

**Vermont's  
Welfare Restructuring Project  
Key Findings from the  
Forty-Two-Month Client Survey**

**Dan Bloom  
Richard Hendra  
Charles Michalopoulos**

**MDRC**

**Manpower Demonstration  
Research Corporation**

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The Authors



## **I. Summary**

This report presents key results from a follow-up survey of approximately 2,000 parents who applied for or received welfare in Vermont in 1994 and 1995. The survey was administered in 1998 and 1999 as part of an ongoing evaluation of Vermont's Welfare Restructuring Project (WRP). The report supplements an earlier document, completed in September 1999, which relied exclusively on data drawn from computerized administrative records.<sup>1</sup> The follow-up survey provides information on topics that could not be addressed with the administrative data.

In general, the survey results confirm the key finding from the September 1999 report: WRP increased employment and reduced public assistance receipt for single-parent families, but did not significantly affect family income. In addition, the survey data show that most of the people who went to work because of WRP were working full-time or close to full-time, in jobs paying at least \$7.50 per hour. Along with increasing employment, WRP increased the use of child care for children ages 5 to 9.

Since WRP has not affected income, it also has not affected levels of savings, assets, or food sufficiency. Finally, there is little evidence that WRP has affected the well-being of children. This is not surprising, given the small impacts of the program on income and child care use.

Additional data from the survey and from the administrative records will be presented in the WRP evaluation final report, scheduled for 2002.

## **II. The WRP Program and Evaluation**

### **A. The Welfare Restructuring Project**

WRP was one of the first statewide welfare reform programs initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law. The program, which was implemented in July 1994 and will run through June 2001, aims to increase work and self-support among recipients of cash assistance. To this end, WRP requires most single-parent recipients to work in wage-paying jobs once they have received welfare for 30 cumulative months (two-parent families with an able-bodied primary wage earner face a full-time work requirement after 15 months of benefits). Single-

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<sup>1</sup>Hendra and Michalopoulos, 1999.

parent recipients begin a mandatory two-month job search at the beginning of month 29. The state assists recipients in searching for jobs, and also provides subsidized minimum-wage community service jobs to recipients who cannot find jobs by the time they reach the 15- or 30-month work trigger time limit. WRP also includes a set of financial work incentives, consisting of supports for families who leave welfare for employment, as well as changes in welfare rules intended to encourage and reward work.<sup>2</sup>

## B. The WRP Evaluation

The Vermont Department of Social Welfare (DSW), the agency that administers WRP, has contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct a comprehensive evaluation of WRP. The study, which is based on a rigorous random assignment research design, uses data from the entire state, but focuses in detail on six of Vermont's 12 welfare districts (Barre, Burlington, Newport, Rutland, Springfield, St. Albans). It began in 1994 and is scheduled to end in early 2002. MDRC is a nonprofit, non-partisan organization that designs and evaluates social policy initiatives for low-income individuals, families, and communities.

For purposes of the study, parents who were applying for or receiving cash assistance in Vermont were assigned, at random, to one of three groups: *the WRP group*, whose members are both eligible for WRP's financial work incentives and subject to its work-trigger time limit;<sup>3</sup> *the Aid to Needy Families with Children (ANFC) group*,<sup>4</sup> whose members are subject to the welfare rules that were in effect before WRP began; and *the WRP Incentives Only group*, whose members receive WRP's incentives but are not subject to its time limit. Because individuals were assigned to the groups by chance, there were no systematic differences among the groups' members when they entered the study. In addition, all three groups experience the same general economic and social conditions during the study period. Thus, any differences in employment rates, welfare receipt, or other outcomes

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<sup>2</sup>For example, WRP rules disregard (i.e., do not count) the first \$150 plus 25 percent of any remaining earned income in calculating a family's monthly welfare grant. This enhanced disregard is similar to, and sometimes less generous than, the one provided under prior rules during the first four months of work, but more generous thereafter. In addition, WRP provides three years of transitional Medicaid coverage to families leaving welfare for work and also offers transitional child care assistance (on a sliding scale) for as long as a family's income does not exceed 80 percent of the state median (as opposed to the one year of both transitional benefits provided under prior rules). See MDRC's 1998 report for a complete description of WRP's policies.

<sup>3</sup>The term "work trigger" is used to distinguish Vermont's time limit — which triggers a work requirement — from "termination" time limits in other states which result in cancellation of families' welfare grants.

<sup>4</sup>ANFC is Vermont's version of Aid to Families with Dependent Children (AFDC), the federal-state cash assistance program that was created by the Social Security Act of 1935. In 1996, federal legislation (the Personal Responsibility and Work Opportunity Reconciliation Act) replaced AFDC with a block grant to states. The name ANFC is still used in Vermont.

that emerge among the groups during the study's follow-up period can reliably be attributed to WRP's policies. Such differences are referred to as the program's *impacts*.

Even if WRP had no effects, some small differences among the research groups might arise due to chance. To assess whether a difference can confidently be attributed to WRP or whether it is likely due to chance, the concept of statistical significance is used. In results in this document, an impact is said to be statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated impact could have stemmed from a program with no real effect. Likewise, an impact is statistically significant at the 5 percent level if there is less than a 5 percent chance that the program had no effect; and an impact is statistically significant at the 1 percent level if there is less than a 1 percent chance that the program had no effect. Statistical significance does not directly indicate the magnitude or importance of an impact estimate, nor does it indicate that the program definitely had an effect; it indicates only whether differences in policies are likely to have affected behavior.

The WRP impact analysis is designed both to determine what difference WRP makes and to examine the impacts generated by each of WRP's two main components: the work-trigger time limit and the financial work incentives. The three-group design allows the evaluation to "decompose" the program's overall impact. Specifically:

- Comparing the *WRP group* with the *ANFC group* shows the combined impact of WRP's incentives and time limit, relative to outcomes for the traditional welfare system.
- Comparing the *WRP Incentives Only group* with the *ANFC group* shows the impact of WRP's financial incentives alone, not accompanied by the work-trigger time limit.
- Comparing the *WRP group* with the *WRP Incentives Only group* shows the impact that is generated by adding the work-trigger time limit to the financial incentives.<sup>5</sup>

MDRC has produced two reports as part of the WRP evaluation. The first, published in October 1998, described WRP's implementation and assessed its impacts during a 21-month follow-up period using administrative records of ANFC receipt, Food Stamp receipt, and earnings covered by the Vermont and New Hampshire Unemployment Insurance

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<sup>5</sup>This comparison does not provide direct information on the effects of adding a time limit to an ANFC program that lacks other policy changes given to the Incentives Only group. To permit this comparison, the WRP evaluation would need a fourth research group that received the same program as the ANFC group but that was required to work after receiving ANFC for 30 months.

(UI) systems.<sup>6</sup> The second report, completed in September 1999, presented impacts over a 3½-year (42-month) follow-up period, also using administrative records. The key findings from the second report are discussed in the next section. The evaluation's final report, scheduled for 2002, will include additional data from the survey, will follow the groups for more than five years via administrative records, and will compare WRP's financial benefits and costs for government budgets and participants.

### **C. The 1999 Impact Update**

As noted earlier, this report is designed to supplement an earlier report, completed in September 1999, which used administrative records to examine WRP's impacts over a 3½-year follow-up period. The key findings of the earlier report include the following:

- Once single parents began to reach WRP's 30-month work-trigger time limit, the program began to substantially increase employment rates and reduce the proportion of parents who received welfare without working. For example, 57 percent of the WRP group worked in a UI-covered job in the last three months of the follow-up period, compared with 48 percent of the ANFC group. Only 18 percent of the WRP group received cash assistance without working in that period, compared with 27 percent of the ANFC group.
- The work-trigger time limit was necessary for producing impacts: WRP's financial incentives alone generated no significant changes in employment or income for single-parent families.
- WRP changed the composition of income for single-parent families: They relied more on earnings and less on cash assistance. For example, in the last three months of follow-up, the WRP group received about 20 percent less cash assistance than did the ANFC group; in addition, 66 percent of the WRP group received at least half their income from earnings, compared with 60 percent of the ANFC group. Because the decrease in cash assistance largely offset the increase in earnings, however, the program did not affect these families' total combined income from public assistance and earnings, as measured with administrative records.

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<sup>6</sup>Bloom, Michalopoulos, Walter, and Auspos, 1998.

## **D. About This Report**

This report describes the key results of a 45-minute follow-up survey that was administered to members of all three research groups in 1998 and 1999. The survey targeted 2,502 parents who were randomly assigned to the groups between October 1994 and June 1995 in the six research districts (this group is known as the “fielded sample”). A survey firm, Macro International, working under contract to MDRC, attempted to locate and interview each member of the fielded sample 42 months (3½ years) after her or his date of random assignment. Interviews were conducted by telephone whenever possible, and in-person when respondents could not be reached by phone. Ultimately, a total of 2,005 parents (80 percent of the fielded sample) were successfully located and interviewed. This report describes results for the 1,256 respondents who, at the point of random assignment, headed single-parent ANFC cases or were applying for ANFC as single parents (the other 749 survey respondents were applying for or receiving ANFC as part of two-parent cases at the point of random assignment).

