement payments are paid on top of EITC benefits — this same wage-earner would have received only $20 per month in supplement payments.

- **Child Care Assistance**. New Hope offered financial assistance to cover child care expenses for children under age 13 when the participating parent worked at least 30 hours per week. Participants were asked to pay a portion of the cost, based on their income and household size; New Hope covered the remainder. For participants to qualify for New Hope subsidies, the child care had to be provided in state-licensed or county-certified homes or child care centers.

High-quality staff delivered these services in an atmosphere of respect and encouragement, offering participants assistance in conducting job searches, finding child care, and solving other employment-related problems. Individuals who met the 30-hour work requirement could use any number or combination of program benefits and services, depending on their needs. Because New Hope offered a range of work supports, it was also a relatively expensive program. Expressed in 2005 dollars, the annual taxpayer cost of the program was approximately $6,600 per family (Huston et al., 2003), roughly twice the expense of Minnesota's Family Investment Program (Miller et al., 2000), another model of welfare-to-work programs. The amount of child care subsidies and health insurance coverage offered by both the federal government and states has increased dramatically since the mid-1990s. Bos et al. (2007) estimate that New Hope's package of benefits, if offered today, would amount to roughly $3,300 per participant per year.[2]

Eligibility for earnings supplements, health insurance, and child care assistance extended for three years after study entry (the date of random assignment). The time limits reflected funding constraints and were not considered integral to the program's design. Rather, New Hope's designers viewed New Hope's benefits as a permanent set of potential supports that should be universally available to low-income working adults.

Expected Effects

To understand the nature and magnitude of New Hope's incentives for work, consider the income available to a single mother with two children (the modal family type enrolled in the study) at different wages and hours worked per week. Figure 1 presents monthly income for this family type under two possible wages, $5 per hour and $7 per hour. The thin line represents income obtained from various hours worked per week. Income is calculated using earnings, federal and state taxes, and federal and state earned income tax credits. Taxes and credits are those in effect in 1994. The income line flattens out a bit after 30 hours per week, the point at which the earned income tax credit reaches its maximum value. The heavy line

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[2]New Hope's benefits, if offered today, would not necessarily have similar effects as those described in this paper, since the treatment difference would also be smaller.

represents income available under New Hope. The additional income is only available if the parent works at least 30 hours per week and consists of a child supplement and an earnings supplement.[3] In this case, the income available to the parent earning $5 per hour is $185 more per month at 30 hours per week and gradually diminishes at higher hours, or as earnings increase. If she were to earn $7 per hour, her benefit at 30 hours per week would be smaller ($93) and would phase out more quickly.

The graph illustrates several possible effects of New Hope. First, the earnings supplements should increase the incentive to work full time, among those who would not have worked otherwise and among those who would have worked only part time. The program might also have larger effects on individuals who might command lower wage rates, since the additional income gained is larger at lower earnings levels. On the other hand, these may be the same individuals who find it most difficult to transition straight to full-time work, which would lead to smaller effects. Second, since the incentives are largest at 30 hours per week, New Hope may also encourage some parents who would have worked more than 30 hours per week to cut back their hours, but not below 30 hours.[4] Alternatively, lacking the ability to reduce their hours, some parents might take lower-paying jobs than they would otherwise, given the larger incentives at lower-wage work. Note that the graph does not attempt to place a dollar value on New Hope's child care and health insurance benefits, which would undoubtedly strengthen the incentives to go to work full time.[5]

Thus, in the short term, or while the program is operating, the program should lead to an increase in full-time employment and might also lead to changes in hours or wages at the higher end of the earnings distribution. Employment effects might also differ across subgroups defined by employability. The longer-term effects of the three-year test of New Hope's benefits are less obvious. Evidence to date from other incentives programs indicates that the positive employment effects fade over time, although they do last in some cases for certain subgroups (Michalopoulos, 2005). Employment effects fade either because people in the treatment group lose their jobs over time or because people in the control group move into work over time, catching up with the treatment group. In the latter case, the main effect of the program is to speed entry into work.

There are several reasons why New Hope might have effects beyond the program period. First, it may encourage employment among some people who would not have otherwise

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[3]The child supplement does not phase in with earnings but starts out at a flat rate and begins to phase out after a certain earnings level. The earnings supplement, in contrast, phases in and out, much like the EITC.

[4]Given the vagaries in the availability of work in the low-skill labor market, most New Hope participants needed jobs that provided more than 30 hours of weekly work in order to ensure that monthly average work hours exceeded 30.

[5]The "income effects" of these two benefits might also create incentives to reduce hours or take lower paying jobs.

gone into work, either now or in the longer run. In this case, the control group would never catch up to the treatment group. The program might have longer-term effects on earnings if the early increases in work lead to more work experience and associated wage growth.

In addition, the program might have long-term effects if the early work experience gained by the treatment group helped them weather the subsequent economic downturn. Although the economy was strong when New Hope started, a recession began in 2001. The unemployment rate in the City of Milwaukee, after having fallen to a low of 5.1 percent in 1995, had increased to over 6 percent by 2000 and over 9 percent by 2003. In fact, Milwaukee fared especially poorly compared with other large cities (Levine, 2003). The relevance to the New Hope study sample is that the beginning of the downturn corresponds to years five or six after study entry, depending on the year of entry. As shown later, employment rates for the research sample began to decrease after the sixth year of follow up.[6] It is possible that the early foothold in the labor market helped New Hope participants better maintain employment during the downturn. Finally, longer-term effects might arise from New Hope's other benefits: if the program increases access to better child care, for example, or improves health through encouraging more consistent coverage, effects on employment might last beyond the program.

The Changing Context

The New Hope evaluation occurred during a period of rapid changes in federal, state, and local policies affecting parents who are poor. Major events included welfare reforms that focus directly on employment and efforts to make low-wage work "pay" by expanding federal and state EITCs and expanding access to child care and health coverage. The EITC, for example, was increased considerably during the 1990s. During the New Hope study period, the maximum federal benefit changed from $2,528 in 1994, to $3,656 in 1997, to $3,888 in 2000. Wisconsin's EITC was also expanded.

New Hope's earnings supplement "topped up" earnings plus any federal and state EITCs. The amount of the supplement was structured to provide an incentive for increased earnings, up to a targeted annual income of either $30,000 or 200 percent of the poverty level, whichever was higher for a given family type. Therefore, when the federal EITC was enhanced, the relative importance of the New Hope supplement diminished for all participants. For example, in 1994, a single wage-earner with two children and with gross wages of $12,000 drew combined federal and state EITCs of $2,856 and a New Hope supplement of $816; in 1997, the same earner drew EITCs of $3,960 and no New Hope supplement.

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[6]Part of this decrease might be due to the movement out of state and the fact that the UI data do not capture out-of-state employment. However, the attrition analysis suggests that this does not account for the entire decline in employment rates.

These changes are illustrated by comparing Figures 1 and 2. For the parent working 30 hours per week at $5 per hour, the New Hope supplement has fallen from $185 to $124. The parent earning $7 per hour now receives no New Hope supplement for full-time work. Thus, the expansions of other work supports for families with children during the program period meant that the New Hope "treatment difference" (i.e., the difference between what the program offered and what was available outside New Hope) diminished over time. Even by 1996, or the second year of the program for many enrollees, the worker mentioned above would have received no New Hope supplement.

With the exception of the CSJs, the treatment difference created by New Hope's other benefits also diminished over time. Prior to 1997, for example, child care funding, especially for working poor families that had not been on AFDC, was not at a level that could meet demand. The administrative complexities and limited funding meant that many people who were eligible for child care supplements outside of New Hope did not get them. The welfare reform legislation combined the various subsidy programs into one program — the Child Care Development Fund —and expanded funding and access for working poor families. Although most eligible families do not receive subsidies,[7] the relative generosity of New Hope's child care subsidy diminished over time. Similarly, Medicaid was de-coupled from cash assistance, in an effort to provide coverage to more working-poor families. Wisconsin built on both of these policies to provide greater coverage to low-income families, although most of these changes occurred after New Hope had ended.

Thus, New Hope's benefits and services, viewed individually, had features in common with other programs and public policies, and this became truer over time, particularly in Wisconsin. At the same time, welfare reform, coupled with the strong economy in the mid-1990s, pulled more and more low-income parents into work. The combination of all of these factors, likely to have affected families in both the program and control groups, created a high hurdle for the program to beat. In addition, these changes meant that the treatment difference created by New Hope narrowed over time, particularly for families with children. The earnings supplements available to a given worker fell in value in the second year and further in the third year. By year three, the child care and health care benefits also became less distinct from what was available to control group families. The only constant during the full three years was the offer of the CSJs. There are two implications of these changes. First, the impacts of New Hope — even with its strong package of benefits and services — may be an underestimate of the effects of these types of policies in work-support environments less generous and ambitious than Wisconsin's. Second, the effects of New Hope might be expected to decline over time, even with the three-year period in which it operated.

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[7]Layzer and Collins, 2002.

The New Hope Evaluation

MDRC was the lead organization responsible for the random-assignment evaluation of New Hope. Teams of researchers at the University of Texas at Austin, UCLA, and Northwestern University extended MDRC's work-focused evaluation to include outcomes for families and children. Between August 1994 and December 1995, 1,357 adults signed up for the program and were randomly assigned into either the treatment group or control group. These adults and their families were then followed for eight years to assess the effects of the program. Because families were assigned at random to either group, they were similar on average in terms of a range of demographic characteristics. Differences between them after the point of random assignment can be attributed to the New Hope program.

Data

In order to track the effects of the program, several data sources are used (see Figure 3). Administrative records from the State of Wisconsin provide quarterly payroll-based information about both earnings and income from cash assistance (AFDC prior to September 1997; TANF after that point) and Food Stamps. These administrative data span the period from nine months prior to the quarter in which random assignment occurred to eight years after the quarter of random assignment. Since enrollment in New Hope spanned an 18-month period, all outcomes are expressed relative to the given individual's point of random assignment.

Unemployment Insurance (UI) records provide information on both quarterly and annual employment and earnings measures. "Employment" in a given quarter is defined as positive earnings for that quarter, while annual employment is measured as the fraction of quarters employed in a given four-quarter period. Quarterly earnings come directly from the UI records; annual earnings sum quarterly earnings for a given four-quarter period. All dollar amounts are inflated to 2005 price levels using the Consumer Price Index.

A key advantage of administrative data sources is that they enable the construction of longitudinal measures of employment, earnings, and public assistance receipt, showing how participants fared over time, regardless of whether they responded to the household surveys conducted at two, five, and eight years. However, a disadvantage is that they do not cover all possible sources of household income. Most of these data are available only for one person in each household. This person, the "primary sample member," provided his or her Social Security number and other identifying information to New Hope at the time of his or her application to the program. While other household members often worked and contributed income to the primary sample members' households, there is no way of knowing exactly how much they worked and how much income they contributed to the household.

Also, many income sources are not captured by the administrative data collected, but may be very important to some households in the New Hope sample. State payroll records are limited to earnings from formal employment in a given state, excluding earnings from formal employment in a different state, self-employment, or "off-the-books" work. Appendix A discusses the nature of missing data for the administrative records and how it might affect the impact estimates. Other income sources not represented in the data include General Assistance, Supplemental Security Income (SSI), alimony or child support, childcare subsidies outside New Hope, and financial help from family and friends. Thus, it is likely that measures of household income obtained from records data underestimate the amount of income actually available to New Hope sample members, both in the program and control groups. In some cases, such underestimates could be noteworthy.

Demographic information from all New Hope study participants (treatment and control group members) was collected in a survey conducted just prior to random assignment. These baseline data are used to describe the sample, to construct non-response weights for the survey analysis, and to adjust impact estimates for the small demographic differences between the treatment and control groups when they signed up for the program.

