National Evaluation of Welfare-to-Work Strategies

Oklahoma City's ET & E Program: Two-Year Implementation, Participation, Cost, and Impact Findings

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Overview and Summary of the Findings

Oklahoma City's Education, Training, and Employment (ET & E) program was designed to promote self-sufficiency among applicants for and recipients of Aid to Families with Dependent Children (AFDC). The program (1) advocated participation in education, training, and job search classes to enhance individuals' employability and (2) granted child care assistance to support participation in the program and employment. However, ET & E was hampered by limited funding, and administrators and staff did not strongly enforce the program's mandate to participate. (Owing to statewide budget cuts and caps, caseloads were high; when case workers faced a time crunch, income maintenance functions took priority over employment and training functions.) As a result, overall, ET & E produced only small increases in the percentage of individuals who participated in basic education, vocational training, and job search classes, compared with the participation levels of a control group. For those who entered the program without a high school diploma or GED, ET & E produced larger increases in participation. The program did not increase enrollees' employment and earnings, compared with a control group's, but it did produce moderate welfare savings. Though the program's mandate to participate was not strongly enforced, it is possible that the welfare effects resulted from individuals deciding to forego cash assistance after they heard the mandate stated at application. Another possibility is that case managers were better able to discover AFDC ineligibility information with ET & E enrollees. Oklahoma City has since changed its program substantially to emphasize the mandate for welfare applicants and recipients to look for work as a first activity.

These findings come at a time when state and local welfare-to-work programs are being changed across the country in response to a major overhaul of the welfare system that was mandated by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Oklahoma City's results provide program administrators with valuable lessons on how to improve programs' short-term effectiveness when implementing a welfare-to-work program in a tight funding environment. The main lessons are discussed at the end of this report.

ET & E is being assessed as part of the National Evaluation of Welfare-to-Work Strategies (NEWWS), a comprehensive study of welfare-to-work programs in seven sites. The evaluation is being conducted by the Manpower Demonstration Research Corporation (MDRC), under contract to the U.S. Department of Health and Human Services (HHS) with support from the U.S. Department of Education (ED). The evaluation in Oklahoma City and in the other six sites uses random assignment to rigorously test programs' effects.[1] Applicants for welfare in Oklahoma City between 1991 and 1993 were randomly assigned to two research groups and, for this report, were followed for two years. To determine the effects of ET & E, outcomes are compared between a program group, which was *required* to participate, and a control group, which could *not* participate in ET & E but could seek out services in the community. This comparison thus tests whether special welfare-to-work programs im-

[1]The present study draws its sample and data from Oklahoma, Cleveland, and Pottawatomie Counties, Oklahoma. For ease of reference, the name of the urban area that encompasses these counties, Oklahoma City, will be used throughout this report.

prove outcomes for welfare applicants over and above what they would have achieved on their own. The evaluation does not test the merit of individual services but, rather, how much a program can increase the use of those services and whether the increases can make a difference in raising employment rates and speeding welfare exits.

This report's data on implementation, participation, costs, and impact findings measure ET & E's operation before it was overhauled in late 1995, partly in response to early results from other evaluations of welfare-to-work programs which indicated that mandatory "work first" approaches have large effects in the short term. Oklahoma City's program shifted at that time from one that encouraged individuals to build skills through formal education and that put great emphasis on participants' choice to a program that is mandatory, employment-focused, and requires individuals to look for a job first, both before and after their application for welfare is approved. Future NEWWS documents will follow Oklahoma City sample members for up to five years; it is possible that longer follow-up will reflect Oklahoma City's shift to a program type that has produced large effects in other locales.

The following are the key two-year findings about how ET & E affected welfare applicants:

- **ET & E administrators and staff did not strongly enforce the stated mandate to participate.** Staff universally told applicants for welfare in Oklahoma City about ET & E's mandate to participate, but after individuals enrolled in the program, staff did not strictly enforce it. High caseloads — created by limited funding — and the higher priority that administrators placed on eligibility functions cut into the time that staff had to monitor participation, to cajole reticent individuals to participate, or to sanction enrollees who failed to comply. The administrators' and staff's philosophies about the desirability of honoring participants' choices and about the undesirability of sanctioning also undermined enforcement.

- **ET & E only slightly increased participation among welfare applicants in education and training activities above what they would have accessed on their own within a two-year period.** ET & E was highly committed to a skill-building approach to self-sufficiency. Staff almost universally advocated that enrollees return to school to enhance their employability. However, administrators' and staff's decisions to focus limited resources on individuals who wanted to participate — and their weak enforcement of the mandate to participate — kept ET & E from engaging many more individuals than would normally have participated on their own. Thus, the program group's participation rates in employment-related activities were not much higher than the control group's. One exception was for those who entered the evaluation without a high school diploma or GED. For these individuals, who tended to stay on welfare longer, the program produced a 22 percentage point increase in the proportion who attended basic education classes, a 10 percentage point increase in participation levels in vocational training programs, and a 9 percentage point increase in job search activities. ET & E did not generate statistically significant increases in college attendance or in the receipt of any educational credential, such as a high school diploma or trade certificate, for either subgroup.

- **Disregarding the costs that the government would have incurred without ET & E, just $951 was spent on each program group member, the lowest found for a NEWWS program.** Oklahoma City's welfare department generated this low cost by spending less on ET & E case management and program activities than did any other NEWWS program for which these data are available. In addition, although the welfare department did spend slightly more on child care and other support services than in most other programs, much of the cost was for non-ET & E-related child care.

- **ET & E produced no impacts on employment or earnings within two years.** Relative to the control group, the program group's increased participation in basic education, job search, and vocational training did not lead to increases in employment or earnings either for the full sample or for any subgroups of individuals. There are a number of reasons for this result. First, other studies suggest that programs that primarily provide job search and basic education do not work as well for the sample studied in Oklahoma City – applicants for welfare – as for other, more disadvantaged members of the welfare caseload. Second, ET & E did not create a large treatment difference between the program and control groups. Third, programs that encourage enrollees to invest in education or training before entering the labor market are not expected to show immediate employment gains; payoffs are expected to emerge in later years.

- **ET & E did generate moderate AFDC savings.** Relative to the total welfare payments that the control group received, Oklahoma City's ET & E program reduced expenditures by 6 percent. These AFDC savings were found only for a subgroup of individuals who had a high school diploma or GED at the time that they applied for welfare. The absence of impacts on employment and earnings suggests that the welfare savings are not the result of enrollees' achieving self-sufficiency. It is possible that applicants chose alternatives to welfare because of the stated participation requirement or that case managers were better able to discover AFDC ineligibility information for ET & E enrollees.

These findings suggest several lessons. First, for a welfare-to-work program to achieve gains for enrollees over and above what they can do on their own, it is important to engage individuals who would not otherwise participate in education and employment activities. Though education and training may have increased the employment potential of program and control group members who participated in them, ET & E did not largely increase the use of these services among those who were required to enroll in the program. Second, the cost findings suggest that the welfare department must make some minimum per-person resource investment in order to have effects. ET & E case management may have been spread too thinly over the program group to make a difference. Third, it is important for welfare-to-work program administrators to clarify the priority of their program within the welfare department. Oklahoma City's experiences demonstrate that unless administrators stress the importance of a welfare-to-work program to staff, the program can suffer when underfunded welfare departments use integrated case management. This type of case management, where case workers have responsibility for welfare

eligibility duties as well as employment and training functions, has been suggested as one way to move the culture of a welfare department toward promoting self-sufficiency. When caseloads are high and time is scarce, however, ensuring that cash assistance is quickly and accurately delivered to families in need can take precedence over the task of trying to move individuals from welfare to work. These lessons will be discussed in detail at the end of this report.

The following pages will first provide some context for the results obtained — by describing Oklahoma City, the sample studied, and the research design used to gauge ET & E's effectiveness (Chapter 1). Next, a description of the program treatment and its implementation is presented (Chapter 2). Findings on the per-person cost of ET & E and the impacts on employment, earnings, and welfare receipt then follow (Chapters 3 and 4). The report concludes with lessons that the evaluation of Oklahoma City's program can provide for the future implementation of welfare-to-work programs (Chapter 5).

Chapter 1

Oklahoma City's Evaluation Context

I. Key Characteristics of ET & E's Environment

The Oklahoma City metropolitan area is the largest urban area in Oklahoma, comprising about one-quarter of the state's population. Over the period covered by this report, Oklahoma City's population rose, as did the employment opportunities available to its residents.[2] Between 1990 and 1995, Oklahoma City's population grew by 5 percent. Between 1991 and 1995, its employed labor force grew by 6 percent, and the unemployment rate fell from 6 percent to 4 percent (see Table 1.1). Oklahoma City's AFDC caseloads grew during these years from about 12,000 families in 1991 to about 14,000 families in 1995 (though caseloads were beginning to decline by the end of the study period). These trends are similar to national trends in this time period.

Oklahoma's maximum cash assistance benefit for unemployed families is below the median of other states. In 1993, a family of three could receive up to $324 per month through the Aid to Families with Dependent Children (AFDC) program, which was subsequently replaced by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) with funds from Temporary Assistance for Needy Families (TANF). The median in the 50 states was $367. The lower than average benefit amount in Oklahoma meant that even modest income from employment made a family ineligible for cash assistance. However, Oklahoma "disregarded" some earned income from employment when calculating the AFDC grant (in line with standard, federally mandated disregards): in the first four months of employment, $120 and an additional one-third of the remainder of monthly earnings were disregarded; in months five through 12 of employment, a flat $120 was disregarded; and after one year of employment, the disregard fell to $90.[3] In addition, recipients could disregard child care expenditures, up to $175 per child aged 2 and over and $200 per child under age 2.[4] These disregards raised the amount of income — to $606 — that a three-person family could earn in the first four months of employment and still receive some cash assistance; this is the equivalent of working about 33 hours per week at the minimum wage, which was $4.25 per hour in 1993. In months five through 12, the family would become ineligible when earning $444, the equivalent of about 24 hours per week at the minimum wage; after one year, a family could earn up to $414 and remain eligible.