Surveys and administrative records each have strengths and limitations. Surveys can provide information on a broader range of topics, including job characteristics, household income,<sup>7</sup> child care arrangements, food sufficiency, and others. On the other hand, survey data are subject to recall error and may not be representative of the full research sample because it is impossible to obtain a 100 response rate (the latter issue is discussed further in Appendix A). Moreover, owing to resource constraints, the survey sample is not as large as the sample used in the administrative records analysis. This means that an estimated impact of a given size is less likely to be statistically significant if it is measured with the smaller survey sample.

The remainder of the report is divided into two sections. Section III provides a brief descriptive “snapshot” of survey respondents in the WRP group at the point they were interviewed. Section IV adds data for the other two research groups in order to describe the impacts of WRP and its key components. Because the follow-up period for this report (3½ years) is about the same as for the September 1999 administrative records-based impact update, this document does not focus on describing the overall impacts of WRP (except where the survey tells a different story than the records). Instead, the impact discussion in Section IV is organized around a series of specific questions that could not be answered adequately using administrative records.

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<sup>7</sup>Households, as defined in this analysis, include any individuals ‘living or staying’ with the survey respondent. It is important to note that this definition of a household is not the same as the definition used by DSW to assess eligibility for and amounts of ANFC benefits for a “family group.”

### III. A Snapshot of the WRP Group

As noted earlier, parents entered the WRP evaluation when they were applying for or already receiving ANFC cash assistance. Fewer than one-fourth were working at the time.

Table 1 provides a snapshot of the WRP group survey respondents approximately 3 ½ years later.<sup>8</sup> As the table shows, there were dramatic changes in respondents' work and welfare status during this period. At the point of the survey, only about one-third of respondents were still receiving ANFC and nearly two-thirds were employed. Most of the households obtained at least half of their income from earnings. Interestingly, although all of the respondents were single parents at the point of random assignment, more than half reported that they were living with at least one other adult when surveyed.<sup>9</sup> This is important because, as discussed further below, these other adults (who may have been parents, spouses, partners, adult children, or others) might share expenses or contribute to household income.

At the same time, relatively few of the respondents were well-off financially. Fewer than one-fourth of the households had income of \$2,000 or more in the prior month, and less than one-third had any savings. Among those employed, most were working in relatively low-wage jobs that did not provide fringe benefits.<sup>10</sup> Only 25 percent of employed WRP group members earned \$9.00 or more per hour. By contrast, in 1998, the average hourly earnings for private industry jobs (nationally) was \$12.77 in current dollars.<sup>11</sup> A substantial minority of respondents reported that there was sometimes not enough food in their household.

These descriptive results are important, but they provide no information about what difference WRP has made. In other words, results for the WRP group alone do not allow one to say whether these families have been affected by the program. The following section introduces data for the other two research groups to examine WRP's impacts.

### IV. Impacts of WRP

This section addresses four broad questions about WRP's impacts that could not be addressed in the administrative records-based September 1999 report:

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<sup>8</sup>About 63 percent of respondents were interviewed in the 42<sup>nd</sup> month after their random assignment date. Almost 96 percent were interviewed between month 41 and month 46.

<sup>9</sup>There are no data available on what fraction of these parents were living with another adult at the point of random assignment.

<sup>10</sup>Nationally, about 64 percent of full-time employees in small firms and 76 percent of those in large firms have health benefits (U.S. Census Bureau, 1999).

<sup>11</sup>U.S. Census Bureau, 1999.

**Table 1**  
**Vermont's Welfare Restructuring Project**  
**A Snapshot of the WRP Group at the Time of the Survey Interview**

Currently working (%)	66.2
Less than 30 hours per week	17.4
30 or more hours per week	47.6
Missing information	1.2
Among those employed (%)	
Earns less than \$6.00 per hour <sup>a</sup>	23.8
\$6.00 to 7.49	28.0
\$7.50 to 8.99	23.3
\$9.00 or more	25.0
Job provides paid sick leave	37.3
Job provides health insurance	41.7
Enrolled in employer-provided health insurance	19.3
Received ANFC in prior month (%)	33.8
Received Food Stamps in prior month (%)	49.5
Living with another adult (%)	54.9
Household income in prior month (%) <sup>b</sup>	
Less than \$1,000	36.8
\$1,000-\$1,999	39.9
\$2,000 or more	23.4
At least 50% of household income <sup>b</sup> from earnings (%)	64.3
Has any savings (%)	30.6
Has debts exceeding \$100 (%)	67.8
Owns a car, van, or truck (%)	72.9
Covered by health insurance (%)	79.2
All children covered by health insurance (%)	79.9
Statement indicated by respondent which best describes the food eaten in his/her household in the past 12 months (%)	
Enough and the kinds of food wanted	44.3
Enough, but not always the kinds of food wanted	33.9
Sometimes not enough food	16.3
Often not enough food	5.4
Sample Size	421

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: <sup>a</sup> Estimates of hourly wages are calculated from other responses.

<sup>b</sup> The "Household," as defined in this report, includes all individuals living or staying with the survey respondent.

- What kinds of jobs did people obtain because of WRP?
- Has WRP affected household income, assets, and material well-being?
- Did WRP affect child care arrangements and child well-being?
- Has WRP affected rates of health insurance coverage?

Almost all of the tables in this section follow a similar format. The first three columns of each table show the outcomes for the three research groups — the WRP group, the WRP Incentives Only group, and the ANFC group. The next three columns show the differences among the groups. The fourth column illustrates the impact of the full WRP program, including both the incentives and the work trigger time limit, by showing the differences between the outcomes for the ANFC group and the WRP group. Most of the discussion focuses on the impact of the full WRP program. The fifth column shows the impacts of the incentives alone by comparing the WRP Incentives Only group with the ANFC group. The last column shows the impact of adding the work trigger time limit; it compares the WRP group with the WRP Incentives Only group.

### **A. What kinds of jobs did people obtain because of WRP?**

Tables 2 and 3 examine the characteristics of the current or most recent job held by survey respondents. The first row of Table 2 shows that members of all three groups are quite likely to have worked at some point since their date of random assignment. This is probably attributable to the strong economic conditions that have existed since WRP was implemented. Nevertheless, the employment rate of the WRP group (87 percent) is higher than the rates for the ANFC group (81.3 percent) and the WRP Incentives Only group (79.6 percent). In other words, WRP generated an increase in employment. The fact that the WRP Incentives Only group was no more likely to have worked than the ANFC group implies that the incentives alone did not lead to an increase in employment.

In general, the results in the first row of Table 2 are very similar to the employment impacts measured with administrative records, as reported in the September 1999 update.<sup>12</sup> However, the rest of Table 2 (and all of Table 3) shows information on job characteristics that cannot be measured with administrative records. It is important to note that each section of these tables includes *all* survey respondents, including those who had not worked since random assignment. Because WRP induced some people to work, employed people in the

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<sup>12</sup>The percentages ever employed over the 3½-year period, according to administrative records, were: 85 percent for the WRP group, 78.8 percent for the WRP Incentives Only group, and 77.4 percent for the ANFC group.

Table 2

Vermont's Welfare Restructuring Project

Impacts on Earnings, Work Hours, and Wages in Current or Most Recent Job

Outcome	Average Outcome Levels		WRP vs. ANFC		WRP Incentives Only vs. ANFC		WRP vs. WRP Incentives Only	
	WRP Group	WRP Incentives Only Group	WRP vs. ANFC Financial Incentives and Eligibility Rules, Combined with Time Limit	WRP vs. ANFC Impacts of Financial Incentives and Eligibility Rules	WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only	WRP vs. WRP Incentives Only	WRP vs. WRP Incentives Only
Ever employed since random assignment (%)	87.0	79.6	81.3	5.7 **	-1.7	7.4 ***		
Weekly work hours (%)								
Not employed since random assignment	13.0	20.4	18.7	-5.7 **	1.7	-7.4 ***		
Less than 20	10.4	9.7	8.1	2.4	1.6	0.7		
20-29	14.2	14.3	14.0	0.2	0.3	0.0		
30-39	25.0	17.4	17.8	7.2 ***	-0.4	7.6 ***		
40 or more	35.8	35.6	38.7	-3.0	-3.2	0.2		
Missing information on hours worked	1.5	2.7	2.7	-1.2	-0.1	-1.1		
Hourly wage (%) <sup>a</sup>								
Not employed since random assignment	13.0	20.4	18.7	-5.7 **	1.7	-7.4 ***		
Less than \$6	22.2	19.7	22.6	-0.3	-2.9	2.6		
\$6-\$7.49	24.0	22.3	23.4	0.6	-1.1	1.7		
\$7.50 or more	34.6	28.6	28.8	5.8 *	-0.2	6.0 *		
Missing information on hourly wage	6.2	9.0	6.6	-0.4	2.5	-2.9		
Weekly earnings (%) <sup>a</sup>								
Not employed since random assignment	13.0	20.4	18.7	-5.7 **	1.7	-7.4 ***		
Less than \$100	9.9	11.2	9.2	0.7	2.0	-1.2		
\$100-\$199	20.2	17.3	19.5	0.7	-2.2	2.9		
\$200-\$299	26.1	19.9	23.7	2.4	-3.8	6.2 **		
\$300 or more	25.5	25.0	23.6	1.9	1.4	0.5		
Missing information on weekly earnings	5.2	6.2	5.3	0.0	0.9	-1.0		
Typical work schedule (%)								
Not employed since random assignment	13.0	20.4	18.7	-5.7 **	1.7	-7.4 ***		
Regular daytime shift	54.1	46.1	52.4	1.7	-6.3 *	8.0 **		
Regular evening/night shift	12.4	12.1	10.2	2.2	1.9	0.3		
Split or rotating schedule	7.4	6.9	7.7	-0.3	-0.7	0.5		
Irregular schedule	11.0	13.0	9.2	1.8	3.8 *	-2.0		
Other or missing	2.1	1.5	1.9	0.1	-0.4	0.6		
Sample Size (Total = 1,256)	421	414	421					

(continued)

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent. Rounding may cause slight discrepancies in calculating differences.