Samples

Findings are presented for the sample of 1,357 adults and for several subgroups within the full sample. The first subgroup is the Child and Family Study (CFS) sample, selected in order to evaluate the program's effects on children and families. The CFS sample includes all 745 adult sample members who had one or more children between the ages of 1 year, 0 months, and 10 years, 11 months, at the time of random assignment (55 percent of the total sample).[8] Results are also presented for the non-CFS sample, or the 612 adults either without children at random assignment or with older children (over the age of 11).

The paper also presents New Hope's effects for several other subgroups. Income supplement programs have been found to be more or less effective for different types of individuals, particularly as defined by work readiness or level of disadvantage (Yoshikawa et al., 2003). For New Hope, an obvious distinction should be made between individuals already employed full time at study entry versus those who were not. The program's effects on employment should be greatest for the latter group and were in fact found to be so in the earlier reports.

A second important distinction is the number of barriers to employment. As fieldworkers met families in the ethnographic study, they learned about family circumstances and expe-

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[8]The CFS sample excludes 67 Asian-American families — most of whom are Southeast Asian refugees — because of language barriers and because many of the measurement instruments are culturally inappropriate for them.

riences with New Hope and other social service agencies (Magnuson, 1999). Fieldworkers noted the range and combinations of barriers to employment that parents confronted in their effort to work. The details of each family's employment were often very particular and complicated. Taken together, though, it appeared that the number of barriers to employment was an important determinant of who benefited economically from New Hope. Consistent with some of the work presented in Gueron and Pauly (1991), families with either very few or very many barriers to employment did not appear to benefit economically from New Hope, whereas families with a moderate number of barriers to employment did appear to benefit (Magnuson, 1999).

The list of potential barriers identified by fieldwork was long, and included depression, alcohol and drug abuse, physical health problems, lack of transportation, domestic violence, little work history, many or young children, and children with behavior problems. Systematic examination of these conditions as potential moderators of program impacts was limited, however, to a subset of barriers reported on the baseline questionnaire: an arrest record, a long period of unemployment, having many or young children, having been fired from the period of longest employment, and not having a high-school diploma or GED.

Finally, effects are presented in an appendix for the CFS sample and for subgroups defined by race and ethnicity and by gender within the non-CFS sample. As shown below, the study sample is largely African American or Hispanic, with the majority of African American participants living in Milwaukee's Northside and the majority of Hispanic participants living in the Southside. Effects may differ by race and ethnicity given geographic differences or differences in access or barriers to work. Effects for the non-CFS sample are of interest, given that the treatment difference did not diminish as much for this group as for the group with children.[9] EITC benefits for childless workers are nominal and did not increase much over the course of the evaluation.

Sample Characteristics

Baseline characteristics of participants, assessed just prior to random assignment, are shown in Table 1. Columns 1 through 3 present characteristics for the full, CFS, and non-CFS samples, respectively. For the full sample, most New Hope participants were female, although the non-CFS sample is evenly split between men and women. The majority of all three samples are African American or Hispanic, and about 40 percent do not have a high-school diploma or higher degree. The vast majority (85 percent) of the sample reported at least some full-time employment prior to random assignment; however, most (62 percent) were not employed at the point of random assignment, and nearly one-third of participants had no earnings in the previous year. The average earnings of sample members in the year prior to random assignment were

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[9]The majority (64 percent) of the non-CFS sample did not have children living in the household at study entry. The remainder had children outside of the age range (1 to 10) for the CFS study.

$5,581 (adjusted for inflation to 2005 dollars).[10] On average, study participants were employed (had positive UI payroll earnings) in just over half of the quarters in the year prior to random assignment. Just under two-thirds of the full sample was receiving government aid in the form of cash assistance (AFDC or General Assistance), Food Stamps, or Medicaid when they entered the study, although this fraction was much higher for the CFS sample.

Benefit Use

The New Hope Program was a demonstration program that provided benefits for three years. Some 82 percent of the full sample (and 83 percent of the CFS sample) used some type of New Hope benefit during the eligibility period, with the majority of individuals using the monthly earnings supplement (81 percent received at least one earnings supplement). The key difference in benefit use between the full and CFS samples was in child care, where take-up rates were 30 percent and 52 percent, respectively. The length of benefit use varied by benefit type, although not by much. Participants who received the monthly earnings supplement tended to collect this benefit for 14 months on average, while those who received the health coverage collected this benefit for 12 months.

Although participants who received the monthly earnings supplement tended to collect this benefit close to 14 months, the distribution of receipt is enlightening. A significant proportion of participants (30 percent) received less than six monthly earnings supplements, while 22 percent received 7 to 12 monthly supplements. This suggests that participants may have had difficulty working the required 30-hour minimum, since more than half of the participants receiving supplements only received them for slightly less than a third of the total time for which they were eligible. Bos et al. (1999) outline some factors that influenced the use of benefits by program group members. In addition to the difficulty of maintaining the 30-hour work requirement, another limiting factor, illustrated earlier, was that the New Hope earnings supplement shrank as household income grew. The more successful participants were in terms of their employment outcomes, the less monetary gain they experienced from New Hope.

The second most-used New Hope benefit was health insurance. Close to 58 percent of participants used the health insurance benefit and, of these, 77 percent used the New Hope HMO health insurance.[11] New Hope required every participant who used health insurance to

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[10]Owing to missing data in prior-quarter four, total earnings in the year prior were estimated as four-thirds of the sum of earnings in prior quarters one, two, and three.

[11]New Hope offered health insurance plans through health maintenance organizations (HMOs). The HMO under contract with Milwaukee County to provide medical coverage for Medicaid recipients was the one selected most by New Hope participants. New Hope's plans were comprehensive, covering physician, chiropractic, and optometry services; inpatient and outpatient hospital services; mental health, alcohol, and drug abuse services; dental care; emergency care; and pharmaceutical needs. Many participants did not need New Hope's health benefits because they obtained coverage thorough Medicaid or their employer. For participants who

contribute toward it on a monthly basis. The co-pay amounts were based on a sliding scale that accounted for participants' income and household size with an average co-pay amount of $23.90 for the New Hope HMO. The average monthly contribution towards employer's health insurance coverage was $74.80. Only 30 percent of New Hope participants used the childcare benefit and of those, the average length of benefit use was 14 months. The average childcare benefit was close to $686, a large amount.[12]

Finally, a third of the sample used a community service job (CSJ) at some point during the eligibility period. CSJs were available to participants after an eight-week period of job search and could be used for a maximum of 12 months total. CSJ use peaked at about 12 percent in month eight of follow-up, fell to 7 percent by month 20 and 4 percent by month 30. About 40 percent of those who used a CSJ used them for less than five months. At the other end of the spectrum, 28 percent used CSJs for 9 or more months. As indicated in the earlier reports, the availability of the CSJs likely contributed substantially to New Hope's early impacts on employment.

Impacts through Five Years

As revealed by treatment- versus control-group differences, New Hope appeared to produce an important set of changes in participating families (Bos et al., 1999; Duncan et al., 2007; Huston et al., 2003). In terms of employment and income, adults in the New Hope group, compared with those in the control group, worked more during the three-year benefit period and had higher incomes and lower poverty rates. Other analyses suggest that the availability of the CSJs were important to generating these effects. Although effects on employment and average income faded after the program ended, effects on poverty rates continued through year five. Magnuson's (1999) analysis of program impacts on labor market outcomes two years into the program revealed particularly large impacts for the roughly 40 percent of families with just one employment barrier. Later analyses showed that these positive impacts for the one-barrier group persisted through the fifth year after random assignment, or two years after the program ended (Huston et al., 2003).

New Hope's other key effects were on children. Children in New Hope fared better than their control group peers on a range of academic and behavioral outcomes, and these effects persisted beyond the program period. For example, at the five-year mark, New Hope children had better teacher-rated academic and behavioral outcomes than their control-group peers.

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relied on employer health plans, New Hope would reimburse them for the difference, if any, between the employer's premium and New Hope's co-payment.

[12]New Hope participants who had at least one dependent child under age 13 were eligible to receive help with childcare expenses. New Hope reimbursed child-care providers up to the same maximum level that Milwaukee County paid for AFDC recipients enrolled in work programs.

Scores on standardized reading achievement tests were higher and parent-reported reading performance was better. In addition, parents in New Hope families rated their children higher on positive social behavior than did parents in control-group families. At least some of these effects appear to have resulted from the fact that New Hope families were more likely to use center-based child care and after-school programs, even after New Hope ended. The role of formal child care and activities is also suggested by the fact that New Hope's effects on children continued even after its effects on adults' employment and income had faded.

Eight-Year Results

A graphical summary of employment and earnings results for the total New Hope sample through year eight are presented in Figures 4a and 4b. Each graph shows the quarterly averages for the program and control groups, the differences (i.e., program impacts) between these two groups and denotes the quarters in which the differences are statistically significant at the .10 level or below. Employment rates are fairly high for the control group over the period, at nearly 70 percent in quarter 1, although they fall over time. Part of the observed decrease in employment may be due to the failure of administrative data to capture out-of-state employment, but it might also be due to the economic downturn that began during the later part of the follow-up period. Average earnings, in contrast, increase over time, reflecting increased earnings among those employed most consistently.

In terms of impacts, New Hope produced statistically significant increases on employment in most of its quarters of operation but few impacts afterwards. For example, New Hope's employment effects peaked at 10 percentage points in quarter 3 and had faded to 5 percentage points by quarter 13. In the case of earnings, the program impacts during program operation are generally positive but rarely statistically significant. As mentioned earlier, the program's effects on employment are thought to be driven to a large extent by the availability of the CSJs.

These data are presented in summary form in Table 2. In this case, effects are averaged over the course of the New Hope 36-month project period, or years 1 through 3, and then shown for year 5 (two years after the end of the program) and year 8 (five years after the end of the program). On average, the program boosted the percentage of quarters employed by a statistically significant 5.5 percentage points during the program period but insignificantly afterward. Consistent with Figure 4b, effects on earnings are positive, but not statistically significant during the program period or after ($497, p=.19). However, effects on earnings-related income, which includes earnings, New Hope's earnings supplements, and EITC payments, are a statistically significant $1,182 during the program's three-year duration. Patterns of supplement re-

ceipt indicate that much of the difference between the $497 effect on earnings and the $1,182 effect on earnings-related income consists of supplement payments.[13]

Effects on records-based family income (or earnings-related income plus Food Stamps and TANF benefits) and records-based family income below the poverty line are shown in Figures 5a and 5b. Given the different time periods for which the administrative data are reported, the figures show yearly averages. In the case of family income, positive and statistically significant impacts are observed in all three years of program operation. In the case of poverty, New Hope significantly reduced poverty for its three years of operation plus two additional years.

Table 3 presents effects on transfer income receipt, income, and poverty. The table shows no significant effects on TANF or Food Stamp receipt, indicating that its effects on total records-based income occurred entirely through increases in earnings-related income, or through a combination of higher earnings, earnings supplements, and the EITC. Consistent with the effects on earnings-related income, New Hope's effects on total income do not persist after the program ended. However, effects on poverty do persist to year 5, indicating that the effects on average income are masking income effects for some families below the poverty line.

Effects for Subgroups

Effects for Key Subgroups Defined by Employment Status and Barriers

Employment status at baseline. Earlier New Hope reports showed larger program effects on work and income during the program period for participants not working full time when they signed up for the program as opposed to those working full time (e.g., Bos et al., 1999; Huston et al., 2003). Table 4 extends this information eight full years after the point of random assignment. The final column of Table 4 indicates whether the program impacts between two groups defined by baseline employment status were significantly different. The table shows that nearly all of New Hope's effects are driven by effects for the group not employed at study entry. In contrast, the program led to notable reductions in TANF and Food Stamp receipt for the group employed at baseline.