[2] All data are for Oklahoma, Cleveland, and Pottawatomie Counties.

[3] The $120 disregard includes a $90 disregard for work expenses, such as those for transportation and uniforms.

[4] This is a national disregard policy that Oklahoma City rarely invoked, since child care costs were paid directly to providers through ET & E.

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Table 1.1

Characteristics of the Program Environment

Oklahoma City ET & E Program

Characteristic	Oklahoma City
Population, 1990	832,624
Population growth, 1990-1995 (%)	5.4
Employment growth, 1991-1995 (%)	6.0
Unemployment rate (%)[a]	
1991	6.0
1992	5.5
1993	5.5
1994	5.0
1995	4.0
AFDC caseload[b]	
1991	12,305
1992	13,392
1993	14,259
1994	14,257
1995	13,959
AFDC grant level for a family of three, 1993 ($)	324
Food stamp benefit level for a family of three, 1993 ($)[c]	292
Maximum a family of three could earn and receive AFDC, January 1993 ($)	
In months 1-4 of employment	606
In months 5-12 of employment	444
After 12 months of employment	414

SOURCES: Hall and Gaquin, eds., 1997; Hamilton and Brock, 1994; Hamilton et al., 1997; U.S. Department of Labor, Bureau of Labor Statistics; Center on Social Welfare Policy and Law, 1994; CLASP, 1995; site contacts.

NOTES: Data are for Oklahoma, Cleveland, and Pottawatomie Counties, Oklahoma.

[a] Data are for Oklahoma County. The unemployment rates for Cleveland County are: 1991: 4.4%; 1992: 3.5%; 1993: 3.5%; 1994: 3.5%; 1995: 2.9%; 1996: 2.6%. The unemployment rates for Pottawatomie County are: 1991: 7.6%; 1992: 5.9%; 1993: 5.8%; 1994: 5.7%; 1995: 4.5%; 1996: 4.8%.

[b] Annual average monthly caseloads for state fiscal years, as reported by the state.

[c] Assumes the receipt of the maximum AFDC payment.

II. Research Design, Random Assignment Process, and Sample Characteristics

In common with the other program evaluations in the National Evaluation of Welfare-to-Work Strategies, the study of Oklahoma City's ET & E program uses a strong research design: a random assignment experiment. In this design, sample members are assigned by chance either to a program group, whose members are required to participate in ET & E or face a reduction in their welfare grant; or to a control group, whose members do not have access to the program's services but can seek out such services on their own from the community. This random assignment design ensures that there are no systematic differences in the background characteristics of people in the program group and those in the control group when they enter the study. Thus, any subsequent differences in outcomes between the groups can be confidently attributed to the effects of the program. These differences are called the *impacts* of a program. If positive, impacts are referred to as *gains* or *increases*; if negative, they are referred to as *losses, decreases,* or *reductions*.

It is possible that hearing about a program, and (in the case of a program group member) knowing that one is required to participate in it, can have effects on individuals' employment or welfare receipt separate from subsequent program-provided services. Knowledge of the requirement could induce an individual to look for work or make other arrangements in order to avoid going on welfare and having to participate in the program. To capture these potential effects — sometimes referred to as the "deterrence effect" of a welfare-to-work program — individuals were randomly assigned when they applied for AFDC, before their eligibility was determined.[5]

When an individual applied for cash assistance at the welfare office, a case manager (called a social worker in Oklahoma City) would determine whether or not she should be included in the evaluation. Heads of single-parent cases were included if they had not received AFDC in Oklahoma within 60 days of their current application, if their children were above age 1, and if they were not members of the Sac and Fox Native American tribes. The one exception was for an applicant aged 16 to 19 who did not have a high school diploma or GED; even if her youngest child was under age 1, she would be enrolled in ET & E to complete her high school education and would be included in the evaluation. (See Figure 1.1.)[6]

The characteristics of the sample studied in this report are presented in Table 1.2. Almost all are female and unmarried. Teen parents (under age 19) account for about 10 percent of those studied in this evaluation. Roughly two-thirds of all sample members had preschool-aged children (under age 6) and close to half (41 percent) had a child under age 2.

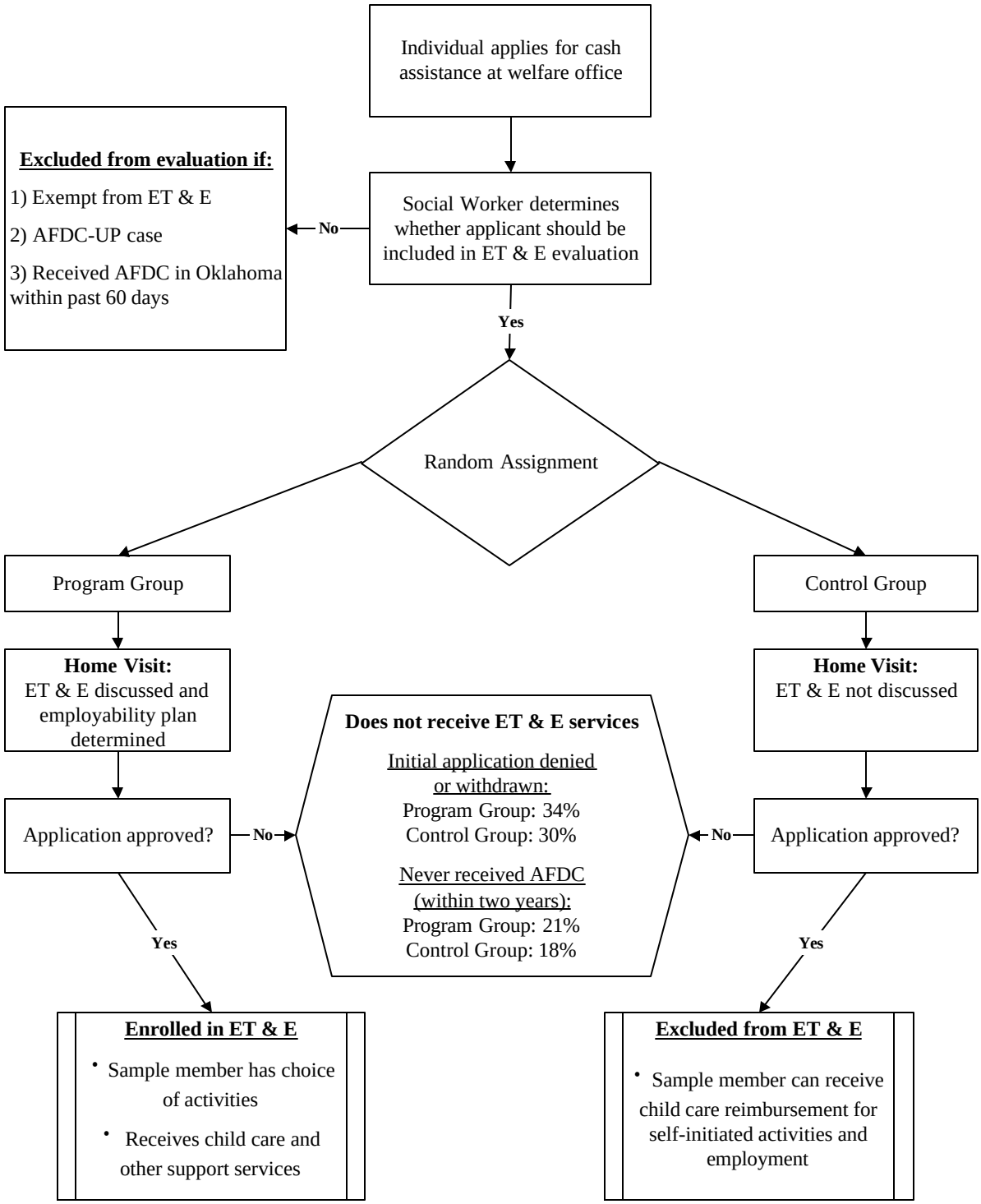
Because only applicants are studied as part of this evaluation, the sample is relatively advantaged, compared with others in the NEWWS Evaluation. Prior research has shown that the best predictor of an individual's future AFDC receipt is her past AFDC receipt, and the best pre-

[5]In addition, placing the point of random assignment after an applicant's approval for assistance would have required significant alterations to existing welfare department procedures.

[6]Two-parent (AFDC-UP, or Unemployed Parent) cases were excluded from the evaluation.

Figure 1.1

Program Entry and Random Assignment
Oklahoma City ET & E Program



SOURCES: MDRC Oklahoma City Random Assignment Procedures Manual and Oklahoma AFDC administrative records.

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Table 1.2

Selected Characteristics of Sample Members

Oklahoma City ET & E Program

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Characteristic	Oklahoma City
Gender (%)	
Male	6.9
Female	93.1
Age (%)	
Less than 19	9.8
19-24	27.0
25-34	42.9
35-44	17.3
45 and over	2.9
Ethnicity (%)	
White	59.4
Hispanic	4.3
Black	28.9
Black Hispanic	0.3
Native American/Alaskan Native	6.4
Asian/Pacific Islander	0.6
Other	0.1
Marital Status (%)	
Never Married	34.3
Married, living with spouse	3.8
Separated	35.7
Divorced	25.2
Widowed	1.0
Average number of children	1.7
Age of youngest child (%)	
2 and under	41.4
3 to 5	23.8
6 and over	34.9
Had a child as a teenager	47.1
Worked full time for six months or more for one employer (%)	68.8
Any earnings in past 12 months (%)	69.0
No high school diploma or GED degree (%)[a]	44.6
Total prior AFDC receipt (%) [b]	
None	44.4
Less than 2 years	31.4
2 years or more	24.3
Current housing status (%)	
Public housing	5.3
Subsidized housing	6.7
Emergency or temporary housing	14.4
None of the above	73.7
Sample size	8,677

pation and cost numbers to use all randomly assigned individuals as a base. Throughout this report, it is noted when the findings would have been significantly different using only those who were approved for AFDC.