<sup>a</sup> Weekly earnings and hourly wages are computed from other survey responses.

**Table 3**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Characteristics of Current or Most Recent Job**

Outcome	Average Outcome Levels			WRP vs. ANFC		WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Incentives Only		Impacts of Financial Incentives and Eligibility Rules, Combined with Time Limit				
	WRP Group	WRP Only	ANFC Group	WRP vs. ANFC	WRP vs. ANFC	Impacts of Financial Incentives and Eligibility Rules	Added Impacts of Time Limit
Employer provided health insurance (%)							
Not employed since random assignment	13.0	20.4	18.7			1.7	-7.4 ***
Employed, job offers health insurance	30.9	26.9	27.0			-0.1	4.1
Enrolled in employer's health plan	14.4	13.8	15.5			-1.7	0.6
Not enrolled in employer's health plan	16.5	12.8	11.0			1.8	3.7
Employed, job does not offer health insurance	55.5	52.1	53.6			-1.5	3.4
Missing response	0.5	0.6	0.8			-0.1	-0.1
Paid sick leave (%)							
Not employed since random assignment	13.0	20.4	18.7			1.7	-7.4 ***
Employed, job provides sick leave	26.7	24.5	22.1			2.4	2.2
Employed, job does not provide sick leave	59.3	54.6	58.3			-3.7	4.7
Missing response	1.0	0.5	0.9			-0.4	0.5
Paid vacation or holidays (%)							
Not employed since random assignment	13.0	20.4	18.7			1.7	-7.4 ***
Employed, job provides paid vacation or holidays	38.4	34.9	34.7			0.3	3.5
Employed, job does not provide paid vacation or holidays	47.7	44.2	45.9			-1.7	3.4
Missing response	0.9	0.5	0.7			-0.3	0.5
Training classes or tuition reimbursement (%)							
Not employed since random assignment	13.0	20.4	18.7			1.7	-7.4 ***
Employed, job provides training classes or tuition reimbursement	19.6	17.5	16.1			1.4	2.1
Employed, job does not provide training classes or tuition reimbursement	64.6	58.9	62.8			-3.9	5.7 *
Missing response	2.8	3.2	2.4			0.7	-0.4
Sample Size (Total = 1,256)	421	414	421				

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent. Rounding may cause slight discrepancies in calculating differences.

WRP group may have different characteristics than employed people in the other groups. If one looked at employed people only, it would therefore be impossible to determine whether differences in job characteristics between the groups were attributable to WRP, or to differences in the kind of people who worked.

When single-parent families reach WRP's work-trigger time limit, they are required to work full-time if they have no children under age 13, but can fulfill the work requirement with part-time work otherwise. The first major section of Table 2 examines the impact of the program on weekly work hours and indicates that WRP reduced the number of people who did not work at all (the same result shown in the first row of the table) and increased the number of people who worked 30-39 hours per week in their current or most recent job. Twenty-five percent of the WRP group worked 30-39 hours per week, compared with 17.8 percent of the ANFC group. In other words, most of the additional jobs generated by WRP were full-time or close to full-time jobs.<sup>13</sup> The results imply that WRP also may have reduced the number of people working more than 40 hours per week and increased the number working less than 20 hours per week, but neither impact is statistically significant.<sup>14</sup>

Although the program did not affect employment of the WRP Incentives Only group, the incentives might have changed how much people work. Because WRP's incentives reward both part-time and full-time work, they could have encouraged some individuals to reduce their work effort from full-time to part-time. If such a shift occurred, it was too small to be noticed through the survey. Members of the WRP Incentives Only group were about as likely as members of the ANFC group to work full-time and to work part-time. This also implies that the WRP time limit is responsible for the program's impact on full-time work.

When people are required to work, as they are when they reach the WRP work-trigger time limit, they may respond by taking the first job they can find. Since welfare recipients typically have relatively few marketable skills, this will often be a low-quality job with low wages. On the other hand, the services that people received through Vermont's welfare-to-work program, Reach Up, prior to reaching the time limit may have helped them find bet-

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<sup>13</sup>The result in the second panel of Table 2 indicates that WRP resulted in more people working full-time. It is possible that all the new full-time workers would not have worked in the absence of the WRP program. In that case, it is correct to say that the new jobs generated by WRP were full-time jobs. However, it is also possible that the WRP convinced some people who would have worked part-time without the program to increase their effort to full-time, but that some people who began working because of WRP took part-time jobs. In that case, some of the new jobs generated by WRP would have been part-time even though the table shows an increase only in full-time work.

<sup>14</sup>There is no statistically significant difference among the groups in the overall average number of hours worked per week (not shown).

ter jobs.<sup>15</sup> The next panel of Table 2 provides information on hourly wages and shows that the additional jobs generated by WRP paid at least \$7.50 per hour. Thus, WRP did not increase the number of people working in very low wage jobs, but instead increased the number earning somewhat higher wages. This is a surprising result in light of the fact that most workers in the ANFC group earned less than \$7.50 per hour. Despite the overall prevalence of low-wage jobs, WRP was able to help people find somewhat higher wage positions.

The third panel of Table 2 summarizes the impacts on hours worked and hourly wages by showing the impacts on weekly earnings. It appears that most of the additional jobs paid at least \$200 per week (although the impact of the WRP program was not statistically significant). Since WRP primarily generated full-time work paying \$7.50 or more per hour, this result is not surprising: a person working 30 hours per week at \$7.50 per hour would earn \$225 per week. Once again, the addition of the time limit generated this impact on weekly earnings. While 26.1 percent of the WRP group earned between \$200 and \$299 per week, only 19.9 percent of the WRP Incentives Only group did.<sup>16</sup>

In responding to a work trigger time limit, people may also have to take jobs that require them to work weekends or irregular schedules. On the other hand, the finding that WRP increased employment in full-time work and jobs that paid relatively well suggests that the program might also have increased employment in jobs with a regular shift. The final panel of Table 2, which examines work schedules, shows that WRP did not generate an increase in any particular category of job. However, it appears that most of the additional jobs had regular schedules — either in the daytime or at night — rather than rotating or irregular schedules. Overall, 67 percent of WRP group members worked in jobs that had regular schedules. Respondents who work at jobs with regular schedules are likely to have an easier time arranging child care and transportation.

Interestingly, the panel also suggests that the WRP incentives generated an increase in work at irregular hours and a decrease in work at regular daytime schedules. It is unclear what to make of this result. One might assume that jobs with irregular hours are likely to be

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<sup>15</sup>Reach Up participation was voluntary for the ANFC and WRP Incentives Only groups, and was also voluntary for the WRP group until they had received welfare for 28 months. However, MDRC's Interim report found that members of the WRP group were somewhat more likely to participate even before Month 29. A separate analysis (not shown) found that, within the WRP Group, those who ever participated in Reach Up had slightly lower earnings but somewhat higher incomes than those who did not. This is likely driven by the fact that many individuals were required to participate in Reach Up beginning in Month 29. In fact, those who participated in Reach Up in the first two years after random assignment (when participation was voluntary) had both slightly higher earnings and slightly higher income at the time the survey was administered than those who did not.

<sup>16</sup>Other analysis (not shown in the table) indicates that there were no significant differences among the groups in average weekly earnings.

part time or to pay close to the minimum wage, but the remainder of Table 2 indicates that the incentives did not increase employment in part time or low wage jobs. Thus, the impact on work schedules might not be a real effect of the incentives, but might be one of the occasional spurious effects that arise whenever many comparisons are made.

Table 3 examines whether the respondents' current or most recent jobs provided specific fringe benefits. The results indicate that the additional jobs generated by WRP were diverse; some provided benefits and others did not. Overall, however, fewer than half of the employed respondents in all three groups received the specified benefits. In addition, only about half of the respondents who were working in jobs that provided health benefits were actually enrolled in their employer's health plan (as discussed further below, a large proportion of respondents were covered by public health insurance).