Barriers. As shown in Table 5, employment and earnings impacts are significantly larger and more enduring for the subset of New Hope participants with one employment barrier than for the other groups. Impacts are smaller two years after the program ended than during the program but then increase by the eighth year after random assignment. Income and poverty impacts for the one-barrier group are very large, amounting to over $2,000 per year

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[13]The average supplement payment per month among recipients was about $125, and one-third of New Hope adults received a supplement in any given month. Thus, supplement payments for the full New Hope group averaged $38 per month, or about $450 per year.

across the eight years of the data collection period. Poverty rates based on these administrative data sources were nearly 15 percentage points lower, on average, across the eight-year observation window.

Effects for Other Subgroups

Appendix Tables A1 through A4 present effects for other subgroups within the full sample. Tables A1 and A2 present effects for the CFS sample, given that all of the child-based information is gathered from this sample. By and large the patterns mirror those of the full sample — favorable impacts during but not after the three-year New Hope program period. For participants who were not part of the CFS sample, New Hope proves much more beneficial for men than women (Table A3). New Hope boosted male employment by a statistically significant 8.2 points over its three-year program period and had a positive enough impact after the end of New Hope to produce a statistically significant 6.0-point increase in employment over the entire eight-year observation period. Earnings were also higher during the program period but only significantly so when the EITC and New Hope's earnings supplements were figured in. In contrast, for women, there were no statistically significant impacts on any of the economic measures during the program's three-year operational period and a few statistically significant negative impacts. It is hard to know what to make of these impacts in light of the various ways (migration out of state, marriage or cohabitation) in which income reported in administrative data sources might fall to zero. The surveys conducted five and eight years after random assignment are not helpful either, since they were confined to Child and Family Sample members. Studies of future work support programs directed at men and women not living with children should ensure that enough information is gathered about these groups to characterize the nature of program impacts.

Finally, Table A4 shows impacts on economic measures separately for African-American, Hispanic and white subsamples. The results are somewhat more positive for the Hispanic subsample, although few of the differences between groups are statistically significant.

Conclusion

Analysis of employment, earnings, family income, and poverty conducted five years after random assignment (two years after the end of the program) showed that New Hope's program impacts had largely faded out for the full sample of participants but may have persisted for the 40 percent of participants with just one employment barrier (Huston et al., 2003). The current study has extended the observation period by three years.

Comparisons of the average employment and earnings of individuals assigned to the treatment and control groups show no overall differences five years after the end of the pro-

gram. In the case of individuals with one employment barrier when they volunteered for the chance to get New Hope benefits, employment and earnings differences were just as positive as they had been in earlier years.

New Hope was designed to be continual source of work supports for low-income people committed to full-time work and not the "inoculation" three-year dose provided in New Hope's trial. Nonetheless, it is not clear that the employment effects would have continued had the program been permanent. First, the effects began fading even before the program ended, although the treatment difference was also diminishing over time. Second, findings from other incentives programs suggest that the employment effects are unlikely to persist in a permanent program.[14] However, the effects on income would likely continue, through continued use of the supplements and other benefits. In addition, since the economic impacts presented here are only a subset of the family and child-related impacts envisioned by program developers, it seems best to view on impacts across all relevant program domains before assessing the long-term effects of the program.

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[14]Michalopoulos 2005.

Report Tables and Figures

The New Hope Project

Table 1
Sample Characteristics

Characteristic	Full	CFS	Non-CFS
Female (%)	71.6	89.8	49.5
Never married (%)	59.8	62.2	57.0
Race/ethnicity (%)			
African-American, non-Hispanic	51.4	55.0	46.9
Hispanic	26.5	29.3	23.0
White, non-Hispanic	13.8	12.5	13.6
Asian	5.8	-	12.9
Age (years)	31.8	29.4	34.6
Has high school diploma/GED (%)	57.3	59.5	54.7
Has access to a car (%)	41.5	44.1	38.3
Children in the household (%)	71.0	100.0	35.8
Youngest child in household is under 2 (%)	46.4	48.2	39.7
Three or more children in household (%)	31.5	45.9	13.9
Receiving AFDC, GA, Food Stamps, or Medicaid (%)	62.9	80.7	41.2
Resided as a child in a household receiving AFDC (%)	36.5	43.4	28.1
Employed (%)	37.5	36.5	38.7
Ever worked full time (%)	84.9	82.0	88.4
Any earnings in past year (%)	71.4	66.8	77.0
Total earnings in prior year (2005 $)	5581	4885	6428
Fraction of quarters employed in prior year (%)	55.6	50.8	61.4
Sample size	1357	745	612

SOURCE: MDRC calculations from Background Information Form and Wisconsin unemployment insurance (UI) records.

The New Hope Project

Table 2

**Impacts on Employment, Earnings, and Earnings-Related Income
over Eight Years**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Percent of quarters employed per year						
Years 1 to 3	72.7	67.2	5.5 ***	0.001	8.2	0.17
Year 5	67.0	66.6	0.4	0.845	0.6	0.01
Year 8	56.3	54.2	2.1	0.372	3.9	0.05
Years 1 to 8 (annual average)	66.8	63.8	3.0 *	0.073	4.6	0.09
Average annual earnings ($)						
Years 1 to 3	9,756	9,259	497	0.188	5.4	0.06
Year 5	11,961	11,795	166	0.773	1.4	0.01
Year 8	11,319	11,031	288	0.665	2.6	0.02
Years 1 to 8 (annual average)	10,917	10,652	265	0.544	2.5	0.03
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	11,713	10,530	1,182 ***	0.003	11.2	0.14
Year 5	13,436	13,146	290	0.629	2.2	0.02
Year 8	12,342	12,020	322	0.635	2.7	0.02
Years 1 to 8 (annual average)	12,431	11,879	552	0.225	4.6	0.06

Sample size=1357

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

  [a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire sample, even if the table shows impacts for subgroups.

The New Hope Project

Table 3

Impacts on Benefit Receipt and Total Income over Eight Years

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Ever received AFDC/TANF (%)						
Years 1 to 3	40.9	41.2	-0.3	0.841	-0.8	-0.01
Year 5	5.7	6.4	-0.7	0.474	-11.5	-0.04
Year 8	6.4	6.0	0.4	0.697	6.9	0.02
Years 1 to 8 (annual average)	63.7	63.1	0.6	0.751	1.0	0.01
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	1,756	1,863	-107	0.302	-5.8	-0.05
Year 5	350	404	-54	0.466	-13.4	-0.04
Year 8	365	362	3	0.970	0.7	0.00
Years 1 to 8 (annual average)	900	938	-38	0.510	-4.1	-0.03
Ever received Food Stamps (%)						
Years 1 to 3	58	59	-2	0.327	-2.8	-0.04
Year 5	30	31	-1	0.706	-2.6	-0.02
Year 8	32	34	-2	0.330	-6.3	-0.05
Years 1 to 8 (annual average)	84	85	-2	0.382	-1.8	-0.04
Average annual amount of Food Stamps received ($)						
Years 1 to 3	1,503	1,528	-24	0.729	-1.6	-0.01
Year 5	798	820	-22	0.759	-2.7	-0.02
Year 8	889	903	-14	0.863	-1.6	-0.01
Years 1 to 8 (annual average)	1,078	1,110	-32	0.570	-2.9	-0.03
Average annual records-based income[b] ($)						
Years 1 to 3	14,971	13,921	1,051 ***	0.008	7.5	0.12
Year 5	14,584	14,371	214	0.717	1.5	0.02
Year 8	13,595	13,285	311	0.642	2.3	0.02
Years 1 to 8 (annual average)	14,410	13,928	482	0.283	3.5	0.05
Total records-based income below the poverty standard[c] (%)						
Years 1 to 3	60.9	71.6	-10.7 ***	0.000	-15.0	-0.23
Year 5	59.3	64.6	-5.3 *	0.055	-8.1	-0.11
Year 8	63.1	67.1	-4.0	0.128	-6.0	-0.08
Years 1 to 8 (annual average)	64.0	68.1	-4.1	0.124	-6.0	-0.09

Sample size = 1357

(continued)

Table 3 (continued)

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

[b]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.

[c]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

Table 4

**Impacts on Employment, Earnings, Earnings-Related Income, Benefit Receipt, and
Total Income over Eight Years by Employment Status at Baseline**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Across Panels[b]
Employed full time at baseline							
Percent of quarters employed per year							
Years 1 to 3	83.3	82.5	0.8	0.726	1.0	0.03	0.036 ††
Year 5	73.6	75.1	-1.5	0.707	-2.0	-0.04	0.589
Year 8	61.8	63.1	-1.3	0.758	-2.1	-0.03	0.369
Years 1 to 8 (annual average)	75.0	75.5	-0.5	0.863	-0.6	-0.01	0.161
Average annual earnings ($)							
Years 1 to 3	13,348	13,959	-611	0.396	-4.4	-0.08	0.061 †
Year 5	15,007	15,740	-733	0.514	-4.7	-0.06	0.320
Year 8	14,162	14,753	-592	0.653	-4.0	-0.05	0.415
Years 1 to 8 (annual average)	14,158	14,857	-700	0.395	-4.7	-0.08	0.161
Average annual earnings-related income (earnings, EITC, and supplement) ($)							
Years 1 to 3	15,713	15,718	-5	0.995	0.0	0.00	0.054 †
Year 5	16,345	17,157	-811	0.480	-4.7	-0.07	0.234
Year 8	15,124	15,816	-692	0.603	-4.4	-0.05	0.361
Years 1 to 8 (annual average)	15,812	16,332	-519	0.538	-3.2	-0.05	0.132
Ever received AFDC/TANF (%)							
Years 1 to 3	29	36	-6.4 **	0.036	-17.9	-0.16	0.019 ††
Year 5	3	4	-0.4	0.771	-10.9	-0.02	0.959
Year 8	6	5	1.5	0.393	31.5	0.08	0.806
Years 1 to 8 (annual average)	51	60	-9.8 **	0.018	-16.2	-0.20	0.002 †††
Average annual amount of AFDC/TANF received ($)							
Years 1 to 3	983	1,203	-220	0.161	-18.3	-0.09	0.447
Year 5	225	219	7	0.947	3.1	0.00	0.521
Year 8	404	299	105	0.399	35.0	0.08	0.343
Years 1 to 8 (annual average)	575	615	-40	0.654	-6.4	-0.03	0.999
Ever received Food Stamps (%)							
Years 1 to 3	46.6	53.6	-7.0 **	0.040	-13.1	-0.18	0.054 †
Year 5	22.8	26.9	-4.1	0.259	-15.3	-0.10	0.606
Year 8	24.3	31.8	-7.5 *	0.059	-23.5	-0.18	0.500
Years 1 to 8 (annual average)	74.8	82.6	-7.8 **	0.034	-9.4	-0.22	0.032 ††
Average annual amount of Food Stamps received ($)							
Years 1 to 3	1,092	1,337	-245 *	0.058	-18.3	-0.15	0.043 ††
Year 5	541	723	-182	0.121	-25.2	-0.13	0.113
Year 8	619	827	-207	0.148	-25.1	-0.13	0.112
Years 1 to 8 (annual average)	760	986	-227 **	0.020	-23.0	-0.18	0.020 ††
Average annual records-based income[c]							
Years 1 to 3	17,787	18,257	-470	0.511	-2.6	-0.05	0.012 ††
Year 5	17,112	18,099	-987	0.383	-5.5	-0.08	0.188
Year 8	16,147	16,942	-794	0.539	-4.7	-0.06	0.304
Years 1 to 8 (annual average)	17,147	17,933	-786	0.340	-4.4	-0.08	0.069 †
Total records-based income below the poverty standard[d] (%)							
Years 1 to 3	48.3	54.1	-5.8	0.244	-10.8	-0.12	0.215
Year 5	50.7	51.2	-0.5	0.924	-0.9	-0.01	0.239
Year 8	54.3	58.7	-4.4	0.361	-7.5	-0.09	0.992
Years 1 to 8 (annual average)	53.5	51.0	2.4	0.627	4.8	0.05	0.098 †
Sample size = 418							