After determining if an individual should be randomly assigned, the social worker briefly explained what ET & E was (but not the services it included) and described its random assignment evaluation. After the individual had completed a standard demographic characteristics form, the social worker would call MDRC to determine to which group, program or control, the applicant would be assigned. If the applicant was assigned to the program group, the social worker would inform her of her research status, explain that she was required to participate in ET & E, briefly describe its services, and indicate the availability of support services, such as child care. The social worker would give the client an employability plan (called the ET-2 form) to begin filling out. If an applicant was assigned to the control group, the social worker would tell the applicant of her research status, give her a list of the area's education providers that she could contact on her own, if she wished, and inform her that she could also receive child care assistance from the welfare department if she enrolled in some type of employment-related activity. Control group members' exposure to ET & E would end here, though they could receive child care assistance for work-enhancing activities they participated in outside the program. Members of both the program and the control groups were next scheduled for a home visit, where final eligibility for AFDC was determined.

During the two-year follow-up period, almost all final eligibility meetings were conducted in a home visit.[9] It took, on average, 25 days for an applicant to have a home visit to determine her eligibility after applying at the welfare office.[10] The purpose of the home visit was threefold: first, to complete all the paperwork and documentation necessary for an individual's AFDC application to be certified; second, to verify in person that all of the information given on the application about family size and income sources was accurate; and third, to discuss ET & E (for program group members) and assess any other service needs a family might have and provide appropriate referrals. Home visits observed by MDRC field researchers lasted between 15 and 30 minutes; less than one-third of that time was spent discussing ET & E and filling out ET & E-related paperwork. No discussions of ET & E or its services were held in home visits with control group members.

During the home visit, the program group member would finish the ET-2 with input from her social worker. The social worker would review the client's education and work history and would then ask her to identify her primary and secondary employment goals. Though the social worker would make suggestions, choosing specific activities or providers was usually left to the client. (This is in contrast with many other welfare-to-work programs, which put clients in a service "track" with a fixed sequence of activities and assigned them to specific providers.) Case managers indicated that there was virtually no

[9]The two-year follow-up period falls over a different calendar period for each sample member in the evaluation. An inclusive calendar period covered by this report is September 1991 through May 1995. Oklahoma City discontinued home visits in July 1993. 89% of program group members' had their eligibility determined in a home visit.

[10]This calculation was based on program group members whose applications were approved within three months of application.

education or training activity that they would not approve and no limit on the allowable length of time that clients could stay in an activity. ET & E supported participation in a variety of activities, including:

- **Life Skills Workshops:** ET & E conducted group self-esteem building life skills workshops, lasting about a week, that covered such topics as home management, budgeting, workplace attitudes, goal setting, and education opportunities.

- **Job Search:** In Oklahoma City, job search activities were not as focused on rapid job entry as in other welfare-to-work programs that have been previously studied. Job developers, who taught the group workshops, encouraged individuals to think about career goals and often suggested returning to school to achieve these goals. In-class instruction typically lasted two weeks. Afterwards, participants could be assigned to independent job search for up to 60 days.

- **Basic Education:** This activity encompasses three different types of classes: Adult Basic Education (ABE) "brush-up" courses for individuals whose reading or math achievement levels were lower than those required for high school completion or GED classes; General Educational Development (GED) certificate preparation and high school completion courses; and English as a Second Language (ESL) classes that provided non-English speakers with instruction in spoken and written English. ET & E participants generally attended these classes at adult education schools, public vocational technical schools, and community colleges.

- **Vocational Skills Training:** Provided primarily through public vocational schools and private proprietary schools, these classes included occupational training in such fields as automotive maintenance and repair, nursing, clerical work, data processing, and cosmetology.

- **College:** Attendance in college to fulfill participation requirements was encouraged by case managers in Oklahoma City. Virtually all college attenders enrolled at community colleges.

- **Work Experience:** Participants could be assigned to two types of positions: unpaid work in the public or private sector (in exchange for their welfare grant) and on-the-job training in the private sector.

In addition, ET & E made child care and supportive services available. All program participants and all control group members who enrolled in employment activities could be reimbursed for child care costs incurred as a result of participation. Also, if eligible, sample members could be reimbursed through the Transitional Child Care program for child care expenses incurred while employed and no longer receiving cash assistance. Oklahoma also had an employment-related day care program, called at-risk child care, for low-income working families. Child care seemed easy to come by for clients in Oklahoma City. Field researchers noted that child care providers were abundant in the area and that staff paid close attention to their clients' needs. While individuals were on AFDC, ET & E covered 100 percent of the cost of child care. After clients left AFDC, the welfare department subsidized individuals'

child care, and clients made a sliding-scale copayment. Oklahoma City reimbursed costs for care only in licensed facilities.

Oklahoma City also paid ET & E participants a daily allowance ($6 for a full day and $3 for a half day), mainly to cover transportation costs; and it made funds available for work-related expenses, such as uniforms, and for work-required medical exams. (Control group members, because they could not participate in ET & E, were not eligible for these funds.)

If a program group member was approved for AFDC during the home visit (about 65 percent were), she would then be registered for the ET & E program. If she was not approved, her exposure to the ET & E program would end at the home visit unless she later reapplied for welfare, was approved, and reentered the program.

Chapter 2

Implementation of a Program Oriented Toward Skill Building

- **Based on staff preferences and which activities enrollees attended, ET & E ranks as a program strongly oriented toward skill building, or "human capital development," versus an approach that stresses immediate job finding. However, ET & E administrators and staff, hampered by limited funding, did not enforce the program's stated mandate to participate. As a result, the program generated only small increases in rates of participation in work-related activities — 12 percentage points or smaller — except for among one subgroup of enrollees.**

I. Self-Sufficiency Approach

- **Though ET & E program staff placed a very high emphasis on letting clients choose their employment-related activity assignments, staff almost universally advocated that clients build skills through education.**

Believing that permanent welfare exits were unlikely to be fostered by the jobs that their relatively low-skilled clients could find, staff encouraged clients to return to school, regardless of their background or employability. Welfare department staff, in general, did not recommend that clients take minimum wage or other low-paying jobs, and instead encouraged them to take advantage of ET & E's services and wait for better employment opportunities. Staff commented, "with a little cajoling we can usually convince clients to go back to school." Long-term education assignments, including college, were not only approved but encouraged for the caseload. Even in group job clubs, emphasis was placed on considering educational options as a method of building employability or as an inroad to a specific career.

The actual activities to which individuals were initially assigned and participated in reflect these staff preferences. Over half of those who were assigned to an activity within three months of applying for welfare were assigned to an education or training activity, and three-quarters of those who eventually participated in the ET & E program over a two-year follow-up period did so in an education or training activity (see Figure 2.1 and Table 2.1). One-fifth of those who participated attended job search within two years.

When compared with other welfare-to-work programs, the message of the ET & E program ranks as highly oriented to a skill-building or "human capital development" approach to self-sufficiency. Since the late 1960s, welfare recipients have participated in government-run programs that aim to decrease recipients' reliance on welfare. Programs have lain between two "poles" of a theoretical continuum. On one end are programs that try to get people to enter the workforce quickly by requiring and helping them to look for work, supported by the belief that individuals can build employability best through work experience. This has been referred to as a "labor force attachment" (LFA) approach. At the other end are programs that encourage clients to invest in education or training to prepare them for

higher-wage jobs, called the "human capital development" (HCD) approach. Most programs have blended the two strategies and emphasized elements of both.

The Other Programs in the National Evaluation of Welfare-to-Work Strategies

The National Evaluation of Welfare-to-Work Strategies is assessing the effectiveness of 11 welfare-to-work programs in seven sites, including Oklahoma City's. Four sites in the evaluation operated two programs simultaneously in order to test the strengths and limitations of two different program approaches. Three of these four sites — Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California — ran two programs that used different employment preparation strategies: one, called the "labor force attachment" (LFA) approach, is based on the philosophy that the workplace is where welfare recipients can best learn work habits and skills, and thus emphasizes placing people into jobs quickly, even at low wages. The second, called the "human capital development" (HCD) approach, emphasizes education and training as a precursor to employment, reflecting the belief that the required skills levels for many jobs are rising and that an investment in the "human capital" of welfare recipients will allow them to obtain better and more secure jobs. The goal of the LFA programs was rapid employment, and job search was the prescribed first activity for virtually the entire caseload. In contrast, most people in the HCD programs were first assigned to education or training; basic education was the most common activity because of the generally low educational attainment of the enrollees at program entry.

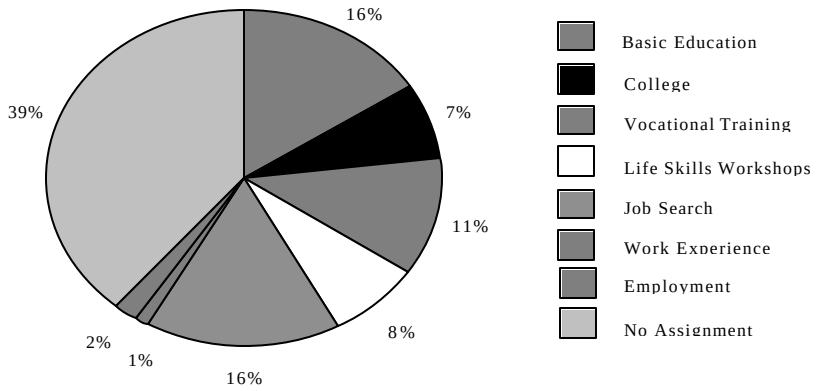
In the fourth site, Columbus, Ohio, two different case management approaches were compared side by side. "Traditional" (TRD) case management required clients to interact with two staff members: one worker who processed welfare benefits and another worker who enrolled people in employment activities.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

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

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

Figure 2.1

Activities to Which Individuals Were Assigned Within Three Months of Applying for Welfare
Oklahoma City ET & E Program



SOURCE: MDRC calculations based on MDRC-collected ET & E case file data and Oklahoma AFDC administrative records.