In general, it might be seen as a positive result that WRP did not increase the percentage of people working in low-quality jobs (e.g., jobs paying very low wages and not providing fringe benefits). This result is sometimes observed in programs that raise employment rates, because they induce somewhat more disadvantaged people to work.

#### **B. Has WRP affected family income, assets, and material well-being?**

The September 1999 update concluded that WRP has affected the composition, but not the amount of family income. Specifically, the administrative records showed that the WRP and ANFC groups had roughly the same total combined income from earnings, ANFC, and Food Stamps, but that members of the WRP group derived a greater share of their income from earnings and a lower share from public assistance. The update noted, however, that the administrative records do not provide a full picture of household income because they focus only on the respondent (as opposed to other household members), measure only certain income sources, and do not include income from the federal and state Earned Income Credits (EICs).

A fuller picture is provided in Table 4 which contains information on respondents' own income and their households' income in the month prior to the survey interview. These data confirm that the impacts from the administrative records were fairly accurate. According to the third row of Table 4, average household income was nearly the same for the WRP group (\$1,419) and the ANFC group (\$1,410). Likewise, the first row of the table indicates that average monthly income for the respondent was similar in the WRP group (\$923) and the ANFC group (\$945). In addition, average income of other household members is simi

**Table 4**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Household Income Sources in Prior Month**

Outcome	Average Outcome Levels		WRP vs. ANFC Impacts of		WRP Incentives Only vs. ANFC		WRP vs. WRP Incentives Only	
	WRP Group	WRP Only Group	Financial Incentives and Eligibility Rules, Combined with Time Limit	ANFC Group	Financial Incentives and Eligibility Rules	Added Impacts of Time Limit	ANFC Group	WRP vs. WRP Incentives Only
Average income for respondent in prior month (\$)	923	985	945	945	40	-61		
Average income for others in the household in prior month (\$)	497	576	505	505	71	-78		
Average total household income in prior month (\$)	1,419	1,555	1,410	1,410	145 **	-136 **		
Average total household income in prior month (including estimated value of Earned Income Credits)	1,528	1,640	1,501	1,501	27	-112 *		
Distribution of total household income (%)								
\$0	2.3	1.4	1.6	1.6	0.6	0.9		
\$1-499	8.3	6.8	5.5	5.5	2.9	1.5		
\$500-\$999	26.2	25.0	33.0	33.0	-6.8 **	1.2		
\$1,000-\$1,499	26.5	25.3	27.2	27.2	-0.7	1.2		
\$1,500-\$1,999	13.4	18.0	9.9	9.9	3.5	-4.6 *		
\$2,000 or more	23.4	23.5	22.8	22.8	0.6	-0.1		
Average household earnings (\$)	1022	1084	977	977	45	-62		
Average household ANFC payments (\$)	122	166	193	193	-71 ***	-44 ***		
Average household Food Stamp payments (\$)	96	102	104	104	-9	-6		
Average amount of child support received (\$)	84	91	75	75	9	-7		
Average amount of disability received (\$)	67	84	81	81	-14	-17		
Average amount of other income (\$)	7	7	7	7	0	0		
Households with at least 50% of measured income from earnings (%)	64.3	58.1	55.1	55.1	9.1 ***	6.2 *		
Sample Size (Total = 1,256)	421	414	421	421				

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: Dollar averages include zero values for households that had no income from the specified source.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

<sup>a</sup> The estimate of the earned income tax credit is computed based on each respondent's earnings from quarter 11 through quarter 14 (as measured with administrative records). Note that all EITC estimates are net of payroll taxes, and include an estimate of the Vermont EITC which is equal to 25% of the federal credit.

lar in the two groups (\$497 for the WRP group and \$505 for the ANFC group).<sup>17</sup> In other words, the survey data indicate that WRP did not affect either individual income or household income.

When a program does not affect average income for a group, it is possible that it does not affect any individual's income. It is also possible, however, that it increased income for some people but reduced income for others. For example, WRP's financial incentives may have allowed some people to keep more of their welfare check when they went to work, but WRP's time limit may have convinced some people to leave welfare even though they could not earn enough to replace their welfare checks. The second panel of results in Table 4 investigates this possibility by showing the distribution of household income from the survey.

Table 4 indicates that WRP reduced the number of households with income between \$500 and \$999 in the month prior to the survey. Thirty-three percent of ANFC group households had income in that range, compared with 26 percent of the WRP group. However, it is not clear whether the program raised or lowered the income of these households. A slightly higher proportion of the WRP group had income between \$1,500 and \$1,999 compared to the ANFC group (13.4 percent compared to 9.9 percent), implying that some households ended up with more income, but this difference was not statistically significant. At the same time, a slightly higher proportion of the WRP group had income between \$1 and \$499 in the month prior to the survey (8.3 percent compared to 5.5 percent), implying that some households lost income, but this difference also was not statistically significant. Because neither difference was statistically significant, it is not clear whether the program is responsible for these differences, or whether one or both increases were due to other factors.

Interestingly, the survey data indicate that the WRP incentives generated a modest but statistically significant increase in household income. This occurred in large part because the WRP Incentives Only group reported the highest household earnings of the three groups (although the differences are not statistically significant).

Increased income for the WRP Incentives Only group is also seen in the distribution of income. Like the full WRP program, the incentives alone reduced (relative to the ANFC group) the proportion of households with income between \$500 and \$999. Unlike the full WRP program, however, it is clear that the incentives moved household income up for some families. While 18.0 percent of the WRP Incentives Only group had income between \$1,500 and \$1,999, only 9.9 percent of the ANFC group did. In other words, the incentives

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<sup>17</sup>As with other results in the report, this is an average that includes zero values for households that had no income from other members. In fact, about half of the respondents did not live with any other adults.

increased the number of households with relatively high income, while the addition of the time limit reduced this number slightly (as seen in the last column of the table). It is possible that some members of the WRP group responded to the time limit by leaving welfare when they did not have to, or left welfare when they found a job, but decided not to reapply for benefits when they lost their jobs.

Finally, Table 4 confirms another key finding from the administrative records: members of the WRP group derived a greater share of their income from earnings than did members of the ANFC group. The table shows that 64 percent of respondents in the WRP group derived at least half of their household income in the prior month from earnings, compared with 55 percent for the ANFC group.

Along with confirming the basic impact findings from the administrative records, the survey responses also illustrate that the administrative records did not measure all income that households received. As discussed above, the average reported household income for the WRP group was \$1,419 on the survey (not including the federal and state EICs). In contrast, the WRP group's average income as measured in administrative records (not shown) was about half that amount, or \$777 per month in the last three months of the follow-up period (which roughly corresponds to the point when the survey was administered).

Three factors account for the large discrepancy in income measured by the two data sources. First, unlike the records, the survey measures the income of all household members. Among respondents in the WRP group, 55 percent reported that they lived with another adult when interviewed (see Table 1), and income from other household members accounted for about 35 percent of total household income. Second, members of the WRP group themselves reported higher earnings in the survey than in the records, probably because the survey includes some employment that is not covered by the UI system. Third, the survey measures income from child support, disability payments, and other sources not measured in the records.

A source of income that is ignored in both the survey and administrative records is the Earned Income Credit (EIC). However, MDRC was able to use survey and administrative records data to estimate the monthly value of the state and federal earned income credit for respondents in all three groups.<sup>18</sup> Using earnings data from administrative records, MDRC estimated the value of the federal and state EIC (minus payroll taxes) for each re-

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<sup>18</sup>These calculations only include earnings for the respondent herself; they may underestimate the EICs obtained by families with two wage earners.

spondent, and then divided this total by 12 to obtain a monthly amount (in fact, most people obtain the EIC in a single lump sum).<sup>19</sup>

As Table 4 shows, the EICs add more than \$100 to the average monthly income of the WRP group (this is an average for the entire group; those who obtained the EICs received nearly \$190 per month on average, a result not shown in the table). In other words, the estimate of average monthly household income for the WRP group is more than \$100 higher with the estimated EICs than without them. However, because the EIC is based on earnings, and WRP's impacts on earnings were generally modest, the EICs added similar amounts of income to households in all three groups. Thus, the overall picture — that WRP did not significantly affect household income — is not changed by the inclusion of the EICs.

Table 5 shows the impacts of WRP on the percentage of households receiving income from various sources in the prior month. As expected, WRP group respondents were significantly more likely to be working — 65.7 percent of the WRP group had earnings, compared with 55 percent of the ANFC group — although the difference in average household earnings (shown in Table 4) is not statistically significant.<sup>20</sup>

Table 6 examines expenditures on several key items in the month prior to the survey; these averages include all respondents, including those who had no expenditures on the specified items. This information is important because, while WRP did not affect total income, the higher employment rate for the WRP group might have led to higher work-related expenditures. In fact, there are no statistically significant differences between the WRP group and the ANFC group in any of these expenditure categories. The lack of a significant difference in child care expenditures reflects the fact that members of the WRP group were only slightly more likely than members of the ANFC group to be using child care, despite a relatively large increase in the employment rate (discussed below).