Table 4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Not employed full time at baseline						
Percent of quarters employed per year						
Years 1 to 3	68.0	60.5	7.5 ***	0.000	12.3	0.23
Year 5	64.0	62.9	1.1	0.686	1.7	0.03
Year 8	53.8	50.4	3.3	0.255	6.6	0.07
Years 1 to 8 (annual average)	63.1	58.7	4.3 **	0.037	7.4	0.13
Average annual earnings ($)						
Years 1 to 3	6,578	5,537	1,041 ***	0.008	18.8	0.13
Year 5	10,615	10,046	569	0.398	5.7	0.05
Year 8	10,066	9,415	651	0.397	6.9	0.05
Years 1 to 8 (annual average)	9,467	8,804	662	0.199	7.5	0.07
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	8,018	6,376	1,641 ***	0.000	25.7	0.19
Year 5	12,156	11,364	791	0.263	7.0	0.07
Year 8	11,106	10,384	722	0.363	7.0	0.05
Years 1 to 8 (annual average)	10,913	9,925	988 *	0.068	10.0	0.10
Ever received AFDC/TANF (%)						
Years 1 to 3	33.6	32.8	0.8	0.689	2.5	0.02
Year 5	3.1	4.0	-0.9	0.531	-21.9	-0.04
Year 8	5.6	5.6	0.0	0.993	0.2	0.00
Years 1 to 8 (annual average)	69.3	64.6	4.8 **	0.028	7.4	0.10
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	3,446	3,479	-33	0.851	-1.0	-0.01
Year 5	406	490	-84	0.396	-17.1	-0.06
Year 8	350	387	-37	0.657	-9.6	-0.03
Years 1 to 8 (annual average)	1,044	1,083	-40	0.594	-3.7	-0.03
Ever received Food Stamps (%)						
Years 1 to 3	47.3	48.7	-1.4	0.493	-2.9	-0.03
Year 5	25.3	24.3	0.9	0.710	3.9	0.02
Year 6	24.0	22.3	1.8	0.492	8.0	0.04
Year 7	25.0	24.9	0.1	0.973	0.4	0.00
Year 8	28.1	28.0	0.1	0.963	0.5	0.00
Years 1 to 8 (annual average)	88.0	87.0	1.0	0.592	1.2	0.03
Average annual amount of Food Stamps received ($)						
Years 1 to 3	2,234	2,227	7	0.942	0.3	0.00
Year 5	917	864	53	0.560	6.2	0.04
Year 8	1,009	936	73	0.479	7.8	0.04
Years 1 to 8 (annual average)	1,220	1,168	52	0.462	4.4	0.04
Average annual records-based income[c]						
Years 1 to 3	13,698	12,082	1,615 ***	0.000	13.4	0.18
Year 5	13,479	12,719	760	0.273	6.0	0.07
Year 8	12,465	11,707	758	0.332	6.5	0.06
Years 1 to 8 (annual average)	13,177	12,176	1,000 *	0.063	8.2	0.11
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	66.6	79.6	-13.0 ***	0.000	-16.4	-0.28
Year 5	63.1	70.7	-7.6 **	0.020	-10.8	-0.16
Year 8	66.8	71.2	-4.4	0.169	-6.1	-0.09
Years 1 to 8 (annual average)	68.7	76.0	-7.3 **	0.019	-9.6	-0.15
Sample size = 935						

Table 4 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin unemployment insurance (UI) records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

[b]A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.

[d]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

Table 5

**Impacts on Employment, Earnings, Earnings-Related Income, Benefit Receipt, and
Total Income over Eight Years for Barriers Subgroups**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Across Panels[b]
No potential barriers							
Percent of quarters employed per year							
Years 1 to 3	73.7	73.7	0.0	0.994	0.0	0.00	0.061 †
Year 5	65.0	67.9	-2.9	0.475	-4.3	-0.07	0.108
Year 8	51.6	59.5	-7.8 *	0.080	-13.2	-0.17	0.000 †††
Years 1 to 8 (annual average)	65.8	68.4	-2.7	0.374	-3.9	-0.08	0.008 †††
Average annual earnings ($)							
Years 1 to 3	10,158	10,971	-813	0.237	-7.4	-0.10	0.005 †††
Year 5	11,983	12,865	-882	0.423	-6.9	-0.08	0.085 †
Year 8	11,611	12,938	-1327	0.311	-10.3	-0.10	0.004 †††
Years 1 to 8 (annual average)	11,248	12,191	-944	0.253	-7.7	-0.10	0.004 †††
Average annual earnings-related income (earnings, EITC, and supplement) ($)							
Years 1 to 3	12,008	12,319	-311	0.663	-2.5	-0.04	0.006 †††
Year 5	13,354	14,178	-824	0.462	-5.8	-0.07	0.143
Year 8	12,464	13,836	-1373	0.303	-9.9	-0.10	0.003 †††
Years 1 to 8 (annual average)	12,650	13,410	-760	0.368	-5.7	-0.08	0.006 †††
Ever received AFDC/TANF (%)							
Years 1 to 3	34.4	37.4	-3.0	0.324	-7.9	-0.08	0.340
Year 5	4.5	6.3	-1.8	0.331	-28.5	-0.09	0.819
Year 8	5.0	5.4	-0.4	0.851	-6.7	-0.02	0.904
Years 1 to 8 (annual average)	58.5	59.8	-1.3	0.738	-2.1	-0.03	0.825
Average annual amount of AFDC/TANF received ($)							
Years 1 to 3	1,239	1,399	-161	0.319	-11.5	-0.07	0.621
Year 5	284	406	-122	0.341	-30.0	-0.09	0.592
Year 8	285	333	-48	0.691	-14.3	-0.04	0.837
Years 1 to 8 (annual average)	650	743	-92	0.325	-12.4	-0.07	0.428
Ever received Food Stamps (%)							
Years 1 to 3	50.4	51.0	-0.6	0.835	-1.3	-0.02	0.198
Year 5	28.0	27.6	0.3	0.921	1.2	0.01	0.940
Year 8	28.1	33.7	-5.6	0.150	-16.6	-0.13	0.623
Years 1 to 8 (annual average)	77.4	80.6	-3.2	0.362	-4.0	-0.09	0.260
Average annual amount of Food Stamps received ($)							
Years 1 to 3	1,056	1,024	33	0.748	3.2	0.02	0.054 †
Year 5	518	502	16	0.869	3.1	0.01	0.738
Year 8	490	638	-148	0.198	-23.2	-0.09	0.012 ††
Years 1 to 8 (annual average)	687	733	-47	0.537	-6.4	-0.04	0.030 ††
Average annual records-based income[c]							
Years 1 to 3	14,303	14,742	-439	0.527	-3.0	-0.05	0.014 ††
Year 5	14,157	15,087	-930	0.396	-6.2	-0.08	0.150
Year 8	13,239	14,807	-1,568	0.230	-10.6	-0.12	0.006 †††
Years 1 to 8 (annual average)	13,987	14,886	-899	0.273	-6.0	-0.10	0.012 ††
Total records-based income below the poverty standard[d] (%)							
Years 1 to 3	55.0	53.5	1.5	0.754	2.9	0.03	0.001 †††
Year 5	55.4	57.5	-2.1	0.676	-3.6	-0.04	0.150
Year 8	59.3	55.2	4.2	0.410	7.5	0.09	0.002 †††
Years 1 to 8 (annual average)	58.8	55.2	3.5	0.475	6.4	0.07	0.005 †††

Sample size = 414

(continued)

Table 5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
One potential barrier						
Percent of quarters employed per year						
Years 1 to 3	74.1	65.1	9.0 ***	0.000	13.8	0.28
Year 5	69.3	62.8	6.5 *	0.058	10.4	0.16
Year 8	60.1	46.7	13.4 ***	0.000	28.6	0.29
Years 1 to 8 (annual average)	68.7	59.7	9.0 ***	0.001	15.0	0.27
Average annual earnings ($)						
Years 1 to 3	10,380	8,518	1,862 ***	0.001	21.9	0.23
Year 5	12,766	10,891	1,875 **	0.034	17.2	0.17
Year 8	12,455	9,442	3,012 ***	0.004	31.9	0.23
Years 1 to 8 (annual average)	11,636	9,622	2,014 ***	0.003	20.9	0.22
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	12,361	9,779	2,583 ***	0.000	26.4	0.30
Year 5	14,130	12,227	1,902 **	0.040	15.6	0.16
Year 8	13,510	10,281	3,229 ***	0.002	31.4	0.24
Years 1 to 8 (annual average)	13,143	10,796	2,347 ***	0.001	21.7	0.25
Ever received AFDC/TANF (%)						
Years 1 to 3	38.6	38.7	-0.1	0.954	-0.4	0.00
Year 5	7.6	8.0	-0.4	0.820	-4.5	-0.02
Year 8	8.5	9.0	-0.5	0.738	-5.6	-0.03
Years 1 to 8 (annual average)	62.7	61.4	1.3	0.672	2.1	0.03
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	1,556	1,698	-142	0.333	-8.3	-0.06
Year 5	327	376	-49	0.677	-12.9	-0.03
Year 8	295	323	-28	0.772	-8.7	-0.02
Years 1 to 8 (annual average)	796	855	-59	0.472	-6.9	-0.05
Ever received Food Stamps (%)						
Years 1 to 3	54.5	59.1	-4.6 *	0.091	-7.8	-0.12
Year 5	41.0	42.8	-1.8	0.578	-4.2	-0.04
Year 8	41.1	46.7	-5.6	0.103	-12.0	-0.13
Years 1 to 8 (annual average)	82.9	85.7	-2.8	0.301	-3.3	-0.08
Average annual amount of Food Stamps received ($)						
Years 1 to 3	1,338	1,510	-172 *	0.090	-11.4	-0.10
Year 5	648	717	-69	0.482	-9.7	-0.05
Year 8	653	868	-215 *	0.068	-24.8	-0.13
Years 1 to 8 (annual average)	908	1,063	-155 *	0.052	-14.6	-0.12
Average annual records-based income[c]						
Years 1 to 3	15,255	12,986	2,269 ***	0.000	17.5	0.26
Year 5	15,105	13,321	1,784 **	0.050	13.4	0.15
Year 8	14,458	11,472	2,986 ***	0.004	26.0	0.23
Years 1 to 8 (annual average)	14,847	12,714	2,133 ***	0.002	16.8	0.23
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	57.2	78.8	-21.6 ***	0.000	-27.4	-0.46
Year 5	55.2	68.0	-12.7 ***	0.003	-18.7	-0.26
Year 8	56.9	72.3	-15.3 ***	0.000	-21.2	-0.32
Years 1 to 8 (annual average)	60.1	74.3	-14.3 ***	0.001	-19.2	-0.30
Sample size = 580						