NOTES: The case file participation sample includes only people who received welfare during the follow-up period. The measures in this table were adjusted downward to account for the proportion of the larger impact sample who never received AFDC (and thus never participated in the ET & E program). Individuals who never received AFDC fall into the "no initial assignment" category. Excluding those who never received AFDC, the percentage without an activity assignment is 28 percent. Numbers may not add to 100 percent because of rounding.

Based on scales computed from a survey of staff in all NEWWS programs, Oklahoma City staff had a strong commitment to the human capital philosophy and were more likely than most other sites' staffs to encourage clients to be selective when considering job offers. When asked a series of questions about advice they would give to clients with different educational backgrounds, 45 percent of Oklahoma City staff said that they would encourage clients to take any job, even a low-paying one — a smaller proportion of staff members than in all of the NEWWS programs but one. When surveyed, ET & E program group members were also the least likely to say that they felt pushed to take a job before they were ready (see Figure 2.2).

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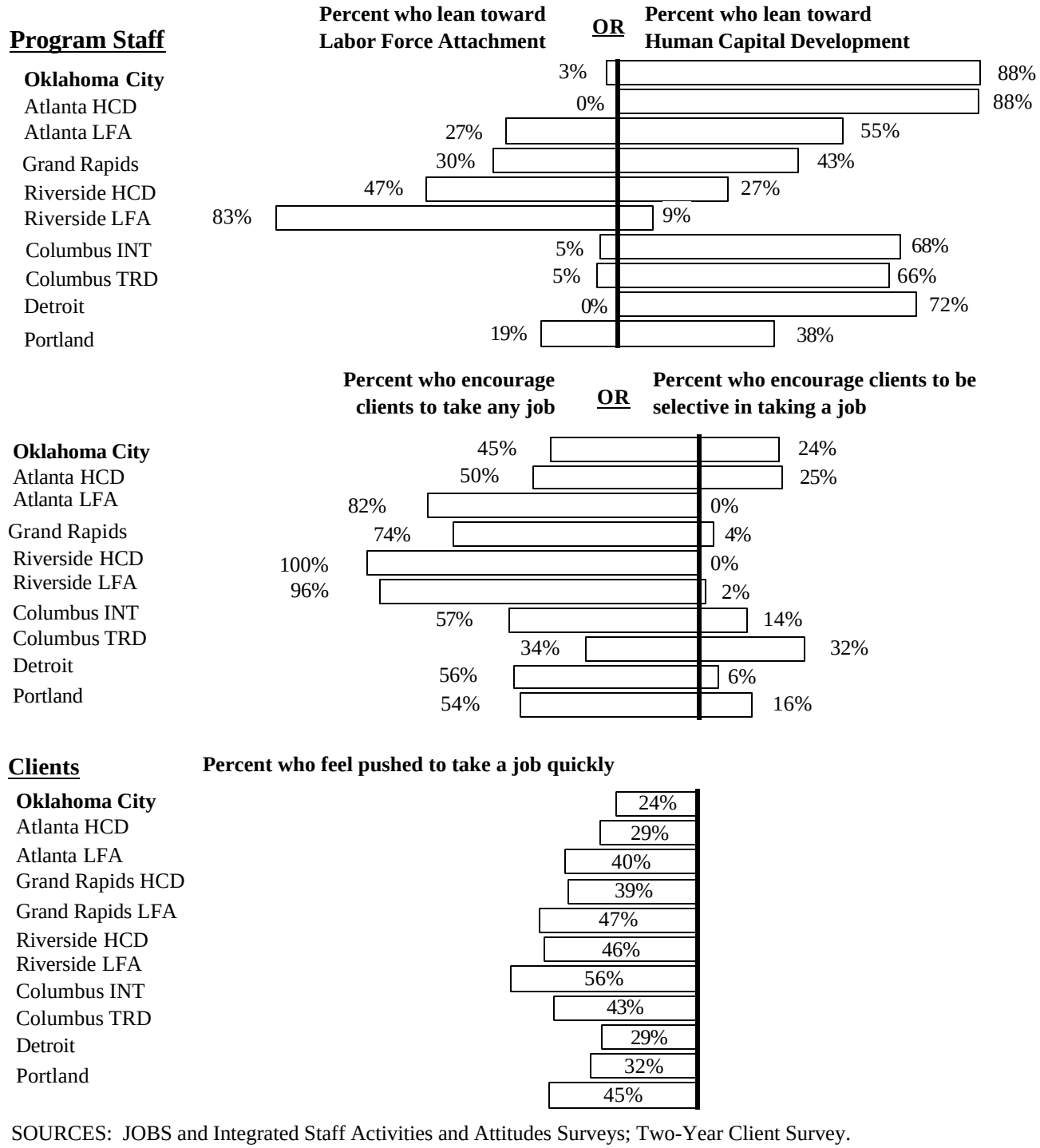
Figure 2.2

Employment Preparation Strategy

Oklahoma City ET & E Program



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

NOTE: In other NEWWS sites, "program staff" refers to integrated case managers and JOBS case managers.

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Table 2.1

Rates of Participation and Sanctioning Within a Two-Year Follow-Up Period

Oklahoma City ET & E Program

Activity Measure	Full Participation Sample (%)
Participated in:	
Any activity	38.6
Job search	7.8
Any education or training	28.1
Basic education	11.5
College	8.3
Vocational training	12.0
Life skills workshops	8.3
Work experience	3.7
Referred for sanction	6.3
Sanction imposed	1.5
Sample size	163

SOURCE: MDRC calculations based on MDRC-collected ET & E case file data and Oklahoma AFDC administrative records.

NOTE: The case file participation sample includes only people who received welfare during the follow-up period. The measures in this table were adjusted downward to account for the proportion of the larger impact sample who never received AFDC (and thus never participated in the ET & E program).

II. Program-Control Differences in Participation in Employment-Related Activities

- **Though program administrators and staff in Oklahoma City were committed to promoting a skill-building route to self-sufficiency for their clients, the program did not increase participation in employment and education activities, when compared with a control group.**

Many individuals who apply for or eventually receive welfare participate in education, training, or job search activities; get a job; or leave welfare on their own within a two-year period. To produce effects on employment, earnings, and welfare receipt, a program generally is expected to increase the proportion of people seeking a job or the amount of time they spend looking for one, getting a GED, or learning a job skill. Through participation in the program's activities and the receipt of case management services, enrollees are expected to get an added "edge" in the labor market over those who do not receive the program's services. In this evaluation of ET & E, the control group shows what welfare applicants do in the absence of a special welfare-to-work program. ET & E's effectiveness is gauged by how much it changed outcomes for those who enrolled in the program. These changes are measured by the difference in outcomes between the program group and the control group.

When a program focuses on those who participate in employment activities on their own initiative, as did Oklahoma City's, an evaluation that compares outcomes for a program group and a control group is unlikely to show effects. Focusing on those who participate on their own means that a program is providing services to a group that is very similar to the control group. In order to produce a net gain in participation or employment, a program must involve additional individuals in the activities or encourage those who would have participated to do so for longer than they would have on their own.

The Oklahoma City ET & E program did not substantially increase the proportion of people who participated in job search or education activities or the amount of time that individuals spent in such activities. Table 2.2 shows that ET & E generated a 12 percentage point increase over control group levels in the rate at which program group members participated in basic education, a 7 percentage point increase in participation in job search, and a 6 percentage point increase in vocational training.[1] ET & E produced increases in the number of hours that program group members actually participated in these activities ranging from 13 to 40 hours, shown in the "Hours of Participation" column.[2]

ET & E's impacts are small compared with other programs studied as part of the NEWWS Evaluation. Two other strongly education-focused sites produced impacts on rates and hours of participation in basic education and vocational training that were substantially higher than Oklahoma City's. For example, these programs increased the rate at which individuals participated in basic education by 28 and 33 percentage points and the hours that they participated by 134 and 256. These programs increased the rate of participation in vocational training by 15 and 19 percentage points and the hours of participation by 53 and 136.[3]

III. Impacts on Participation and Receipt of an Education Certificate for Individuals Who Entered the Program Without a High School Diploma or GED

- **ET & E generated gains in the proportion of individuals without a high school diploma or GED who participated in basic education and, to a lesser extent, vocational training and job search within a two-year follow-up period. These gains, though, did not lead to statistically significant in-**

[1]These rates include participation by the program group in activities as part of ET & E and participation outside ET & E, either after enrollees left the program or by individuals who never entered ET & E. Appendix Table B.7 shows that about half of program group members' total participation in work-related activities over two years was completed as part of ET & E.

[2]The third column, "Hours of Participation Among Participants," is a nonexperimental comparison between program and control group members who participated in each activity.

[3]The participation impacts for Oklahoma City and the other NEWWS programs presented here for comparison have been adjusted for survey recall error using case file data. As a result, these impact estimates will differ from those presented in the forthcoming NEWWS report on program impacts in seven sites. The rates used here can be found in Hamilton et al., 1997.