Because WRP did not change total household income or expenditures, one would not expect to see an impact on assets or measures of material well-being. Indeed, Table 7 shows that WRP did not affect levels of savings, debts, or car ownership, and also had no impact

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<sup>19</sup>Specifically, MDRC calculated total earnings in quarters 11 through 14 for each respondent, using administrative records, and assumed that all of these respondents claimed the EIC. This methodology overestimates the EIC take-up rate because not everyone eligible for the credit actually obtains it. On the other hand, the methodology probably underestimates the EIC because some earnings are not captured in administrative records.

<sup>20</sup>The September 1999 report found that WRP generated a modest but statistically significant increase in average earnings, as measured with administrative records. However, the magnitude of the impact — \$135 in the last three months of the follow-up period — was similar to the \$45 monthly difference measured in the survey. Both data sources found that that employed WRP group members earned somewhat less, on average, than employed ANFC group members.

**Table 5**  
**Vermont's Welfare Restructuring Project**  
**Impacts on the Percentage of Respondents Receiving Various Sources of Income in the Prior Month**

Outcome	Average Outcome Levels		WRP vs. ANFC Impacts of		WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Group	WRP Only Group	Financial Incentives and Eligibility Rules, Combined with Time Limit	ANFC Group	Impacts of Financial Incentives and Eligibility Rules	Added Impacts of Time Limit
Respondents reporting earnings (%)	65.7	53.5	10.7 ***	55.0	-1.5	12.3 ***
Others in the household with earnings (%)	38.2	41.2	1.9	36.3	5.0	-3.0
Respondent receiving ANFC (%)	33.8	36.1	-4.7	38.4	-2.4	-2.3
Others in the households receiving ANFC (%)	2.2	4.5	-0.7	2.9	1.6	-2.3 *
Respondent receiving Food Stamps (%)	49.5	49.8	-3.9	53.4	-3.6	-0.3
Others in the household receiving Food Stamps (%)	1.7	2.9	-0.4	2.1	0.8	-1.3
Respondent receiving child support (%)	34.2	39.2	-4.0	38.2	1.0	-5.0
Others in the household receiving child support (%)	1.5	1.0	0.1	1.4	-0.4	0.5
Respondent receiving disability (%)	8.6	11.2	0.6	8.0	3.3	-2.6
Others in the household receiving disability (%)	5.8	6.1	-2.5	8.3	-2.1	-0.3
Respondent receiving other income (%)	4.4	5.5	0.1	4.3	1.2	-1.1
Others in the households receiving other income (%)	2.7	1.8	0.0	2.7	-0.8	0.9
Sample Size (Total = 1,256)	421	414		421		

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent. Rounding may cause slight discrepancies in calculating differences.

**Table 6**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Expenditures**

Outcome	Average Outcome Levels			WRP Incentives Only vs. ANFC	WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Group	WRP Incentives Only Group	ANFC Group	Impacts of Financial Incentives and Eligibility Rules, Combined with Time Limit	Impacts of Financial Incentives and Eligibility Rules	Added Impacts of Time Limit
Average amount household spent on housing in prior month (including utilities) (\$) <sup>a</sup>	548	579	552	-4	27	-32
Average work-related transportation costs in prior month (\$) <sup>b</sup>	37	27	37	0	-11	10 **
Average child care cost in prior month (\$) <sup>c</sup>	48	40	41	8	0	8
Average expenditures on clothing in prior month (\$)	139	131	132	7	-1	8
Total amount spent on groceries and eating out in the past 7 days (\$) <sup>d</sup>	95	97	97	-2	0	-2
Sample Size (Total = 1,256)	421	414	421			

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent. Rounding may cause slight discrepancies in calculating differences.

Dollar averages include zero values for respondents who had no expenditures on the specified items.

<sup>a</sup>Includes expenditures on gas, heat, and electricity.

<sup>b</sup>Assumes no work-related transportation costs for respondents not currently employed.

<sup>c</sup>Only asked of those who have a child age 13 or younger (N = 986). Assumes no child care costs for those with no children in child care. The survey did not distinguish child care that was work related from other child care.

<sup>d</sup>Includes any food assistance that the respondent might have received.

**Table 7**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Savings, Assets, and Food Sufficiency**

Outcome	Average Outcome Levels		WRP vs. ANFC		WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Group	WRP Incentives Only Group	ANFC Group	Impacts of Financial Incentives and Eligibility Rules, Combined with Time Limit		
Savings (%)						
No savings	67.3	65.4	67.4	-0.1	-2.0	1.9
\$1-\$499	17.7	17.7	20.1	-2.4	-2.4	0.0
\$500 or more	12.4	14.3	9.2	3.2	5.2 **	-1.9
Missing	2.6	2.6	3.4	-0.8	-0.8	0.0
Average amount in savings (\$)	322	287	281	41	6	35
Has debts exceeding \$100 (%)	67.8	70.4	68.3	-0.5	2.1	-2.6
Owms a car, van or truck (%)	72.9	74.1	70.5	2.4	3.7	-1.2
Statement indicated by respondents which best describes the food eaten in their household in the past 12 months(%)						
Enough and the kinds of food wanted	44.3	47.1	43.9	0.5	3.3	-2.8
Enough, but not always the kinds of foods wanted	33.9	32.5	33.2	0.7	-0.6	1.4
Sometimes not enough food	16.3	14.2	17.0	-0.7	-2.8	2.1
Often not enough food	5.4	6.1	5.9	-0.5	0.2	-0.7
The percent who indicated that, in the last 12 months, it was often, sometimes, or never true that: "The food that I bought just didn't last, and I didn't have money to get more" (%)						
Often True	16.5	16.1	18.0	-1.5	-1.9	0.4
Sometimes True	34.8	31.5	31.7	3.1	-0.2	3.4
Never True	48.7	52.4	50.3	-1.6	2.1	-3.7
Sample Size (Total = 1,256)	421	414	421			

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: Dollar averages include zero values for respondents who had no savings.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

on food sufficiency. Just under 80 percent of each group reported that they always had enough food in their household in the prior 12 months.<sup>21</sup> However, it appears that some members of the WRP Incentives Only group used their extra income to increase their savings.

### **C. Did WRP affect child care arrangements and child well-being?**

Table 8 examines WRP’s impacts on child care use and arrangements in the month prior to the survey interview. In this case, only outcomes for the WRP group and the ANFC group are shown. In addition, the table presents impacts separately by child age. Finally, it is important to note that respondents were asked to identify any child care arrangement they had used for any of their children “at least once a week in the past month” — including arrangements that were only used for a small number of hours. As might be expected, many parents said that they used more than one arrangement for a particular child (e.g., this might occur if the child’s main arrangement was a child care center, but a relative sometimes cares for the child while the mother goes food shopping).<sup>22</sup>

Overall, as might be expected, the percentage of children in child care is much greater for children in the two lower age ranges; a substantial fraction of those in the highest age range are caring for themselves. The percentage of children in formal child care arrangements such as preschools or child care centers is highest for the youngest children but, even in that age range, many children are in informal arrangements.

Although members of the WRP group were significantly more likely than members of the other two groups to be working when interviewed (see Table 4), the difference in the number of respondents with a child in child care in the past month was not statistically significant overall: 59.7 percent for the WRP group compared to 54.9 percent for the ANFC group (not shown).

However, WRP did increase child care use for children aged 5 to 9. Further analysis (not shown) found that WRP generated particularly large employment impacts for families with at least one child in this age range. Table 8 shows that this impact was driven by increases in before and after-school care and a combined category that includes nursery school, Head Start, preschool, and child care centers. Although not shown in the table, the impact on the latter category of care was concentrated primarily among 5-year olds (this is

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<sup>21</sup>A recent study of current and former welfare recipients in four large cities found that 35 percent sometimes or often did not have enough to eat in the prior 12 months (Polit, London, and Martinez, 2000). The figure was about 20 percent for the WRP sample.

<sup>22</sup>It also seems clear from the patterns of responses that parents may have interpreted the names of particular arrangements differently. For example, it is difficult to understand why some parents reported that 10-13 year-old children were in a category of care that includes child care centers, preschools, and nursery schools.

**Table 8**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Child Care Services**

Outcome	Ages 0-4			Ages 5-9			Ages 10-13		
	WRP Group	ANFC Group	Difference	WRP Group	ANFC Group	Difference	WRP Group	ANFC Group	Difference
Using any child care (except self care) (%)	63.7	56.3	7.4	56.8	48.9	7.9	39.3	37.0	2.3
Child in the following arrangements (%)									
Preschool, nursery school, day care center, or Head Start	29.5	26.3	3.2	15.1	8.1	7.0	2.0	3.0	-1.0
Before or after school care	4.7	0.1	4.6	12.2	3.8	8.4	2.0	3.3	-1.3
Family day care home	11.7	15.5	-3.8	7.9	12.2	-4.3	2.3	4.5	-2.2
Non-relative baby sitter	12.5	9.2	3.3	13.2	13.1	0.1	8.4	8.0	0.4
With child's other parent	8.8	8.0	0.8	7.4	4.4	3.0	6.2	7.3	-1.1
By a different relative	23.5	23.0	0.5	24.0	22.5	1.5	17.8	22.5	-4.8
Child takes care of self alone	1.3	0.2	1.1	3.7	3.5	0.3	24.6	24.4	0.2
Other	0.0	0.0	0.0	3.2	3.0	0.2	7.4	5.3	2.0
Sample size (total = 1,746)	168	172		268	247		171	158	

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: Analysis performed at the child level.