Table 5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Two or more potential barriers						
Percent of quarters employed per year						
Years 1 to 3	69.1	63.7	5.5 *	0.093	8.6	0.17
Year 5	66.7	69.9	-3.2	0.457	-4.6	-0.08
Year 8	55.8	59.8	-4.0	0.402	-6.7	-0.09
Years 1 to 8 (annual average)	65.0	65.0	0.0	0.995	0.0	0.00
Average annual earnings ($)						
Years 1 to 3	8,218	8,571	-353	0.631	-4.1	-0.04
Year 5	11,053	11,616	-564	0.607	-4.9	-0.05
Year 8	9,503	11,060	-1,556	0.194	-14.1	-0.12
Years 1 to 8 (annual average)	9,521	10,411	-890	0.281	-8.6	-0.10
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	10,270	9,759	511	0.518	5.2	0.06
Year 5	12,926	12,934	-8	0.995	-0.1	0.00
Year 8	10,667	12,395	-1,728	0.163	-13.9	-0.13
Years 1 to 8 (annual average)	11,199	11,713	-514	0.555	-4.4	-0.05
Ever received AFDC/TANF (%)						
Years 1 to 3	52.6	49.0	3.6	0.278	7.4	0.09
Year 5	8.5	7.1	1.4	0.523	20.0	0.07
Year 8	9.8	7.7	2.1	0.383	27.4	0.11
Years 1 to 8 (annual average)	71.1	69.4	1.7	0.638	2.5	0.04
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	2,719	2,598	121	0.639	4.6	0.05
Year 5	497	413	84	0.591	20.3	0.06
Year 8	547	480	67	0.674	14.1	0.05
Years 1 to 8 (annual average)	1,383	1,261	122	0.386	9.7	0.10
Ever received Food Stamps (%)						
Years 1 to 3	71.2	68.2	3.0	0.362	4.4	0.08
Year 5	42.6	41.1	1.5	0.748	3.6	0.04
Year 8	47.9	40.0	7.9 *	0.087	19.7	0.19
Years 1 to 8 (annual average)	93.4	90.6	2.8	0.315	3.1	0.08
Average annual amount of Food Stamps received ($)						
Years 1 to 3	2,353	2,056	297 *	0.088	14.4	0.18
Year 5	1,388	1,315	74	0.711	5.6	0.05
Year 8	1,740	1,241	500 **	0.021	40.3	0.31
Years 1 to 8 (annual average)	1,848	1,564	284 *	0.052	18.2	0.22
Average annual records-based income[c]						
Years 1 to 3	15,342	14,414	929	0.258	6.4	0.11
Year 5	14,812	14,662	150	0.896	1.0	0.01
Year 8	12,954	14,116	-1,161	0.341	-8.2	-0.09
Years 1 to 8 (annual average)	14,430	14,538	-108	0.903	-0.7	-0.01
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	73.6	80.2	-6.6	0.172	-8.2	-0.14
Year 5	67.9	69.4	-1.5	0.780	-2.2	-0.03
Year 8	76.6	73.0	3.6	0.466	4.9	0.08
Years 1 to 8 (annual average)	75.8	73.1	2.8	0.585	3.8	0.06
Sample size = 363						

Table 5 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin unemployment insurance (UI) records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent. Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.
[b]A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.
[c]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.
[d]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

The New Hope Project
Figure 1
Monthly Income in 1994 for a Single Parent with Two Children

Working at $5 per hour
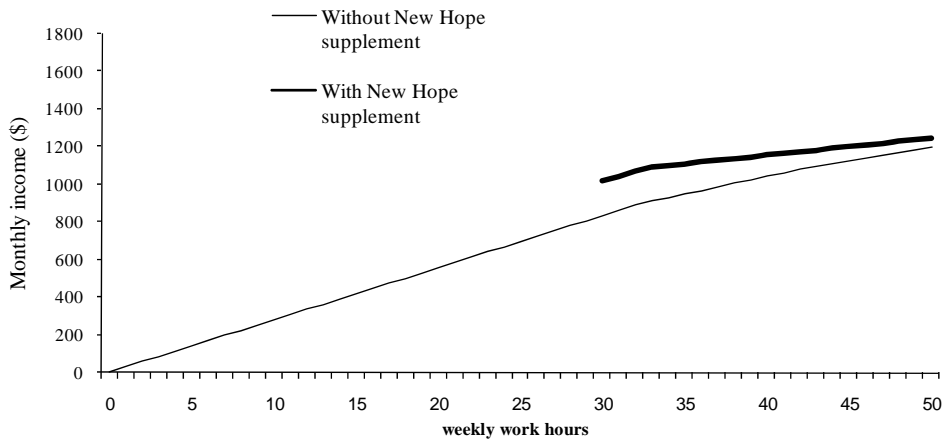
Working at $7 per hour
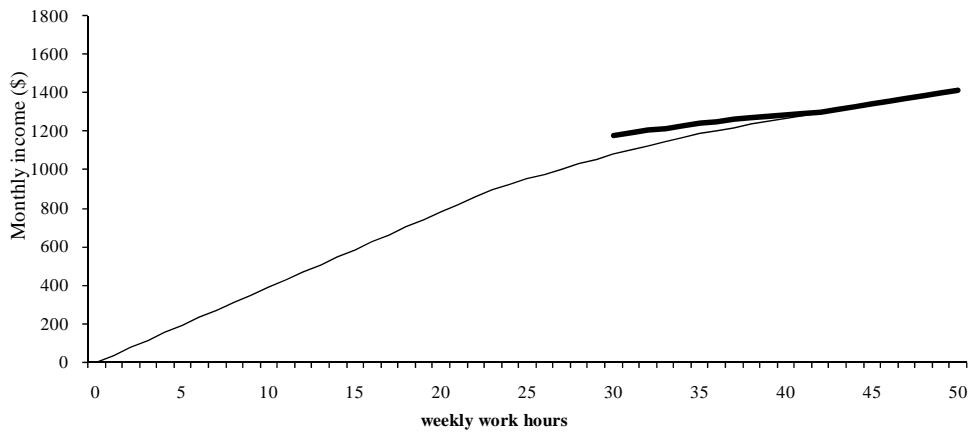
The New Hope Project
Figure 2
Monthly Income in 1997 for a Single Parent with Two Children

Working at $5 per hour
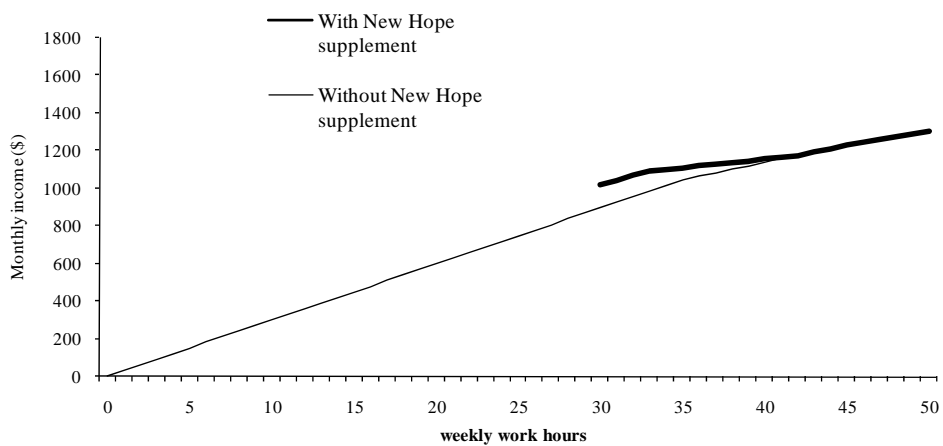
Working at $7 per hour
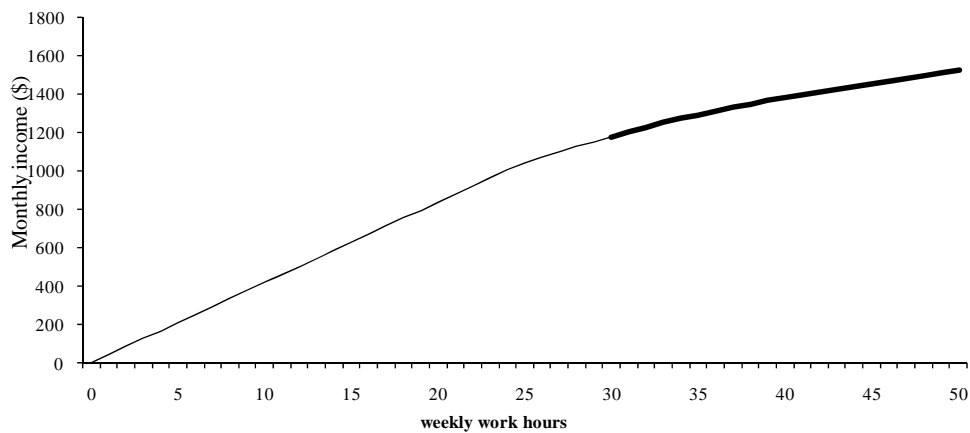
The New Hope Project

Figure 3
Data Collection in New Hope

| Admin data: |

Surveys: *   *   *   *
                            Baseline   2-year   5-year   8-year

Ethnographic interviews: * * *   * * *   * * *   *

New Hope in operation

| 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |

32
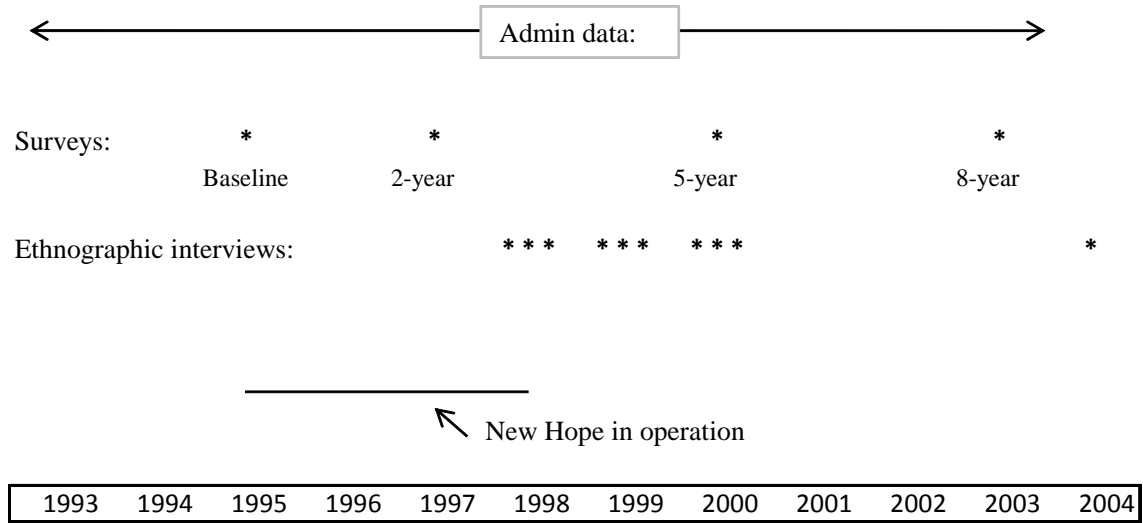
The New Hope Project
Figure 4a
Quarterly Employment by Research Group
Full Sample

Figure 4b
Quarterly Earnings by Research Group
Full Sample
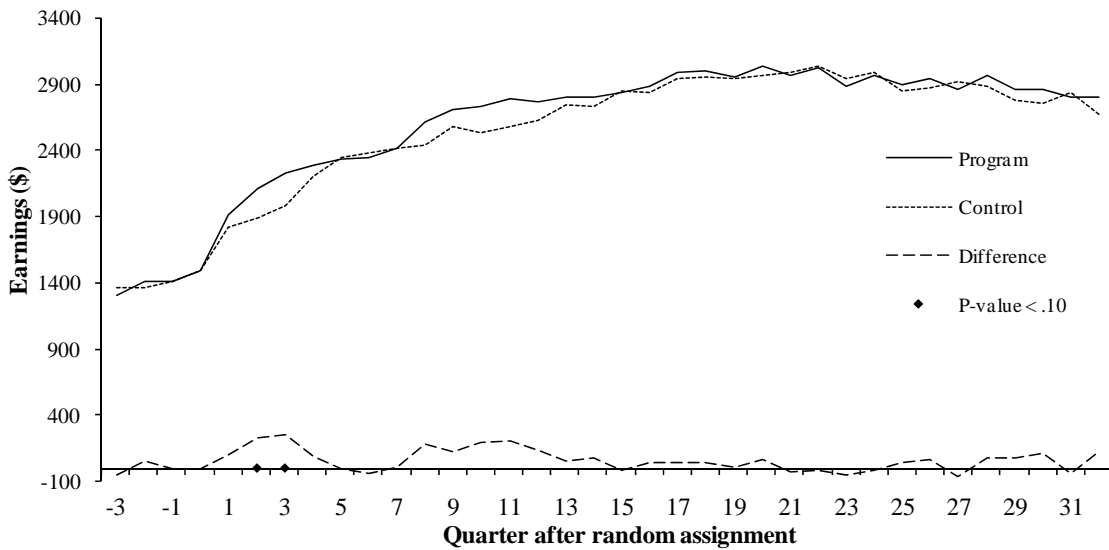
SOURCES: MDRC calculations from the New Hope Project MIS client-tracking data and Wisconsin unemployment insurance (UI) records.