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Table 2.2

Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning,

Oklahoma City ET & E Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference	*Program Group*	*Control Group*	*Difference*
Participated in:									
Job search[a]	13.3	6.0	7.3	20.6	7.4	13.2	*155.2*	*124.8*	*30.3*
Basic education	25.3	12.9	12.4	65.0	42.0	23.0	*257.4*	*326.9*	*-69.5*
College	22.6	20.3	2.3	106.7	115.1	-8.4	*471.3*	*566.2*	*-94.9*
Vocational training	22.3	16.7	5.5	111.0	70.6	40.4	*498.6*	*422.3*	*76.3*
Work experience or on-the-job training	5.0	1.8	3.2	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[b]	3.8	2.1	1.7	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size[c]	259	252		259	252		*(varies)*	*(varies)*	

SOURCE: MDRC calculations from the Two-Year Client Survey, adjusted using MDRC-collected ET & E case file data.

NOTES: Tests of statistical significance were not performed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Numbers may not add up to 100 percent because of rounding.

Differences between program group members and control group members (shown in italics) for "Hours of Participation Among Participants" are not true experimental comparisons.

N/a = not available or not applicable.

[a]For program group members, this measure includes participation in life skills workshops.

[b]Sanctioned between date of random assignment and date of survey interview.

[c]Sample sizes for individual measures vary because of missing values.

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Table 2.3

Two-Year Impacts on Participation in Job Search, Education, Training, and Work Experience, and on Sanctioning, by High School Diploma/GED Status

Oklahoma City ET & E Program

	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
Outcome	Program Group	Control Group	Difference	Program Group	Control Group	Difference	*Program Group*	*Control Group*	*Difference*
For those with a high school diploma or GED:									
Participated in:									
Job search[a]	13.2	7.1	6.2	17.2	6.6	10.6	*129.8*	*93.0*	*36.8*
Basic education	5.1	0.6	4.5	16.3	0.3	16.0	*317.1*	*51.4*	*265.6*
College	30.1	28.0	2.1	137.8	186.0	-48.2	*457.5*	*664.8*	*-207.2*
Vocational training	21.5	19.1	2.4	109.8	61.7	48.0	*510.8*	*323.6*	*187.2*
Work experience or on-the-job training	6.4	2.4	4.0	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[b]	2.2	1.6	0.6	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size[c]	134	133		134	133		*(varies)*	*(varies)*	
For those without a high school diploma or GED:									
Participated in:									
Job search[a]	13.6	4.6	9.1	27.6	8.3	19.2	*202.3*	*183.2*	*19.1*
Basic education	48.6	27.1	21.5	122.2	91.4	30.8	*251.3*	*337.5*	*-86.2*
College	14.9	13.7	1.2	90.2	32.5	57.7	*606.5*	*237.7*	*368.8*
Vocational training	27.4	17.1	10.3	147.3	107.7	39.6	*537.1*	*629.8*	*-92.6*
Work experience or on-the-job training	3.9	1.0	2.8	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[b]	5.0	2.7	2.3	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size[c]	118	116		118	116		*(varies)*	*(varies)*	

(continued)

Table 2.3 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey, adjusted using MDRC-collected ET & E case file data.

NOTES: Tests of statistical significance were not performed.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Numbers may not add up to 100 percent because of rounding.

Differences between program group members and control group members (shown in italics) for "Hours of Participation Among Participants" are not true experimental comparisons.

Individuals who did not indicate whether they had a high school diploma or GED at random assignment were excluded from the subgroup analysis.

N/a = not available or not applicable.

[a]For program group members, this measure includes participation in life skills workshops.

[b]Sanctioned between date of random assignment and date of survey interview.

[c]Sample sizes for individual measures vary because of missing values.

creases in the percentage who received an educational credential in that time period.

For individuals who had a high school diploma or GED at application, ET & E did not substantially increase participation in any employment-related activity. For those without a high school diploma or GED (non-graduates), ET & E produced gains in participation in basic education (22 percentage points), vocational training (10 percentage points), and job search (9 percentage points), as shown in Table 2.3. These gains were small, compared with other programs with similar aims. For this subgroup, three other strongly education-focused NEWWS programs raised participation in basic education from 43 to 57 percentage points. In the context of these other welfare-to-work programs, the overall net increase in services provided by ET & E was primarily a small increase in attendance at basic education classes, with smaller increases in vocational training and job search.

Oklahoma City's increases in participation rates, however, did not lead to statistically significant increases in the receipt of GED or vocational training certificates for this subgroup (see Table 2.4). Three other education-focused NEWWS programs generated increases in the receipt of a high school diploma or GED from 8 to 11 percentage points for this subgroup.[1]

Table 2.4

For Sample Members Without a High School Diploma or GED at Random Assignment: Two-Year Impacts on Education or Training Credentials Oklahoma City ET & E Program

	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Percent who received:				
Any education or training credential	16.2	11.9	4.3	36.2
High school diploma or GED	11.8	8.7	3.0	34.7
Trade license or certificate	7.1	5.7	1.4	24.7
Sample Size	118	116		

SOURCE: Two-Year Client Survey.

NOTES: A two-tailed t-test was applied to differences between outcomes for program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences. Individuals who did not indicate whether they had a high school diploma or GED at random assignment were excluded from the subgroup analysis.

[1]This range does not include Detroit, where the 5 percentage point increase was not statistically significant.

IV. Reasons for the Small Increases in Participation

- **The inability of ET & E to spur more people to participate in employment-promoting activities, compared with what would have happened without the program, results from the combination of limited program funding and the low emphasis that administrators and staff placed on ET & E's stated mandate to participate.**

In contrast to many welfare-to-work programs that separate the income maintenance and the employment and training services, Oklahoma City's ET & E program used a case management strategy that merged the income maintenance and the employment services functions of case workers into one position. These individuals — called social workers in Oklahoma City, but more generally referred to as integrated case managers in other programs — determined clients' eligibility for public assistance payments and, if clients were mandated to enroll in ET & E, worked with them to develop employability plans, to monitor their progress, to authorize support service payments, and to sanction noncompliant clients after determining good cause.

Early in the follow-up period, in response to statewide budget cuts and caps, state administrators imposed a hiring freeze while a number of staff positions remained vacant. Social workers' caseloads almost tripled from an approximate average of 65 in 1991 to 174 in 1993. Performance standards for social workers focused solely on the accuracy and timeliness of completing cash assistance program eligibility and ET & E paperwork, which indicated that their priority in a time crunch should be to provide cash assistance to clients who needed it. Social workers continually noted to field researchers that growing caseloads necessitated focusing on the income maintenance functions of their case management role at the expense of the ET & E functions. As a result, field researchers observed, employment and training case management suffered.

Further, as shown in Figure 2.3, only about a third of staff indicated that they received training for ET & E duties. More strikingly, just half of Oklahoma City staff — the lowest proportion across the 11 NEWWS programs — believed that their supervisors paid close attention to the case management aspects of their jobs. In this figure, as in others based on surveys of ET & E staff shown throughout this section, ET & E staff's responses are depicted along with the range of responses from staff in other NEWWS sites, indicated by the low, median, and high points. For example, the "low" point on the first item in Figure 2.3 refers to the NEWWS program with the lowest percentage of staff who said that they received helpful training about how to be an effective case manager. The "med" point refers to the program with the median percentage among all programs, and the "high" point refers to the program with the highest percentage of staff who said they had received helpful training. These ranges include Oklahoma City's staff in the calculation.[2]

[2]Responses for Oklahoma City social workers are depicted with responses from other sites' income maintenance workers, integrated case managers, and JOBS case managers, depending on the measure. Oklahoma City job developers' responses are depicted with the other sites' JOBS case managers' responses. See Appendix B in Scrivener et al., 1998, for a description of the staff survey scales used and which staff answered the individual survey items.

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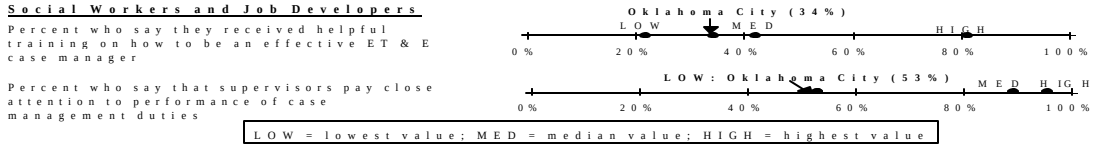
Figure 2.3

Staff Training and Evaluation

Oklahoma City ET & E Program



SOURCES: Integrated and JOBS Staff Activities and Attitudes Surveys.

When surveyed, Oklahoma City's social workers reported that they felt more like eligibility workers than like ET & E case managers. In late 1993, social workers reported spending, on average, four-fifths of their time on income maintenance or eligibility-related functions, but just one-fifth on ET & E. On average, integrated case managers in the two other NEWWS programs that employed them — Columbus Integrated and Portland — felt either balanced between the two roles or more like welfare-to-work program case managers than like eligibility workers. Oklahoma City social workers also spent less time discussing ET & E with their clients than did the integrated case managers in the other sites.

In addition to the social workers, ET & E employed staff called "job developers" who worked solely with individuals enrolled in the ET & E program. Job developers taught job clubs and life skills workshops run by the program and made and monitored work experience placements. Job developers were also responsible for matching their clients with education and service providers in the area.

As social workers' caseloads rose, job developers took over more ET & E responsibilities. Social workers would refer some of their ET & E clients to job developers, who would then be responsible for most case management responsibilities, such as developing the employability plan, connecting individuals to service providers in the area, monitoring progress, arranging support services, and making recommendations to social workers about sanctioning clients for noncompliance. Administrators commented that their expectations for job developers to locate and develop jobs for clients were low because "out of necessity, the job developers end up doing a lot of the social work for the social workers, who are too busy to tend to these needs."