Families with no children aged 13 or younger were not asked these items. Respondents were asked to identify any childcare that they used once a week, in the past month. A child may have been in more than one child care arrangement. Therefore, the sum of the percentages in each arrangement exceeds the percentage using any child care arrangement.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

not surprising because relatively few older children would be in those arrangements). Table 8 also shows that about one-fourth of children aged 10 to 13 in each group were taking care of themselves. This might suggest the need to create and fund before or after school care for children in this age range.

Table 9 shows impacts on satisfaction with child care services; these questions focused on the arrangement used by the respondent's youngest child. Overall, WRP increased the percentage of respondents who indicated that they were 'satisfied' with how much their child care costs. This suggests that most of the parents who are using child care *because* of WRP were satisfied with the cost of that care. Although relatively few respondents reported that they were dissatisfied or very dissatisfied with the cost of their child care, further analysis (not shown) found that parents using informal arrangements such as relative care were slightly less likely to express dissatisfaction.

WRP also appeared to increase the percentage of sample members who reported being 'very satisfied' with the dependability of their child care arrangements, although this difference is not statistically significant. Again, very few parents reported being dissatisfied with the dependability of their care, but further analysis (not shown) found that parents using formal arrangements such as child care centers were slightly more likely to report being very satisfied with the dependability of their arrangement.

Table 10 examines impacts on selected measures of child well-being. One would not expect WRP to have generated substantial impacts on child outcomes, positive or negative. Impacts on children might be driven by substantial income gains or losses but, as discussed earlier, WRP has not substantially changed household income. Children might also be affected — either positively or negatively — by changes in maternal employment. However, other studies have found that welfare-to-work programs that generated impacts on employment rates did not produce systematic impacts on child well-being.<sup>23</sup> Furthermore, WRP does not include policies such as benefit termination time limits and family cap policies that one might think would have a more direct effect on child outcomes.

Given these patterns, it is not surprising that there were very few significant differences among the groups in the various measures of child well-being shown in the table. Children of families in the WRP group were just as likely to have missed school as children of families in the ANFC group. The children in the two groups were also about equally likely to have had behavioral problems in school that required the parent to be contacted by the school, and to have repeated a grade. The only significant differences were due to the WRP incentives, but it is not

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<sup>23</sup>Hamilton, 2000.

Table 9

Vermont's Welfare Restructuring Project

Impacts on Satisfaction With Child Care Services

Outcome	Average Outcome Levels			WRP vs. ANFC Impacts of		WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Group	WRP Incentives Only Group	ANFC Group	Financial Incentives and Eligibility Rules, Combined with Time Limit	Impacts of Financial Incentives and Eligibility Rules	Added Impacts of Time Limit	
How satisfied are you with how much your child care costs? (%) <sup>a</sup>							
Very satisfied	27.5	27.7	28.3	-0.8	-0.5	-0.2	
Satisfied	26.8	19.1	21.1	5.7 *	-2.1	7.8 **	
Dissatisfied	3.5	2.7	4.2	-0.7	-1.5	0.8	
Very dissatisfied.	1.0	1.2	0.5	0.5	0.7	-0.2	
Not using child care	41.1	49.3	45.9	-4.7	3.4	-8.1 **	
How satisfied are you with how much you can depend on your child care being available when you need it? (%) <sup>a</sup>							
Very satisfied	41.2	33.1	35.5	5.7	-2.4	8.1 **	
Satisfied	14.1	14.9	16.7	-2.5	-1.8	-0.7	
Dissatisfied	3.3	1.8	2.6	0.8	-0.8	1.6	
Very dissatisfied.	0.4	0.3	0.0	0.4	0.4	0.0	
Not using child care	41.0	49.9	45.3	-4.3	4.6	-9.0 **	
Sample Size (Total = 986)	334	319	333				

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

<sup>a</sup>Only asked of those who have a child age 13 or younger (N = 986).

**Table 10**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Child School Progress and Other Child Outcomes**

Outcome	Average Outcome Levels			WRP vs. ANFC	WRP Incentives	WRP vs. WRP
	WRP Group	WRP Incentives Only Group	ANFC Group	Impacts of Financial Incentives and Eligibility Rules, Combined with Time Limit	Only vs. ANFC	Incentives Only
Number of school absences in previous month (%)						
None	44.7	39.0	44.3	0.4	-5.3 *	5.7 *
1 to 2 days	23.7	26.7	22.5	1.2	4.2	-3.0
3 or more days	8.1	10.4	8.7	-0.5	1.8	-2.3
Child on summer vacation	23.5	23.9	24.6	-1.1	-0.6	-0.4
Contacted by school for child behavior problems since random assignment (%) <sup>a</sup>	26.0	27.0	29.1	-3.1	-2.1	-1.0
Child ever repeated a grade since random assignment (%)	11.1	8.7	10.1	1.1	-1.4	2.5
Child has ever been suspended, excluded, or expelled from school since random assignment (%)	11.7	14.8	13.9	-2.2	0.9	-3.1
Child has ever dropped out of school (%) <sup>b</sup>	3.8	3.6	6.4	-2.6	-2.8	0.1
Child has ever been in trouble with the police (%) <sup>c</sup>	21.6	26.8	17.2	4.4	9.6 **	-5.2
Child participates in clubs or organizations (%)	34.2	31.7	26.5	7.8 ***	5.2 *	2.6
Child covered by child support order (%)	62.7	67.4	62.6	0.1	4.8 *	-4.7 *
<b>Sample Size (Total = 1,747)</b>	<b>586</b>	<b>564</b>	<b>597</b>			

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent. Rounding may cause slight discrepancies in calculating differences.

This section performed analysis at the child level.

<sup>a</sup>Eliminated 6 cases where a child was home schooled.

<sup>b</sup>Only asked of children 10 years of age or older (N=917)

<sup>c</sup>Only asked of children 13 years of age or older (N=541)

clear why the incentives would have had increased the number of school days missed or the number of children covered by child support orders.

#### **D. Has WRP affected health insurance coverage?**

Table 3 showed that relatively few respondents in any of the groups were enrolled in employer health plans. However, a complete picture of health insurance coverage should include both private and public programs. Table 11 shows that WRP did not generate a significant impact on health insurance coverage — roughly 80 percent of the respondents in each group had health insurance when interviewed. As expected, a large majority of these people were enrolled in publicly-funded programs. The lack of an impact on health coverage is not surprising: WRP offers three years of transitional Medicaid coverage to families leaving welfare for work (as opposed to the one year of coverage provided to the ANFC group), but Vermont offers a relatively rich array of public health insurance programs that are available to members of all groups.

It is important to examine health coverage for children separately, because children are sometimes eligible for public programs when adults are not. As expected, rates of coverage are slightly higher for children than for adults in all three groups.<sup>24</sup> Members of the WRP group were significantly less likely to report that all of their children have coverage, but this is primarily because they were slightly less likely to be living with any children (this difference is not statistically significant).<sup>25</sup>

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<sup>24</sup>The survey does not distinguish between cases where some (but not all) children were not covered, as opposed to all children not being covered. Therefore these two categories were collapsed into “some or all children not covered.”

<sup>25</sup>Among WRP group respondents, 10 percent reported that they had no children when interviewed. In about half of these cases, it appears that the respondent’s youngest child was no longer a minor. In the other half of the cases, all or the respondent’s children may have been living with other relatives, a spouse, on their own, in foster care, or deceased.