The New Hope Project
Figure 5a
Records-based Family Income by Research Group
Full Sample
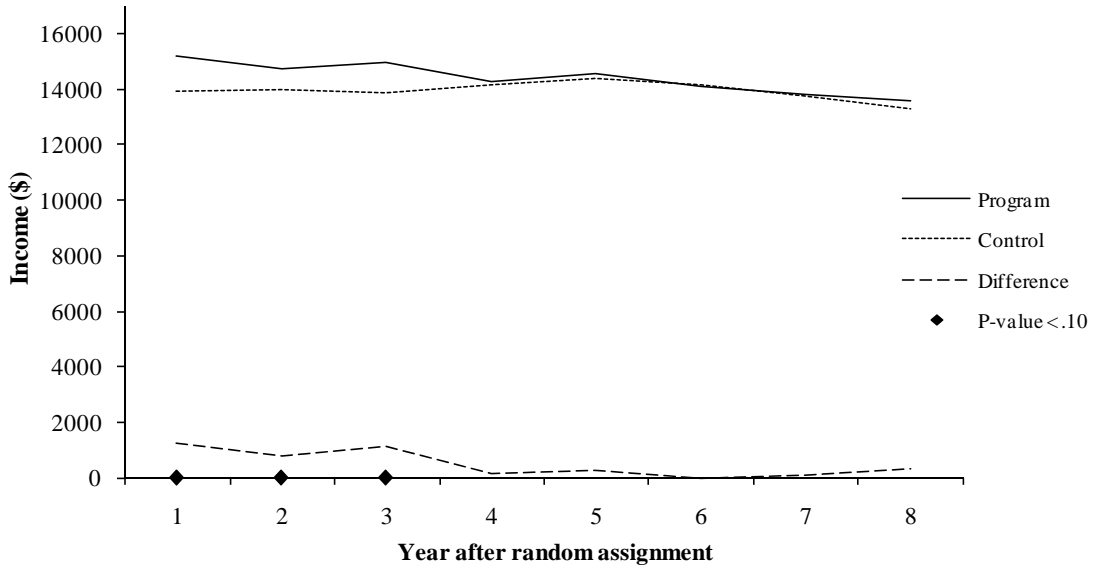
Figure 5b
Records-based Income Below Poverty by Research Group
Full Sample
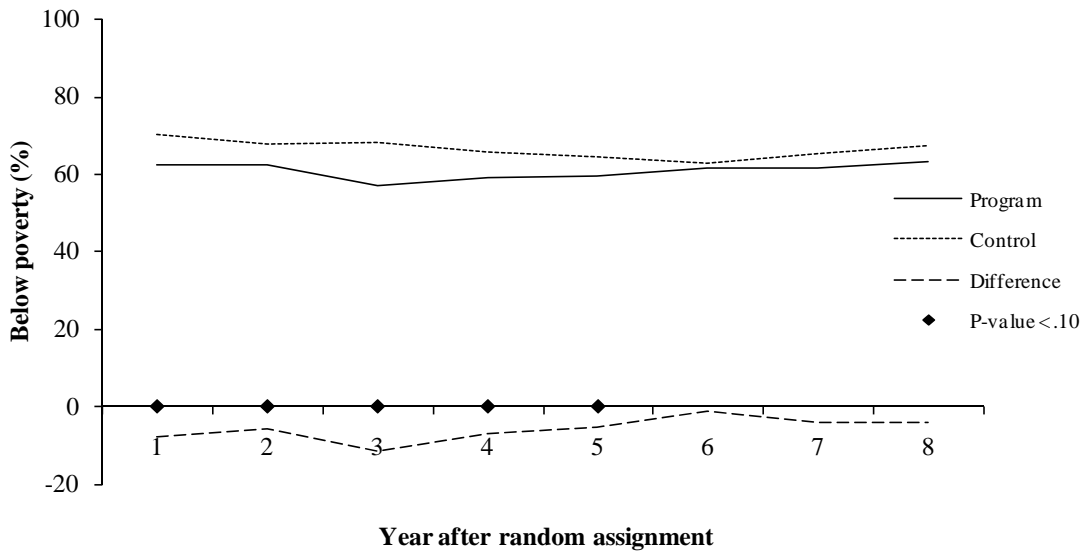
Appendix A

Analysis of Records Data Attrition

In the case of surveys, case nonresponse is defined as failing to successfully interview a sample member. While various circumstances (e.g., refusal, failure to contact) can lead to nonresponse, its definition is clear. Nonresponse in the case of administrative data is more difficult to establish. In the case of the New Hope evaluation, administrative data include Wisconsin data from payroll, welfare, and Food Stamp records. While it might be expected that most prime-aged low-income adults who signed up for a chance to participate in a work support program like New Hope would be working, receiving transfer income, or both, exceptions spring to mind. Out-of-sta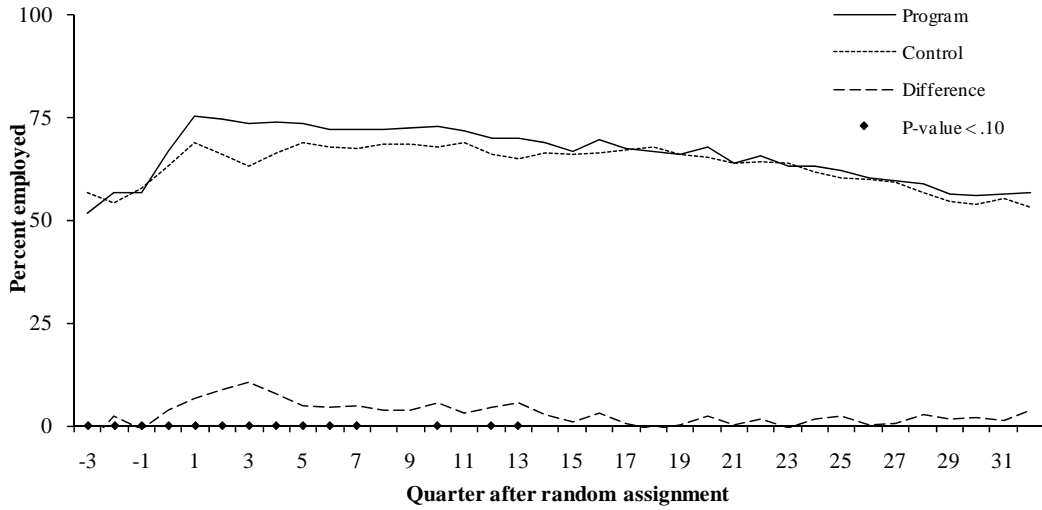te migration is the most obvious case; migrants with considerable labor market success but living in another state would have zero recorded earning in the Wisconsin payroll records.

Individuals who continued to reside in Wisconsin but fail to show up in the administrative data sources fall into various groups. Some might have no sources of income; several studies of former welfare recipients report a growing number of "disconnected" families who are without earnings or governmental assistance (Brock et al., 2002; Loprest, 2002; Turner et al., 2006; Wood and Rangarajan, 2003). Others might be self-employed, working "off the books" or in some other way receiving income that is not recorded in the administrative data sources. Individuals who marry or cohabit after the program began may have family income from the spouse's or partner's earnings and would have zero income according to these data sources.

In the eighth year after random assignment, 23.4 percent of the New Hope sample had no income according to Wisconsin payroll, welfare, and Food Stamp records. The year-eight survey provides some information about the situations of individuals with no administrative data. Owing to an interest in understanding New Hope's impacts on children, the sample targeted for the survey consisted of the 745 study participants with children ages 0-10 when the program began. The response rate for the year-eight survey was 80 percent. Of the 597 survey respondents, the vast majority (90 percent) was interviewed in Wisconsin, but 59 participants completed the survey from another state.[15]

The fraction of study members failing to appear in any of the sources of administrative data was lower for those in the survey sample (18 percent) than other study participants (26 percent). The majority (68 percent; 40 cases in all) of sample members surveyed in other states in

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[15]Of those surveyed out of state, one-third was in states that border Wisconsin; the remainder was in states across the country and in Puerto Rico.

year eight did not appear in the Wisconsin state payroll, TANF, or Food Stamp records in year eight. A smaller, but still substantial, number (20 cases; 3.7 percent) of respondents surveyed in Wisconsin had no reported income in the year-eight administrative data. It is noteworthy that nearly one-third of participants surveyed out of state did have positive income in the state administrative records. These individuals may have moved from Wisconsin shortly before the survey or may not have made a permanent move from Wisconsin at all.

It is likely that the absence in the administrative data of the 40 cases interviewed in other states is due, at least in part, to migration out of Wisconsin. As a consequence, income is probably underestimated for some portion of the sample. Comparisons of the employment, earnings, and governmental assistance receipt of in and out of state survey respondents lend additional support for that concern. An examination of average self-reported weeks worked, earnings, and total government assistance receipt in 2003, by survey location, for both the full sample and the one-barrier group shows that in-state respondents had more positive outcomes in all three areas — they worked more weeks, earned more income, and received less governmental assistance (Hill, Duncan and Tetenov, 2006). More important for this paper are experimental/control group differences for in- vs. out-of-state survey respondents. Here the results dampen concerns regarding downward bias in impact estimates based solely on in-state residents: experimental/control differences in survey reports of earnings and weeks worked are more positive among out-of-staters than among those surveyed in Wisconsin. While constrained by small sample sizes and survey nonresponse, these comparisons suggest that estimates of program impacts based on in-state residents may understate true impacts.

Unfortunately, none of the data available could provide reliable estimates of out-of-state migration for the full New Hope sample. For the sample targeted by the eight-year survey, the number of nonrespondents is two and a half times greater than the number of participants surveyed out-of-state. Half of the nonrespondents had no income in administrative records in the eighth year after random assignment. If those participants have moved out of Wisconsin, then it may be that over 80 percent of participants with no administrative income data lived out of state. On the other hand, it is not certain whether participants surveyed in other states were there temporarily or permanently. Address tracking data collected prior to the fifth year after random assignment contains out-of-state addresses for only three percent of participants, thus a very low rate of migration cannot be ruled out either.