The standards for referring clients to job developers were not consistent among social workers or offices included in the evaluation. Clients who were already participating in education and training programs on their own tended not to be referred to job developers by social workers.[3] Though only about half of those who enrolled in the program were ever referred to job developers, the job develop-

[3]When they were randomly assigned, 13 percent were participating in any education or training activity on their own initiative (Hamilton and Brock, 1994).

ers had average caseloads of about 150 in the middle of the study period. This average caseload is larger than caseloads of comparable staff in all other NEWWS programs but one.[4] The referral to a job developer became a point at which enrollees could "fall through the cracks" because job developers did not always follow up on each individual referred to them.

With only one-fifth of their time to devote to ET & E, social workers had to choose which segments of their caseload would receive case management services. As shown in Table 2.1, just 39 percent participated within two years in any ET & E activity. Excluding those who never received AFDC during the two-year follow-up, 45 percent participated (not shown in table). These rates are on the low end of those found for other NEWWS sites; the proportion of the samples in other sites who participated in any program-related activity ranged from 34 percent to 74 percent.[5]

One reason for low in-program rates can be seen with a demonstration of normal AFDC and ET & E dynamics. As is shown in the top portion of Figure 2.4, even without intervention from a welfare-to-work program, many individuals leave AFDC over a two-year follow-up period. Past research has found that about 70 percent of welfare spells end within two years, but that 45 percent of women who leave welfare return within one year. The most common single reason cited for leaving welfare was increased earnings.[6] The bottom half of Figure 2.4 shows these same dynamics for the program group and also depicts how enrollees spent their time on welfare with relation to ET & E. As shown, in any given follow-up month, a small percentage of the program group was participating in ET & E (shown by the gray section of the bars). Many nonparticipants were not on welfare; others who were on welfare were exempted from participating (shown by the black section of the bars), because of health or other personal circumstances.

However, these dynamics cannot wholly explain the lack of participation impacts. Staff and administrators chose to work actively with those members of their caseload who they believed would benefit the most from ET & E's services, namely, those who were motivated to participate in the program. Program administrators commented, "[ET & E] is a triage. We have to pick and choose. [Two-parent] cases come first, followed by the ones who are motivated and want our services."[7] As discussed in prior welfare-to-work research, when serving the most motivated clients, a program often works with those who probably would have participated on their own, without special prompting.[8] As shown earlier, this is, in fact, what happened in Oklahoma City's program: there was not much of a difference in the participation rates of the program group and the control group members.

[4]Welfare-to-work program-dedicated workers in other NEWWS sites had average caseloads of 88 to 284.

[5]See Hamilton et al., 1997; Scrivener et al., 1998; and Brock and Harknett, 1998.

[6]Pavetti, 1993.

[7]Two-parent families were not studied as part of this evaluation.

[8]See, for example, Gueron and Pauly, 1991.

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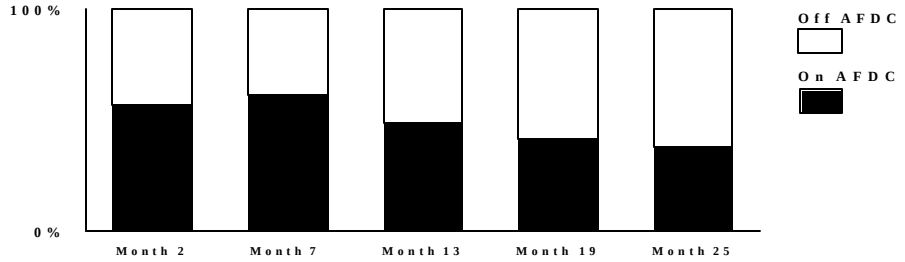
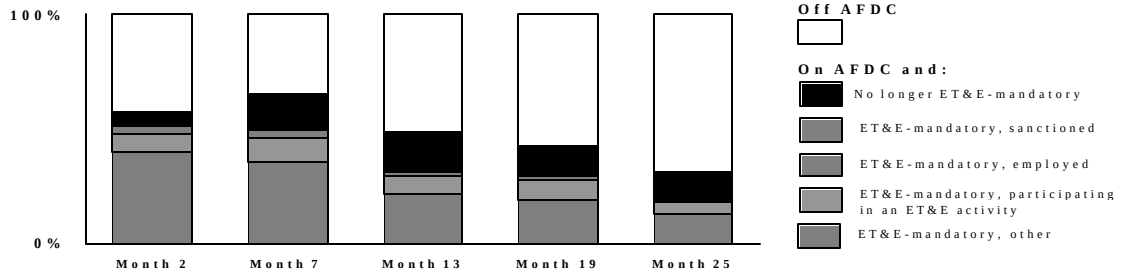
Figure 2.4

Normal AFDC Dynamics and ET & E Statuses
Oklahoma City ET & E Program

Normal AFDC dynamics (control group members)



AFDC and ET & E statuses (program group members)



SOURCES: MDRC-collected ET & E case file data and Oklahoma AFDC records.

NOTES: For control group members, AFDC estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Social workers did not have the time needed to service the specific needs of their clients, and so they relied on the six-month eligibility review to monitor clients' progress in ET & E activities or the employability plan. Social workers also did not reassign individuals quickly to new activities upon completion of previously assigned ones. It took social workers and job developers, on average, about three weeks to learn about attendance problems from providers and an additional two weeks to follow up with clients. Compared with other NEWWS programs, this places Oklahoma City near the median or higher on both measures (see Figure 2.5).

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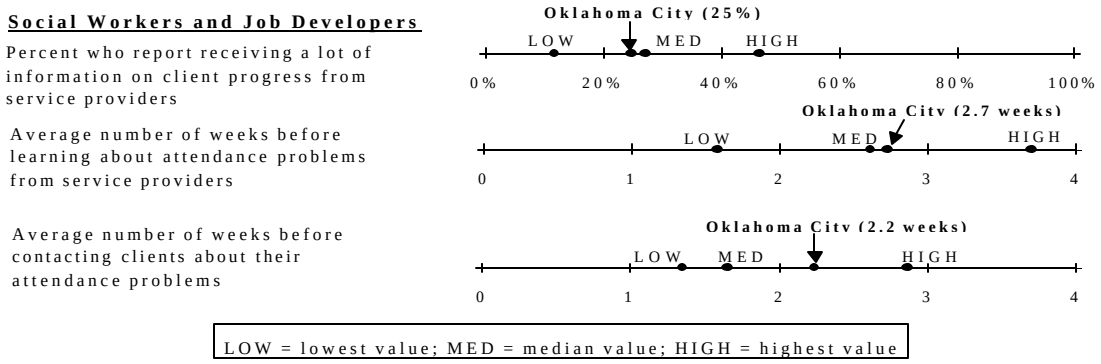
Figure 2.5

Participation Monitoring

Oklahoma City ET & E Program



SOURCES: Integrated and JOBS Staff Activities and Attitudes Surveys.

Participants in ET & E-taught activities were monitored more closely than were those in other activities. Job developers taught and monitored job search classes, life skills workshops, and work experience placements. Both social workers and job developers were able to learn of participation problems in these activities, and they contacted clients about them in about half the time it took to follow up other activities. Closer contact among social workers, job developers, and work experience supervisors contributed to the better monitoring of ET & E activities.

Compared with social workers, job developers also had more opportunities to work with clients on an individual basis and played a greater role in encouraging participation from them. Almost twice as many job developers as social workers reported trying to learn in depth about clients' interests and backgrounds (see Figure 2.6). All the job developers (compared with three-quarters of social workers) tried to identify and remove barriers to client participation, and almost four times as many job developers as social workers said that they encouraged and provided positive reinforcement to clients. The extra attention that job developers paid to clients — more intense than welfare-to-work program case managers in other sites — may explain why ET & E enrollees' rating of the attention paid to them by ET & E staff falls at about the middle of the range for other NEWWS programs and not lower (see Figure 2.6). Though social workers were supplemented by job developers, Oklahoma City's staffing structure can still be considered an integrated case management system because social workers retained responsibility for ET & E case management for about half of those required to participate.

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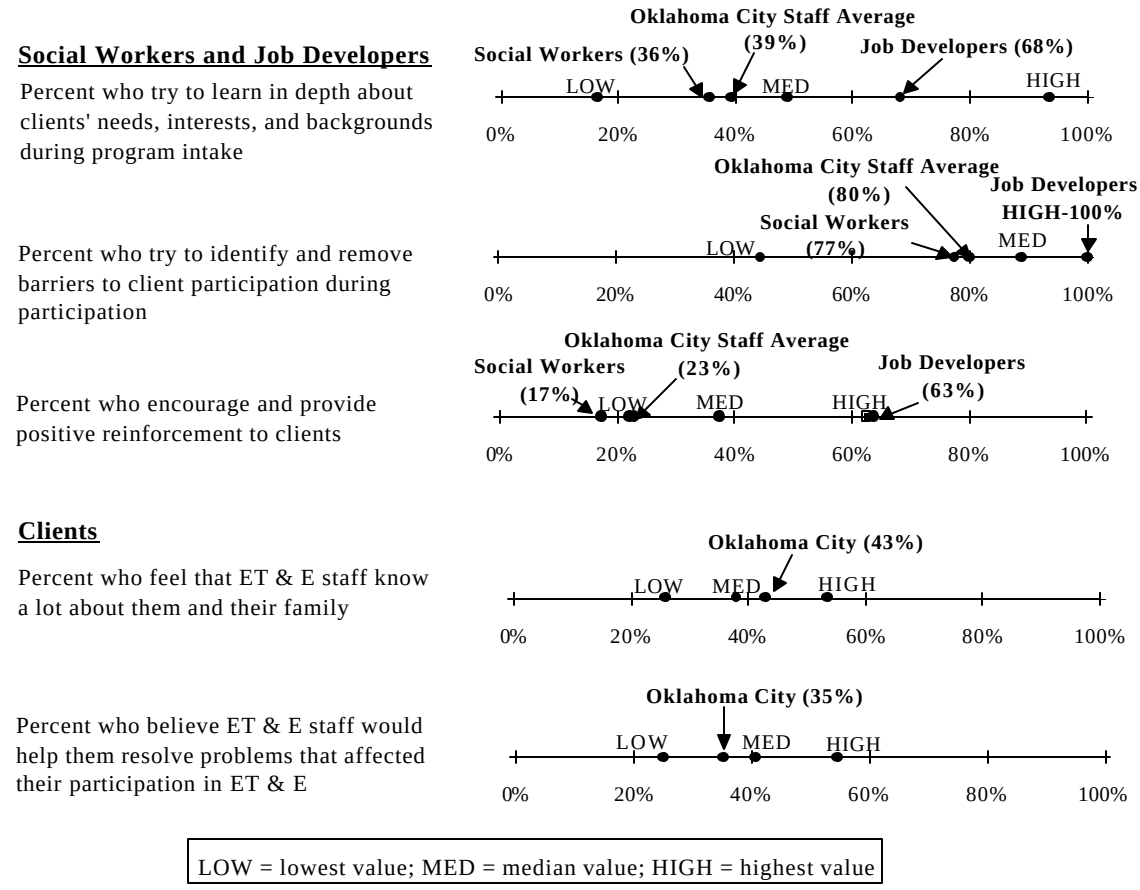
Figure 2.6