**Table 11**  
**Vermont's Welfare Restructuring Project**  
**Impacts on Health Care Coverage**

Outcome	Average Outcome Levels		WRP vs. ANFC impacts of		WRP Incentives Only vs. ANFC	WRP vs. WRP Incentives Only
	WRP Group	WRP Only Group	Financial Incentives and Eligibility Rules, Combined with Time Limit	Financial Incentives and Eligibility Rules		
Respondent covered by Medicaid, Dr. Dynasaur, VHAP, or an HMO paid for by Medicaid (%)						
Covered	64.8	66.4	67.9	-3.1	-1.5	-1.6
Not covered	31.7	30.8	30.2	1.5	0.6	0.9
Missing	3.5	2.8	1.9	1.6	0.9	0.7
Respondent covered by other health insurance (%)						
Covered	18.0	18.7	16.8	1.2	1.9	-0.7
Not covered	81.1	80.3	81.3	-0.2	-1.0	0.8
Missing	0.9	1.0	1.9	-1.0	-0.9	-0.1
Respondent covered by any type of health insurance (%)						
Covered	79.2	81.6	81.6	-2.3	0.1	-2.4
Not covered	17.0	15.4	16.1	0.8	-0.7	1.6
Missing	3.8	3.0	2.3	1.5	0.6	0.8
Children covered by Medicaid, Dr. Dynasaur, VHAP, or an HMO paid for by Medicaid (%)						
All children covered	71.1	71.2	76.7	-5.7 *	-5.6 *	-0.1
Some or all children not covered	18.6	19.0	14.3	4.3	4.7 *	-0.4
Respondent does not have a child <sup>a</sup>	10.1	9.6	9.0	1.1	0.6	0.5
Missing	0.2	0.3	0.0	0.2	0.3	0.0
Children covered by other health insurance (%)						
All children covered	17.0	21.0	15.3	1.8	5.7 **	-4.0
Some or all children not covered	72.9	69.4	74.3	-1.4	-4.9	3.6
Respondent does not have a child <sup>a</sup>	10.1	9.6	9.0	1.1	0.6	0.5
Missing	0.0	0.0	1.5	-1.5 ***	-1.4 ***	-0.1
Child covered by any type of health insurance (%)						
All children covered	79.9	82.6	84.2	-4.2 *	-1.5	-2.7
Some or all children not covered	10.1	9.6	9.0	1.1	0.6	0.5
Respondent does not have a child <sup>a</sup>	10.0	7.8	6.9	3.1	0.9	2.2
Sample Size (Total = 1,256)	421	414	421			

(Continued)

SOURCES: MDRC calculations using data from the 42 Month Client Survey.

NOTES: The sample includes members randomly assigned from July 1994 through June 1995 in the six research districts.

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

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

The percentages covered by Medicaid and other insurance do not sum to the percentage covered by any insurance. Some respondents indicated that they were covered by more than one type of insurance.

<sup>a</sup>A respondent could have no children if her youngest child was no longer a minor or if all of her children were living away from her or deceased.

## Appendix A

### Miscellaneous Issues Related to Survey Data

This memo discusses four issues related to the use of survey data: (1) the similarity of respondents across research groups, (2) the similarity of sample members who responded to the survey and those who did not, (3) the similarity of employment information from the UI records and from the survey, and (4) sources of income from the survey for people with no income in the administrative records (that is, who were neither in the UI earnings records, the ANFC records, or the Food Stamp records for the calendar quarter in which they were interviewed).

#### I. Generalizability of Results from the Survey

In studying the effects of WRP, people were assigned at random to the three research groups to ensure that the groups were similar at that point, and to ensure that any differences that emerged between the groups would be due to the WRP policies. While random assignment worked for the entire WRP group and the entire ANFC group, most of the results in this report are based on a group of people who responded to the survey. It is possible that restricting results to survey respondents gives an inaccurate view of the true effects of WRP. This section investigates this possibility in two ways.

##### A. Similarity of Survey Respondents Across Research Groups

It is possible that members of the WRP group who responded to the survey differed at baseline from members of the ANFC group who responded to the survey. If that were true, then differences that existed between the groups after baseline (that is, the results shown in this report) could be due in part to those baseline differences. Table A.1 shows a variety of baseline characteristics of survey respondents; the first column contains characteristics for the two WRP groups combined, while the second column contains characteristics for the ANFC group.

The two groups of survey respondents were similar in every way shown in the table. They had similar welfare histories: about 40 percent of both groups were applying for welfare when they were randomly assigned, and 60 percent were already receiving welfare at that time. About 95 percent of both groups were female. They were dispersed in a similar way around the state, with about 30 percent of both groups coming from Burlington, 20 percent from Rutland, and so on. Likewise, they had similar work histories and similar education levels. The results in Table A.1 are encouraging, therefore, and suggest that compari-

**Table A.1**  
**Vermont's Welfare Restructuring Project**  
**Differences in Baseline Characteristics by Research Groups**  
**(Among Those Who Responded to the 42 Month Survey)**

Characteristic	WRP Groups	ANFC Group
<b><u>Demographic Characteristics</u></b>		
Applicant/Recipient (%)		
Applicant	39.4	39.7
Recipient	60.6	60.3
Geographic Area (%)		
Burlington	32.9	30.4
Barre	15.4	15.9
Newport	9.7	8.1
Rutland	18.1	20.7
Springfield	10.2	9.7
St Albans	13.7	15.2
Gender/Sex (%)		
Female	95.0	94.1
Male	5.0	5.9
Age at random assignment (%)		
Under 20	4.8	7.1
20-24	22.2	20.0
25-34	45.0	45.1
35-44	23.4	24.0
45 or older	4.7	3.8
<b><u>Labor Force Status (%)</u></b>		
Ever employed prior quarter 1	33.2	35.2
Ever employed prior quarter 2	32.0	34.7
Ever employed prior quarter 3	29.7	32.5
Ever employed prior quarter 4	29.7	30.4
Working at random assignment	20.7	19.7
<b><u>Educational Status</u></b>		
Highest Degree: HS Diploma	47.2	46.6
Highest Degree: GED	15.9	17.3
Highest Degree: Technical Diploma	9.5	10.0
Highest Degree: College	3.5	4.0

(Continued)

(Table A.1 Continued)

	WRP Groups	ANFC Group
<b>Public Assistance Status</b>		
Ever received AFDC payments prior quarters 1-4 (%)		
Ever received AFDC prior quarter 1	67.1	70.5
Ever received AFDC prior quarter 2	71.0	71.7
Ever received AFDC prior quarter 3	69.6	70.3
Ever received AFDC prior quarter 4	68.0	69.1
Ever received Food Stamps, prior quarters 1-4 (%)		
Ever received Food Stamps prior quarter 1	73.7	76.2
Ever received Food Stamps prior quarter 2	73.7	74.6
Ever received Food Stamps prior quarter 3	71.7	72.7
Ever received Food Stamps prior quarter 4	70.8	72.2
Earnings, prior quarters 1-4 (\$)		
Earnings prior quarter 1	623	608
Earnings prior quarter 2	577	575
Earnings prior quarter 3	551	560
Earnings prior quarter 4	584	540
AFDC Received, prior quarters 1-4 (\$)		
Amount of AFDC received prior quarter 1	1060	1099
Amount of AFDC received prior quarter 2	1082	1124
Amount of AFDC received prior quarter 3	1075	1095
Amount of AFDC received prior quarter 4	1017	1035
Food Stamp Received, prior quarters 1-4 (\$)		
Amount Food Stamps received prior quarter 1	374	381
Amount Food Stamps received prior quarter 2	376	366
Amount Food Stamps received prior quarter 3	373	368
Amount Food Stamps received prior quarter 4	359	352
Sample Size	835	421

SOURCES: MDRC calculations using data from the 42 Month Client Survey, Background Information Forms (BIF), Vermont and New Hampshire unemployment insurance earnings records, Vermont ANFC records, and Vermont Food Stamp records.

NOTES: For this analysis, the WRP Group and the Incentives Only Group were collapsed into the "WRP Groups." A general linear model was run to determine whether there were any systematic differences between WRP and ANFC group members who responded to the survey. The overall F statistics of 0.94 ( $p = 0.5969$ ) indicated that there is not any systematic bias across research groups.

Though there was not any overall difference in the background characteristics of respondents from the WRP and ANFC Groups, it is possible that they differed on specific background characteristics. To test this, two-tailed t-tests were applied to all estimated differences in means. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

Rounding may cause slight discrepancies in calculating differences.

sons across the research groups will indicate the effects of WRP's policies rather than pre-existing differences across survey respondents in the research groups.

### **B. Similarity of Survey Respondents and Nonrespondents**

Even when experimental comparisons using survey data are legitimate, as Table A.1 implies they are, they might provide results for an unusual sample that does not represent the full group of people who entered the study. When the survey firm was trying to find people to whom they could administer the survey, for example, it may have more easily located people who were still on welfare since welfare records could have provided an accurate current address. If that had happened, then the results in this report would reflect a group that was more likely to be on welfare than the group of people who were originally randomly assigned.

Table A.2 examines this possibility by showing baseline characteristics of people who responded to the survey and those who did not. In most ways, the two groups are fairly similar. More than 30 percent of both respondents and nonrespondents came from Burlington, for example, and fewer than 10 percent of either group was male. Likewise, the work history of the two groups was similar: about one-third of both groups worked in the quarter prior to random assignment, for example, about 30 percent worked four quarters prior to random assignment, and about 20 percent were working at random assignment. This suggests that results related to employment and types of jobs may be quite representative of the larger sample.

In some ways, however, survey respondents differed from nonrespondents. As mentioned above, people who were more likely to still be on welfare were also more likely to have responded to the survey: survey respondents were more likely to be receiving welfare at random assignment than were nonrespondents, and they were more likely to have received welfare through the year prior to random assignment. At the same time, survey respondents were more likely to have graduated from high school than nonrespondents.

Although these differences require that results in this report be interpreted with some slight caution, results for survey respondents are likely to be very close to results for the larger group since no differences were enormous, and since the two groups were similar in most respects.