Administrative earnings data are considered to be missing for all individuals who have no record of earnings in Wisconsin. In some cases the absence of earnings in the UI records accurately reflects the absence of earnings. The data, however, do not identify those cases nor do they reveal the proportion of those cases in the sample. Since the actual value of earnings cannot be ascertained, it is considered to be missing with possible values of zero or more.

The temporal nature of "nonresponse" in the administrative data was then explored for all 1,357 adults classified by treatment, control and employment-barrier status, with nonresponse defined as no recorded administrative data in any of our three sources in a given quarter. Nonresponse for the full sample increases over time and amounts to a substantial 30 percent of the sample by the end of the eight-year observation period. By and large, the extent of nonresponse is similar between treatment and control families in the overall sample.

Nonresponse patterns differ across the barrier groups. Among one-barrier participants, considerably more control than treatment cases have no recorded income in Wisconsin, as might be expected if the program either deterred out-of-state migration or better connected participants to the labor market and other sources of assistance. Counterbalancing the one-barrier group pattern is the no-barrier subgroup, whose nonresponse rate was significantly higher in the treatment group. There is no ready explanation for why the program might have caused this difference.

A quarter-by-quarter examination of cases not appearing in any of the sources of administrative data was then conducted, given that the nature of missing cases might differ across the eight-year follow-up period, with early nonresponse being mostly transitory and later nonresponse being more permanent. To see if this was the case, cases with no administrative data in each quarter were identified. For these cases, the analysis calculated what proportion were in midst of spells of no administrative data for at least four quarters. For both the entire sample and within barrier-defined subgroups, this proportion was about 80 percent, similar for treatment and control cases, and showed only a slight upward trend across the eight years.

The New Hope Project

Table A1

**Impacts on Employment, Earnings, and Earnings-Related Income
over Eight Years for the CFS Sample**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Percent of quarters employed per year						
Years 1 to 3	74.8	68.0	6.9 ***	0.001	10.1	0.22
Year 5	71.4	70.8	0.6	0.841	0.8	0.01
Year 8	63.2	58.4	4.8	0.138	8.2	0.11
Years 1 to 8 (annual average)	70.7	66.8	3.9 *	0.073	5.9	0.13
Average annual earnings ($)						
Years 1 to 3	10,227	9,292	935 *	0.060	10.1	0.12
Year 5	13,063	12,470	594	0.453	4.8	0.05
Year 8	13,334	11,865	1,469	0.117	12.4	0.11
Years 1 to 8 (annual average)	11,990	11,156	834	0.164	7.5	0.09
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	12,526	10,868	1,659 ***	0.002	15.3	0.20
Year 5	14,914	14,187	727	0.377	5.1	0.06
Year 8	14,568	13,128	1,440	0.132	11.0	0.11
Years 1 to 8 (annual average)	13,827	12,704	1,123 *	0.073	8.8	0.12

Sample size = 745

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

   [a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire sample, even if the table shows impacts for subgroups.

Table A2

Impacts on Benefit Receipt and Total Income for the CFS Sample over Eight Years

Outcome	Program Group	Control Group	Difference		P-Value for Difference	% Impact	Effect Size[a]
Ever received AFDC/TANF (%)							
Years 1 to 3	56.2	58.2	-2.0		0.370	-3.4	-0.05
Year 5	8.6	8.5	0.1		0.965	0.9	0.00
Year 8	8.2	8.4	-0.2		0.897	-2.5	-0.01
Years 1 to 8 (annual average)	83.8	83.5	0.3		0.877	0.4	0.01
Average annual amount of AFDC/TANF received ($)							
Years 1 to 3	2,488	2,689	-201		0.195	-7.5	-0.08
Year 5	550	537	14		0.910	2.5	0.01
Year 8	479	512	-33		0.756	-6.5	-0.02
Years 1 to 8 (annual average)	1,277	1,348	-71		0.433	-5.3	-0.05
Ever received Food Stamps (%)							
Years 1 to 3	70	72	-2		0.356	-2.8	-0.06
Year 5	35	38	-3		0.273	-8.6	-0.08
Year 8	37	37	0		0.879	-1.3	-0.01
Years 1 to 8 (annual average)	92	92	0		0.771	-0.5	-0.02
Average annual amount of Food Stamps received ($)							
Years 1 to 3	2,072	2,094	-22		0.830	-1.1	-0.01
Year 5	1,071	1,154	-83		0.469	-7.2	-0.05
Year 8	1,171	1,209	-38		0.772	-3.1	-0.02
Years 1 to 8 (annual average)	1,478	1,528	-50		0.575	-3.3	-0.04
Average annual records-based income[b] ($)							
Years 1 to 3	17,086	15,651	1,435	***	0.005	9.2	0.19
Year 5	16,536	15,878	658		0.415	4.1	0.06
Year 8	16,218	14,849	1,369		0.142	9.2	0.10
Years 1 to 8 (annual average)	16,582	15,580	1,002		0.102	6.4	0.11
Total records-based income below the poverty standard[c] (%)							
Years 1 to 3	57.9	70.2	-12.4	***	0.000	-17.6	-0.26
Year 5	55.7	63.3	-7.7	**	0.035	-12.1	-0.16
Year 8	59.1	64.3	-5.2		0.148	-8.1	-0.11
Years 1 to 8 (annual average)	60.7	66.6	-5.9	*	0.094	-8.9	-0.12

Sample size = 745

(continued)

Table A2 (continued)

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

[b]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.

[c]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

Table A3

Impacts on Employment, Earnings, Earnings-Related Income, Benefit Receipt, and Total Income over Eight Years by Non-CFS Gender Subgroups

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Across Panels[b]
Non-CFS group, male							
Percent of quarters employed per year							
Years 1 to 3	70.3	62.1	8.2 **	0.023	13.1	0.24	0.115
Year 5	63.2	61.2	2.0	0.687	3.3	0.05	0.526
Year 8	47.2	39.1	8.1	0.113	20.7	0.18	0.032 ††
Years 1 to 8 (annual average)	61.9	55.9	6.0 *	0.097	10.8	0.18	0.108
Average annual earnings ($)							
Years 1 to 3	9,660	8,663	997	0.269	11.5	0.12	0.110
Year 5	11,044	10,478	566	0.653	5.4	0.05	0.344
Year 8	8,794	7,029	1,766	0.190	25.1	0.14	0.006 †††
Years 1 to 8 (annual average)	9,925	8,894	1,031	0.282	11.6	0.11	0.038 ††
Average annual earnings-related income (earnings, EITC, and supplement) ($)							
Years 1 to 3	11,103	9,230	1,873 **	0.045	20.3	0.21	0.051 †
Year 5	11,831	11,062	769	0.553	7.0	0.07	0.269
Year 8	9,325	7,555	1,770	0.197	23.4	0.14	0.012 ††
Years 1 to 8 (annual average)	10,880	9,466	1,414	0.151	14.9	0.15	0.029 ††
Ever received AFDC/TANF (%)							
Years 1 to 3	12.3	11.0	1.3	0.636	12.0	0.04	0.743
Year 5	1.0	1.1	0.0	0.977	-2.4	0.00	0.298
Year 8	1.7	2.0	-0.2	0.857	-12.6	-0.02	0.728
Years 1 to 8 (annual average)	23.9	24.7	-0.8	0.858	-3.3	-0.02	0.816
Average annual amount of AFDC/TANF received ($)							
Years 1 to 3	539	422	118	0.441	27.9	0.07	0.144
Year 5	31	43	-12	0.719	-27.4	-0.01	0.053 †
Year 8	88	113	-25	0.754	-21.8	-0.03	0.481
Years 1 to 8 (annual average)	250	192	58	0.374	30.3	0.07	0.135
Ever received Food Stamps (%)							
Years 1 to 3	35.4	37.6	-2.2	0.564	-5.9	-0.06	0.867
Year 5	19.9	17.9	2.0	0.614	11.1	0.06	0.869
Year 8	22.8	27.9	-5.1	0.243	-18.3	-0.13	0.872
Years 1 to 8 (annual average)	71.6	72.8	-1.2	0.808	-1.6	-0.03	0.532
Average annual amount of Food Stamps received ($)							
Years 1 to 3	670	665	5	0.965	0.7	0.00	0.286
Year 5	374	392	-19	0.866	-4.8	-0.02	0.556
Year 8	487	540	-53	0.709	-9.8	-0.05	0.790
Years 1 to 8 (annual average)	503	510	-7	0.930	-1.4	-0.01	0.443
Average annual records-based income[c]							
Years 1 to 3	12,312	10,317	1,995 **	0.036	19.3	0.21	0.018 ††
Year 5	12,236	11,497	739	0.568	6.4	0.06	0.220
Year 8	9,900	8,207	1,693	0.215	20.6	0.13	0.014 ††
Years 1 to 8 (annual average)	11,633	10,168	1,465	0.140	14.4	0.15	0.016 ††
Total records-based income below the poverty standard[d] (%)							
Years 1 to 3	68.3	79.8	-11.5 **	0.045	-14.4	-0.25	0.383
Year 5	69.5	69.2	0.3	0.965	0.4	0.01	0.837
Year 8	72.5	83.2	-10.8 *	0.051	-12.9	-0.23	0.067 †
Years 1 to 8 (annual average)	73.8	78.4	-4.6	0.421	-5.9	-0.10	0.520
Sample size = 309							

(continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Non-CFS group, female						
Percent of quarters employed per year						
Years 1 to 3	70.6	70.3	0.3	0.941	0.4	0.01
Year 5	59.6	62.1	-2.5	0.622	-4.0	-0.06
Year 8	50.3	57.8	-7.5	0.150	-12.9	-0.16
Years 1 to 8 (annual average)	62.2	64.5	-2.3	0.536	-3.6	-0.07
Average annual earnings ($)						
Years 1 to 3	8,833	9,685	-852	0.241	-8.8	-0.10
Year 5	10,317	11,382	-1,066	0.367	-9.4	-0.09
Year 8	9,351	12,739	-3,387 **	0.012	-26.6	-0.27
Years 1 to 8 (annual average)	9,445	11,095	-1,650 *	0.060	-14.9	-0.18
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	10,468	10,929	-461	0.543	-4.2	-0.05
Year 5	11,493	12,698	-1,204	0.327	-9.5	-0.10
Year 8	10,372	13,507	-3,136 **	0.024	-23.2	-0.25
Years 1 to 8 (annual average)	10,715	12,227	-1,512 *	0.097	-12.4	-0.16
Ever received AFDC/TANF (%)						
Years 1 to 3	31.2	31.5	-0.2	0.954	-0.7	-0.01
Year 5	-1.1	3.3	-4.4 **	0.034	-133.2	-0.32
Year 8	2.7	1.0	1.8	0.397	182.7	0.12
Years 1 to 8 (annual average)	53.8	53.1	0.8	0.880	1.4	0.02
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	1,116	1,373	-257	0.213	-18.7	-0.15
Year 5	168	470	-302 **	0.040	-64.3	-0.33
Year 8	348	263	86	0.528	32.6	0.09
Years 1 to 8 (annual average)	596	727	-131	0.228	-18.0	-0.15
Ever received Food Stamps (%)						
Years 1 to 3	48.2	51.3	-3.2	0.440	-6.2	-0.08
Year 5	19.9	18.0	1.9	0.654	10.5	0.05
Year 8	23.1	27.7	-4.6	0.334	-16.7	-0.12
Years 1 to 8 (annual average)	76.9	82.2	-5.3	0.224	-6.5	-0.12
Average annual amount of Food Stamps received ($)						
Years 1 to 3	892	1,081	-188	0.191	-17.4	-0.15
Year 5	533	458	75	0.514	16.4	0.08
Year 8	561	563	-2	0.987	-0.4	0.00
Years 1 to 8 (annual average)	638	740	-102	0.272	-13.8	-0.12
Average annual records-based income[c]						
Years 1 to 3	12,477	13,383	-906	0.244	-6.8	-0.10
Year 5	12,194	13,625	-1,432	0.237	-10.5	-0.12
Year 8	11,281	14,333	-3,052 **	0.027	-21.3	-0.24
Years 1 to 8 (annual average)	11,949	13,694	-1,745 *	0.052	-12.7	-0.18
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	62.4	66.9	-4.5	0.436	-6.7	-0.10
Year 5	60.7	62.2	-1.5	0.801	-2.4	-0.03
Year 8	64.6	60.6	4.0	0.503	6.5	0.09
Years 1 to 8 (annual average)	63.4	62.7	0.7	0.911	1.0	0.01
Sample size = 303						

Table A3 (continued)

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

[b]A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.