Persuasion and Problem Solving

Oklahoma City ET & E Program



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

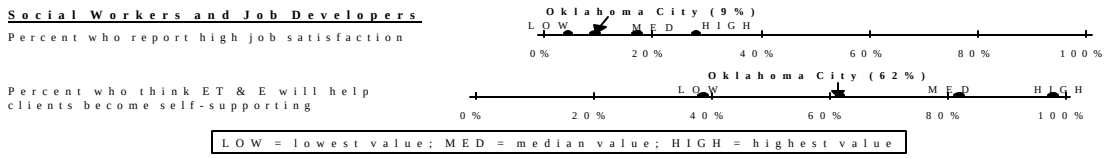
Program staff — including job developers, social workers, and their supervisors — reported to field researchers that they worked in poor physical conditions and encountered constant problems with space and office equipment such as broken copiers and phones. Feeling constrained by their work conditions contributed to relatively poor morale (just 9 percent of Oklahoma City staff reported high job satisfaction), and fewer staff than in most other NEWWS programs believed that ET & E could help their clients become self-supporting (see Figure 2.7).

Staff's philosophical preferences, when coupled with fiscal and time constraints, furthered the practice of generally serving only clients who would have participated in employment-related activities on their own initiative. Program administrators and staff were committed to honoring the career paths and activity assignments chosen by the clients, arguing that those decisions were the first step toward self-sufficiency. As one job developer commented, "We reward any enthusiasm. If a client has chosen a certain path, he can pursue it. It's the client's life; the client has to be self-sufficient in his thinking."

Figure 2.7

Staff Morale and Perceptions of the Effectiveness of ET & E

Oklahoma City ET & E Program



SOURCES: Integrated and JOBS Staff Activities and Attitudes Surveys.

This commitment to honor the choice of clients who had made one was not balanced in Oklahoma City by a resolve to push those who had not yet made a choice to do so. The primary reason cited by staff for not working with the less motivated individuals was that this kind of persuasion and problem solving "is time intensive. With our caseloads, it is simply not feasible." Social workers would give clients whom they perceived as unmotivated six months, a year, or more to decide on an employability plan before they would pressure the enrollees to participate. About one-third of applicants who were approved for welfare were not assigned to a program activity within three months of applying for AFDC.

Program administrators and staff also viewed ET & E not as a requirement to enforce but as a benefit that they could provide to clients. One administrator commented that his goal was for ET & E "to make the stay on welfare as pleasant as possible — to help people break the chains." ET & E case managers encouraged clients to take advantage of the services that the program had to offer and, as a rule, did not emphasize short stays in ET & E activities. However, not many individuals who participated completed their activities and moved on to others; rather, they dropped out of activities and/or left welfare. Participants spent an average of six months in ET & E activities; participants spent from six to nine months in the two other education-focused NEWWS programs already studied (see Table 2.5).

If individuals did not attend an ET & E appointment with their job developer or did not attend an activity to which they had been assigned, they could incur a sanction, or grant reduction. In line with their vision of ET & E as a benefit, social workers and job developers did not feel comfortable enforcing the participation mandate with financial penalties. A little more than half (59 percent) of the social workers and job developers indicated that they strongly emphasized penalties for noncompliance to new clients (see Figure 2.8). This figure is on the low end of what staff in all NEWWS sites reported. Only 29 percent of the social workers (who make up the majority of staff) said that they would never delay imposing a sanction. This is the lowest rate among staff in all NEWWS programs. Job developers may have been more willing to sanction clients than social workers were, given that they rank at the median level of other NEWWS' staff in never delaying requests for sanctions; but field research indicates that job developers gave clients a number of chances to comply before initiating a noncompliance procedure.

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Table 2.5

Length of Participation Within a Two-Year Follow-Up Period, by High School Diploma/GED Status

Oklahoma City ET & E Program

Activity Measure	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED
For all sample members for whom case files were reviewed			
Average number of months receiving AFDC	11.9	10.5	13.7
Average number of months in which individuals were ET&E-mandatory	9.3	9.2	9.2
Average number of months in which individuals participated in an ET & E activity	2.4	2.5	2.3
Sample size[a]	163	89	68
For participants only			
Average number of months in which individuals participated in an ET & E activity	6.2	6.6	5.7
Number of months in which there was participation (%)			
1	23.0	20.0	29.0
2	14.9	22.5	6.5
3	8.1	10.0	3.2
4-6	20.3	15.0	25.8
7-12	14.9	10.0	19.4
13-18	13.5	12.5	16.1
19 or more	5.4	10.0	0.0
In any activity at the end of the follow-up period (%)	14.9	15.0	12.9
Sample size[a]	74	40	31

SOURCES: MDRC calculations from MDRC-collected ET & E case file data and Oklahoma AFDC administrative records.

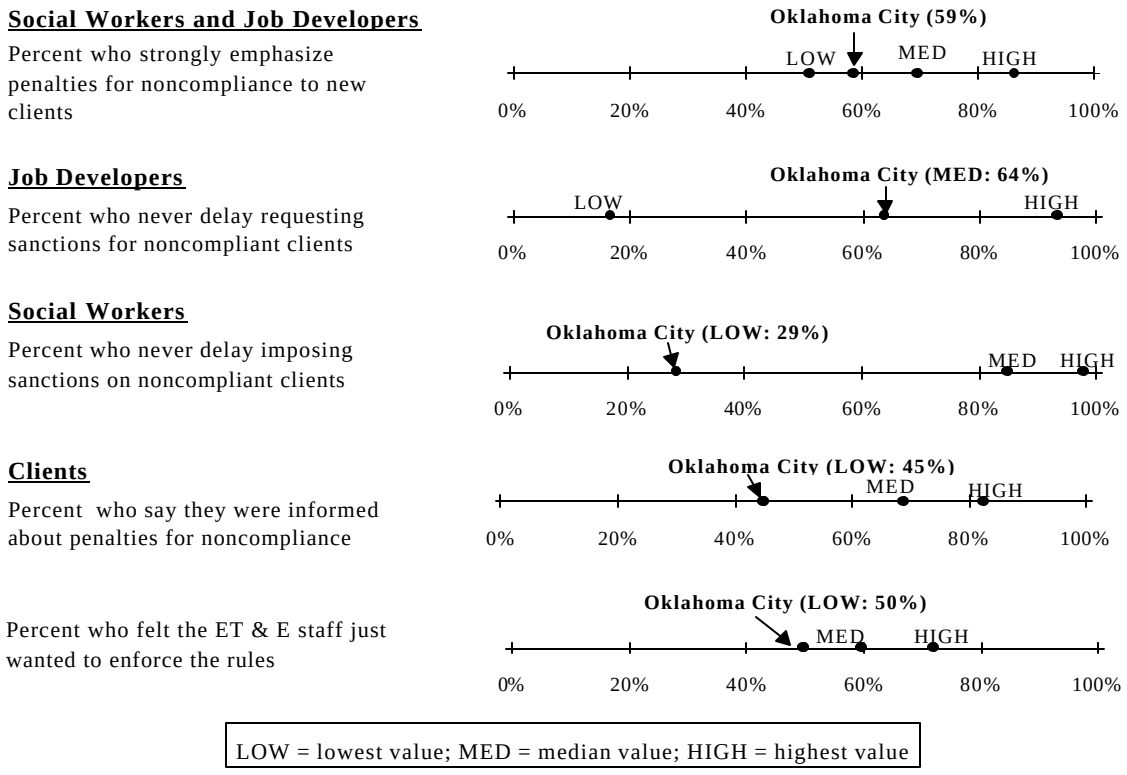
NOTES: The case file participation sample includes only people who received welfare during the follow-up period. The measures in the top panel of this table were adjusted downward to account for the proportion of the larger impact sample who never received AFDC (and thus never participated in the ET & E program).

[a]Individuals who did not indicate whether they had a high school diploma or GED at random assignment were excluded from the subgroup analysis.

Figure 2.8

Rule Enforcement and Sanctioning

Oklahoma City ET & E Program



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

Given these preferences, it is not surprising that virtually no clients had their grants reduced for failure to comply with ET & E mandates. Over the two-year follow-up period, 6 percent were referred for sanction, and 2 percent had their grants reduced (see Table 2.1). The enrollees also understood staff's ideas about participation enforcement. Only about half indicated that they had been informed of the potential penalties for noncompliance and that program staff just wanted to enforce the rules. A greater proportion of sample members in all other NEWWS programs agreed with these statements (see Figure 2.8).