## **II. Comparing Employment from the UI Records and Survey**

Results in the body of the report showed that WRP's impacts on employment measured with survey responses was about the same as the impact measured with UI re

**Table A.2**  
**Vermont's Welfare Restructuring Project**  
**Difference in Baseline Characteristics by Survey Response Status**

	Responded	Did Not Respond	
<b><u>Demographic Characteristics</u></b>			
Applicant/Recipient (%)			
Applicant	39.5	48.7	***
Recipient	60.5	51.3	***
Geographic Area (%)			
Burlington	32.1	36.7	
Barre	15.6	13.0	
Newport	9.2	7.8	
Rutland	18.9	17.5	
Springfield	10.0	15.6	**
St Albans	14.2	9.4	**
Gender/Sex (%)			
Male	5.3	9.7	**
Female	94.7	90.3	**
Age at random assignment (%)			
Under 20	5.6	6.8	
20-24	21.4	23.4	
25-34	45.1	44.8	
35-44	23.6	21.1	
45 or older	4.4	3.9	
<b><u>Labor Force Status (%)</u></b>			
Ever employed prior quarter 1	33.8	33.1	
Ever employed prior quarter 2	32.9	30.2	
Ever employed prior quarter 3	30.7	26.6	
Ever employed prior quarter 4	29.9	27.9	
Working at random assignment	20.4	18.2	
<b><u>Educational Status</u></b>			
Highest Degree: HS Diploma	47.0	37.0	***
Highest Degree: GED	16.4	17.2	
Highest Degree: Technical Diploma	9.6	7.8	
Highest Degree: College	3.7	1.9	*

(Continued)

(Table A.2 Continued)

	Responded	Didn't Respond	Difference
<b>Public Assistance Status</b>			
Ever received AFDC payments prior quarters 1-4 (%)			
Ever received AFDC prior quarter 1	68.2	62.3	**
Ever received AFDC prior quarter 2	71.3	64.9	*
Ever received AFDC prior quarter 3	69.8	64.6	**
Ever received AFDC prior quarter 4	68.4	62.7	**
Ever received Food Stamps, prior quarters 1-4 (%)			
Ever received Food Stamps prior quarter 1	74.5	70.8	
Ever received Food Stamps prior quarter 2	74.0	70.5	
Ever received Food Stamps prior quarter 3	72.1	69.2	
Ever received Food Stamps prior quarter 4	71.3	68.8	
Earnings, prior quarters 1-4 (\$)			
Earnings prior quarter 1	618	550	
Earnings prior quarter 2	577	523	
Earnings prior quarter 3	554	533	
Earnings prior quarter 4	569	561	
AFDC Received, prior quarters 1-4 (\$)			
Amount of AFDC received prior quarter 1	1073	982	*
Amount of AFDC received prior quarter 2	1096	1023	
Amount of AFDC received prior quarter 3	1081	1014	
Amount of AFDC received prior quarter 4	1023	938	
Food Stamp Received, prior quarters 1-4 (\$)			
Amount Food Stamps received prior quarter 1	377	373	
Amount Food Stamps received prior quarter 2	372	370	
Amount Food Stamps received prior quarter 3	372	377	
Amount Food Stamps received prior quarter 4	357	357	
Sample Size	1256	308	

SOURCES: MDRC calculations using data from the 42 Month Client Survey, Background Information Forms (BIF), Vermont and New Hampshire unemployment insurance earnings records, Vermont ANFC records, and Vermont Food Stamp records.

NOTES: The sample includes single parents in the fielded survey sample.

A general linear model was run to determine whether there were any systematic differences between survey respondents and nonrespondents. The F statistics of 2.05 ( $p=0.0001$ ) indicated that there were some systematic differences in the background characteristics of survey respondents and nonrespondents.

Two-tailed t-tests were applied to all estimated differences in means. Statistical significance levels are indicated as \*\*\*=1 percent; \*\*=5 percent; and \*=10 percent.

cords, but that employment levels were higher using the survey. Table A.3 presents further information to understand these comparisons.

The first panel of Table A.3 shows the extent to which the survey and UI records agreed regarding a person's employment. The third row of the panel shows an extremely positive result: for 76.5 percent of the WRP groups (the WRP group and WRP Incentives Only group combined), the two sources of information agreed, as they did for 80.0 percent of the ANFC group. That is, both the survey and the UI records indicated that these individuals were working or both sources indicated that the person was not working. The fourth row of the results indicates that for most of this group, both the survey and the administrative records showed they were working.

The first two results of the panel show the ways in which the two sources of information disagreed. For more than 10 percent of both research groups, the survey indicated the person was employed but the UI records did not. If the survey is accurate, this implies that the person was working in a job not covered by the UI system, perhaps because it was a job in the informal sector or a job outside of Vermont and New Hampshire, the two states for which UI records were collected. Less than 9 percent of both research groups was employed according to UI records but not employed according to their own survey responses. This discrepancy is less likely due to the types of jobs that people had than to some of the drawbacks of surveys: (1) some people may have forgotten about jobs that they held; (2) some people may have decided not to tell the interviewer about jobs that they held; and (3) the survey results reflect employment in one month while the UI records show employment for one quarter, and the person may have been employed in the quarter, but not in the month measured by the survey.

The second panel of Table A.3 provides some additional insight into the group of people who said they were working, but who did not appear to be working according to the UI records. This panel compares characteristics of this group to characteristics of workers in the full survey (i.e., including those who also appeared to be working in the UI records). As discussed above, one possible reason that a person does not appear in the UI records is that they were working, but in neither Vermont nor New Hampshire. Indeed, while more than 90 percent of all workers in the survey were working in Vermont, only about 75 percent of workers who did not show up in the UI records were working in Vermont. Jobs that provide medical benefits are also more likely to be covered by the UI system. The last row of the second panel shows that 28.3 percent of workers in the full survey sample were provided with medical benefits by their employer, but only 22.5 percent of those with a discrepancy were, perhaps implying that their jobs were indeed less likely to be covered by the UI system. In other ways, however, the jobs appear similar: most were full-time (as indicated by

**Table A.3**

**Vermont's Welfare Restructuring Project**

**Comparing Employment Reported on the Survey to Employment from UI Records**

**Comparison of employment statuses across data sources  
for comparable relative quarter<sup>a</sup>**

	<b>WRP Group</b>	<b>ANFC Group</b>
Working according to survey, not according to UI records (%)	14.7	11.6
Working according to UI records, not according to survey (%)	8.8	8.3
Same employment status on both UI and survey (%)	76.5	80.0
Measured as working on both data sources (%)	50.8	43.9
Measured as not employed on both data sources (%)	25.7	36.1
	<b>Working According To Survey, Not According To UI Records</b>	<b>Full Survey Sample</b>
Was job located in Vermont? (%)	75.7	92.1
Hours worked	33	34
Earnings (\$)	277	254
Employer-provided medical benefits (%)	22.5	28.3

SOURCES: MDRC calculations using data from 42 Month Client Survey and Vermont and New Hampshire unemployment insurance earnings records, Vermont ANFC records, and Vermont Food Stamp records.

NOTES:

<sup>a</sup>Comparisons of UI to survey employment statuses are approximations since survey data is collected monthly while UI data is compiled quarterly. Some of the mismatch can be attributed to this factor. Also, the UI system does not cover many informal jobs and out of state jobs.

the fact that the average hours per week was close to 40 in both groups), average weekly earnings were similar for the two groups.

### **III. Income Sources for People With No Income From Administrative Records**

In the September 1999 report about WRP that used administrative records, about 25 percent of each research group had no earnings reported to the UI system and no cash assistance reported in the ANFC records in quarter 14, about the time that the survey was administered. In other words, the administrative records indicated that they had no income. If these people really had no means of support, then this result is extremely concerning. More likely, however, is that many of these people were working in a job not covered by the UI system or were living with other adults who were providing support for them and their families.

Table A.4 describes these potential income sources for people for whom the administrative records showed no income in the quarter in which the survey was administered. Among this group, nearly two-thirds lived with another adult who had income and more than half were currently working (apparently in jobs not covered by the UI system). Overall, 95 percent reported that they were either living with another adult, working, or receiving welfare or Food Stamps. In other words, the survey indicates that almost all of these people had some source of income or support.

Table A.4

**Income Sources For Those Who Had \$0 Measured Income According to the Administrative Records  
In The Quarter of Survey Interview**

	\$0 in Administrative records income (N=151)	Full Survey Sample
Lives with another adult (%)	74.2	54.5
Lives with another adult who has income (%)	64.9	49.5
Received welfare in other state (%)	4.6	1.2
Received welfare or food stamps (%)	15.9	52.9
Currently working (%)	55.0	59.0
Lives with another adult, received welfare or food stamps, or currently working (%)	94.7	98.2

MDRC calculations using data from the 42 Month Client Survey and Vermont and New Hampshire unemployment Insurance earnings records, Vermont ANFC records, and Vermont Food Stamp records.

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## **About MDRC**

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and Oakland, California.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods to determine a program's effects, including large-scale studies, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.