[d]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

Table A4

**Impacts on Employment, Earnings, Earnings-Related Income, Benefit Receipt, and
Total Income over Eight Years for Racial/Ethnic Subgroups**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Across Panels[b]
African-American, non-Hispanic							
Percent of quarters employed per year							
Years 1 to 3	72.6	66.1	6.4 ***	0.003	9.7	0.20	0.462
Year 5	68.5	67.1	1.4	0.654	2.1	0.03	0.505
Year 8	56.6	53.3	3.2	0.324	6.1	0.07	0.663
Years 1 to 8 (annual average)	67.0	63.4	3.6	0.113	5.7	0.11	0.370
Average annual earnings ($)							
Years 1 to 3	8,977	8,253	724	0.127	8.8	0.09	0.156
Year 5	11,605	11,162	442	0.565	4.0	0.04	0.076 †
Year 8	10,959	10,526	433	0.629	4.1	0.03	0.738
Years 1 to 8 (annual average)	10,309	9,866	444	0.430	4.5	0.05	0.174
Average annual earnings-related income (earnings, EITC, and supplement) ($)							
Years 1 to 3	10,876	9,453	1,423 ***	0.005	15.1	0.16	0.247
Year 5	13,046	12,587	458	0.569	3.6	0.04	0.184
Year 8	11,994	11,527	467	0.611	4.1	0.04	0.732
Years 1 to 8 (annual average)	11,801	11,093	708	0.230	6.4	0.07	0.249
Ever received AFDC/TANF (%)							
Years 1 to 3	43.7	46.9	-3.3	0.155	-6.9	-0.08	0.076 †
Year 5	3.8	5.7	-1.9	0.237	-33.7	-0.10	0.732
Year 8	3.4	5.2	-1.8	0.313	-33.7	-0.09	0.516
Years 1 to 8 (annual average)	65.5	67.1	-1.6	0.545	-2.4	-0.03	0.214
Average annual amount of AFDC/TANF received ($)							
Years 1 to 3	1,917	2,194	-277 *	0.058	-12.6	-0.12	0.041 ††
Year 5	423	552	-129	0.269	-23.4	-0.09	0.331
Year 8	442	587	-145	0.207	-24.7	-0.11	0.134
Years 1 to 8 (annual average)	1,006	1,158	-152 *	0.079	-13.2	-0.12	0.028 ††
Ever received Food Stamps (%)							
Years 1 to 3	62.0	65.6	-3.7	0.131	-5.6	-0.09	0.231
Year 5	23.0	26.4	-3.4	0.252	-12.9	-0.08	0.844
Year 8	20.5	26.4	-5.8 *	0.070	-22.2	-0.14	0.704
Years 1 to 8 (annual average)	87.6	91.2	-3.6 *	0.099	-4.0	-0.10	0.269
Average annual amount of Food Stamps received ($)							
Years 1 to 3	1,646	1,646	0	0.996	0.0	0.00	0.115
Year 5	895	1,006	-111	0.290	-11.0	-0.08	0.468
Year 8	1,024	1,157	-132	0.292	-11.4	-0.08	0.691
Years 1 to 8 (annual average)	1,204	1,281	-77	0.354	-6.0	-0.06	0.555
Average annual records-based income[c]							
Years 1 to 3	14,439	13,293	1,146 **	0.023	8.6	0.13	0.599
Year 5	14,364	14,145	219	0.783	1.5	0.02	0.186
Year 8	13,460	13,271	190	0.834	1.4	0.01	0.627
Years 1 to 8 (annual average)	14,011	13,533	479	0.412	3.5	0.05	0.333
Total records-based income below the poverty standard[d] (%)							
Years 1 to 3	61.4	73.3	-11.9 ***	0.000	-16.3	-0.25	0.968
Year 5	58.1	63.6	-5.5	0.143	-8.6	-0.11	0.734
Year 8	63.8	68.1	-4.3	0.232	-6.4	-0.09	0.438
Years 1 to 8 (annual average)	64.3	68.2	-3.9	0.274	-5.7	-0.08	0.976

Sample size = 697

(continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Hispanic						
Percent of quarters employed per year						
Years 1 to 3	73.1	65.0	8.1 **	0.014	12.5	0.25
Year 5	64.4	61.2	3.2	0.485	5.2	0.08
Year 8	54.7	49.9	4.8	0.327	9.7	0.11
Years 1 to 8 (annual average)	65.7	59.7	6.0 *	0.078	10.1	0.18
Average annual earnings ($)						
Years 1 to 3	10,862	9,176	1,686 **	0.031	18.4	0.21
Year 5	12,763	10,878	1,885	0.115	17.3	0.17
Year 8	11,692	10,193	1,499	0.271	14.7	0.12
Years 1 to 8 (annual average)	11,741	10,103	1,638 *	0.073	16.2	0.18
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	12,791	10,510	2,281 ***	0.006	21.7	0.26
Year 5	14,076	12,303	1,773	0.152	14.4	0.15
Year 8	12,664	11,172	1,492	0.285	13.4	0.11
Years 1 to 8 (annual average)	13,185	11,352	1,833 *	0.053	16.1	0.19
Ever received AFDC/TANF (%)						
Years 1 to 3	39.0	36.6	2.5	0.447	6.8	0.06
Year 5	4.2	3.5	0.7	0.719	18.8	0.03
Year 8	5.1	2.3	2.8 *	0.096	120.3	0.14
Years 1 to 8 (annual average)	63.8	58.2	5.6	0.162	9.7	0.12
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	1,512	1,699	-187	0.362	-11.0	-0.08
Year 5	306	271	34	0.790	12.7	0.02
Year 8	322	164	158	0.121	96.6	0.12
Years 1 to 8 (annual average)	773	793	-19	0.854	-2.4	-0.02
Ever received Food Stamps (%)						
Years 1 to 3	52.3	51.4	0.9	0.790	1.7	0.02
Year 5	25.4	23.2	2.2	0.571	9.6	0.06
Year 8	31.1	29.7	1.4	0.730	4.8	0.03
Years 1 to 8 (annual average)	78.3	78.2	0.1	0.969	0.2	0.00
Average annual amount of Food Stamps received ($)						
Years 1 to 3	1,246	1,457	-211	0.109	-14.5	-0.13
Year 5	697	614	83	0.513	13.6	0.06
Year 8	609	606	3	0.983	0.5	0.00
Years 1 to 8 (annual average)	874	952	-78	0.430	-8.2	-0.06
Average annual records-based income[c]						
Years 1 to 3	15,548	13,666	1,883 **	0.021	13.8	0.22
Year 5	15,079	13,188	1,891	0.121	14.3	0.16
Year 8	13,595	11,942	1,653	0.229	13.8	0.13
Years 1 to 8 (annual average)	14,832	13,097	1,736 *	0.063	13.3	0.18
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	57.7	68.7	-11.1 **	0.039	-16.1	-0.23
Year 5	56.0	65.3	-9.3 *	0.090	-14.3	-0.19
Year 8	59.6	68.1	-8.6	0.112	-12.6	-0.18
Years 1 to 8 (annual average)	63.6	68.6	-4.9	0.354	-7.2	-0.10
Sample size = 359						

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
White, non-Hispanic						
Percent of quarters employed per year						
Years 1 to 3	70.4	69.4	1.0	0.835	1.4	0.03
Year 5	62.8	68.7	-5.8	0.367	-8.5	-0.14
Year 8	54.9	57.6	-2.7	0.699	-4.6	-0.06
Years 1 to 8 (annual average)	64.2	66.7	-2.4	0.625	-3.6	-0.07
Average annual earnings ($)						
Years 1 to 3	8,705	9,724	-1,019	0.386	-10.5	-0.13
Year 5	9,395	11,869	-2,474	0.104	-20.8	-0.22
Year 8	10,591	10,670	-79	0.966	-0.7	-0.01
Years 1 to 8 (annual average)	9,643	10,933	-1,290	0.318	-11.8	-0.14
Average annual earnings-related income (earnings, EITC, and supplement) ($)						
Years 1 to 3	10,592	10,781	-189	0.878	-1.8	-0.02
Year 5	10,996	12,881	-1,885	0.229	-14.6	-0.16
Year 8	11,450	11,669	-219	0.906	-1.9	-0.02
Years 1 to 8 (annual average)	11,133	11,991	-857	0.519	-7.1	-0.09
Ever received AFDC/TANF (%)						
Years 1 to 3	42.3	34.6	7.7	0.112	22.2	0.20
Year 5	4.9	2.7	2.2	0.376	80.9	0.11
Year 8	4.4	3.0	1.4	0.570	48.6	0.07
Years 1 to 8 (annual average)	64.4	58.4	6.0	0.281	10.3	0.12
Average annual amount of AFDC/TANF received ($)						
Years 1 to 3	1,727	1,274	453 *	0.076	35.6	0.19
Year 5	347	171	176	0.333	103.2	0.13
Year 8	246	165	81	0.607	49.1	0.06
Years 1 to 8 (annual average)	879	582	297 **	0.041	51.0	0.24
Ever received Food Stamps (%)						
Years 1 to 3	58.5	53.3	5.2	0.321	9.7	0.13
Year 5	23.9	24.7	-0.8	0.889	-3.4	-0.02
Year 8	31.5	29.3	2.2	0.745	7.4	0.05
Years 1 to 8 (annual average)	84.8	80.0	4.9	0.347	6.1	0.14
Average annual amount of Food Stamps received ($)						
Years 1 to 3	1,462	1,207	256	0.174	21.2	0.16
Year 5	638	591	47	0.818	7.9	0.03
Year 8	820	779	41	0.854	5.3	0.03
Years 1 to 8 (annual average)	961	862	98	0.510	11.4	0.08
Average annual records-based income[c]						
Years 1 to 3	13,781	13,261	520	0.664	3.9	0.06
Year 5	11,980	13,643	-1,662	0.279	-12.2	-0.14
Year 8	12,516	12,613	-97	0.957	-0.8	-0.01
Years 1 to 8 (annual average)	12,972	13,435	-462	0.719	-3.4	-0.05
Total records-based income below the poverty standard[d] (%)						
Years 1 to 3	59.7	73.1	-13.5 *	0.074	-18.4	-0.28
Year 5	65.3	67.6	-2.3	0.768	-3.4	-0.05
Year 8	65.0	61.6	3.4	0.657	5.5	0.07
Years 1 to 8 (annual average)	63.1	66.0	-3.0	0.707	-4.5	-0.06
Sample size = 176						

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin unemployment insurance (UI) records.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a]The effect size is the difference between program- and control-group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

[b]A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c]Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and Food Stamps.

[d]Poverty measures are based on income that is calculated from administrative records and do not include other sources of household income. Measures are not directly comparable to the official poverty rate.

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About MDRC

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Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Child Development

- Improving Public Education

- Promoting Successful Transitions to Adulthood

- Supporting Low-Wage Workers and Communities

- Overcoming Barriers to Employment

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