Besides the staff's personal preferences against sanctioning, social workers also tended not to sanction because they were already overburdened. One social worker mentioned that "sanctioning is not a deadline situation so you tend to do other things first," meaning that —compared with her other responsibilities, like approving or denying AFDC benefits, which was considered an "error" in the performance system if not done in a timely fashion — sanctioning was not a top priority. In addition to the sanctioning paperwork itself, sanctioning could create additional case-eligibility paperwork. One social worker explained that "we're pretty lenient on sanctions. It just ends up creating more work for us. Even if you take the client off the AFDC case, they end up a non-[public assistance] food stamp case."

The lack of quick follow-up, encouragement to participate, and enforcement of the participation mandate led to long periods during which ET & E enrollees were not involved in or "covered by" the program. Enrollees were neither participating nor employed and were not sanctioned for almost three-quarters of the time that they were theoretically required to participate in ET & E (this excludes months when enrollees were not receiving welfare or were exempted from participating by social workers) (see Figure 2.9). Enrollees in other NEWWS programs already studied were not covered for a median of 57% of the months in which they were required to participate.

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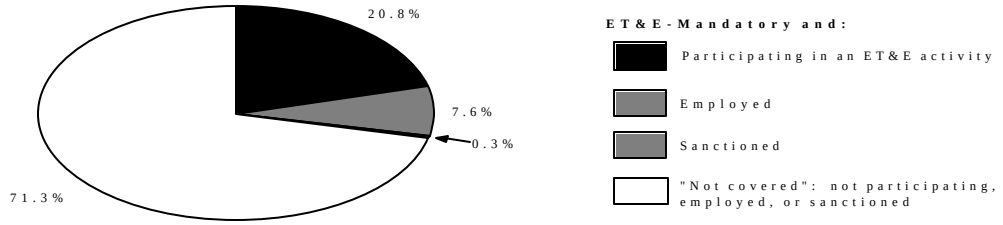
Figure 2.9

Proportion of Months in Which Individuals Were Theoretically Required to Participate in ET & E in Various Statuses

Oklahoma City ET & E Program



SOURCE: MDRC-collected ET & E case file data.
NOTE: Numbers may not sum to 100 percent due to rounding.

Months in which individuals were theoretically required to participate in ET & E include months during which an individual was on AFDC but had not been excluded from participating by social workers for health or other personal circumstances.

Though staff preferred to work with more motivated enrollees, long periods between ET & E activities and meetings with clients gave time for the most employable individuals to leave welfare on their own. Those who entered the evaluation without a high school diploma or GED tended to stay on welfare longer than those without such a credential; it is possible that this longer period on welfare gave more opportunities for case managers to cajole members of this subgroup into participating — explain-

ing the larger participation impacts for this subgroup. Also, ET & E's focus on education and training may have been more suitable for or more attractive to the non-graduate sample members, making it easier to increase the subgroup's overall participation.

Chapter 3

Per-Person Cost of the Oklahoma City ET & E Program

- **The government's total investment in ET & E was just $951 more per program group member than it would have been in the absence of the program. This is the lowest expenditure of any NEWWS program for which these data are available. Oklahoma City's welfare department also spent less on ET & E case management and program activities per person than did any other NEWWS program, though it did spend slightly more on child care and support services than did most other NEWWS programs.**

Previous chapters have focused on staff reports of the amount of time that case managers spent on different facets of the ET & E program (such as monitoring client participation), on the duration and rate of sample members' participation in program activities, on the characteristics of those activities, and on the types of support services that sample members were eligible to receive. These are important indicators of the level of investment made in each person required to participate in ET & E. The purpose of this chapter is to determine the costs of these services per program group member, over and above the costs that would have been incurred in the absence of the program — that is, to calculate the average *net cost per program group member*.

The net cost per program group member is the difference between the average total cost *per program group member* and the average total cost *per control group member* of *all* ET & E and non-ET & E services that were used during the two years following a person's entrance into the study. The total cost per control group member is a benchmark; by comparing the total cost per program group member, we can determine the additional costs incurred as a result of the ET & E program, over and above the costs of services in the absence of the program.

Net cost numbers (see Table 3.1) are the basis for determining whether ET & E has been cost-effective. A future NEWWS report will present a five-year benefit-cost analysis of the economic gains to the government (the net benefits), resulting from lower average payments for AFDC, Food Stamps, and Medicaid and from increased tax revenues associated with the additional earnings of program group members. The five-year study will indicate whether economic gains were greater or less than economic losses (the net costs); here it is premature to present a two-year benefit-cost analysis, because the total return on Oklahoma City's investment may become evident only after several years.

One may wonder why — if the ET & E program is the concern of this analysis — (1) non-ET & E activities are included in calculating the net cost per program group member and (2) the cost *per program group member* is calculated rather than the cost per ET & E participant. Non-ET & E costs are included because program group members participated in non-ET & E activities after they had left the ET & E program or if they had never been approved for welfare. Thus, because the total cost per control group member includes the cost of all participation over a two-year follow-up period, the total cost per program group member must also include the same

National Evaluation of Welfare-to-Work Strategies

Table 3.1

Estimated Total Gross Costs and Net Costs Within a Two-Year Follow-Up Period (in 1993 Dollars)

Oklahoma City ET & E Program

Activity or Service	Total Gross Cost per Program Group Member ($)	Total Gross Cost per Control Group Member ($)	Net Cost per Program Group Member ($)
Job search[a]	*114*	*41*	*72*
Basic education	*497*	248	*249*
College	*732*	663	*69*
Vocational training	*942*	562	*380*
Work experience	*31*	*13*	*18*
Subtotal (operating)	2,315	1,526	789
Child care	533	455	78
Child care administration[b]	43	36	6
Participation allowance	78	0	78
Total	2,969	2,017	951

SOURCES: MDRC calculations based on fiscal and participation data from the following: State of Oklahoma, Department of Human Services; Oklahoma State Regents for Higher Education; Oklahoma State Department of Vocational and Technical Education; U.S. Department of Health and Human Services, Administration for Children and Families; information collected on tuition charged at proprietary schools attended by sample members; and information from MDRC-collected case file data and the Two-Year Client Survey. MDRC child care and other support service calculations are based on State of Oklahoma, Department of Human Services payment data.

NOTES: The numbers in italics represent costs which include or are derived from welfare department costs by activity. Welfare department costs by activity were calculated based on participation by sample members (instead of the actual unit cost of each activity). Because of this, these numbers should be considered less reliable than the other numbers in this table. See Appendix A for details.

Welfare department costs were derived from state-level ET & E unit costs. Data to calculate unit costs for Oklahoma, Cleveland, and Pottawatomie Counties were not available.

Child care records were available only for payments made after July 1993. Child care payments made to sample members prior to this point were imputed based on rates of receipt after July 1993.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]For program group members, this measure includes participation in life skills workshops.

[b]Administrative costs for the determination of child care needs and payment issuance were estimated as a percentage of the value of payments, i.e., by dividing total administrative costs by total payments. It was estimated that for each dollar of payments, there were eight cents of administrative costs.

costs, not just costs incurred while a client was in ET & E. The total costs of non-ET & E activities per program group member are also important because they represent an additional investment of resources that could have affected the program group member's future earnings and welfare receipt.[1]

Similarly, *all* program group members, not just those who were required to participate in ET & E, must be included in calculating the net cost. Because Oklahoma City's sample was made up of people applying for welfare at the time of random assignment (rather than people who had already been approved for welfare), this cost analysis is somewhat different from previous cost analyses presented as part of the NEWWS Evaluation. Individuals who were not approved for welfare and therefore were not required to participate in ET & E would not have incurred ET & E costs (although they may have incurred non-ET & E-related costs). Yet these individuals are included in the net cost calculation in order to determine the effect of the ET & E program on costs compared with costs in the absence of the program. Excluding sample members who never received AFDC could introduce bias into the cost analysis if ET & E influenced the rate at which program group members were approved for welfare.

In the following discussion, ET & E costs will be compared at times with other NEWWS programs for which cost estimates have been presented. These are the LFA and HCD programs in Atlanta, Grand Rapids, and Riverside (henceforth referred to in this section as the "six LFA/HCD programs") and Portland's program.[2] It is important to keep in mind that because the evaluation of the ET & E program includes some individuals who never received AFDC, the cost estimates presented here, all else being equal, will be lower than those in sites where only AFDC recipients were included in the evaluation. To facilitate cross-site comparisons, cost estimates at times are presented excluding the proportion of individuals who never received AFDC.

I. Major Components of the Cost Analysis

Figure 3.1 illustrates the cost components for the program group and the control group. Costs were calculated for both groups' use of two categories of activities and services: (1) those provided to meet ET & E requirements or to support ET & E participation and (2) non-ET & E services and activities. In each category, costs were further broken into services paid for by the welfare department and those paid for by non-welfare agencies. Figure 3.1 shows that, for each program group member, total ET & E-related costs (Box 3) consisted of the welfare department's operational expenses (e.g., for case management, overhead, and job search services[3]) and support service costs (Box 1) as well as the expenses incurred by non-welfare agencies (e.g., local adult schools, community colleges, and vocational training institutes) to provide educational and training activities that met ET & E requirements (Box 2). Total non-ET & E costs (Box 6) consisted of the welfare department's child care expenditures for other programs (e.g., transitional

[1]For more detailed information about on the concepts and methodology used in this cost analysis, see Appendix A.

[2]For more information on costs in Atlanta, Grand Rapids, and Riverside, see Chapters 7 and 8 of Hamilton et al., 1997. For more information on costs in Portland, see Chapter 4 of Scrivener et al., 1998.

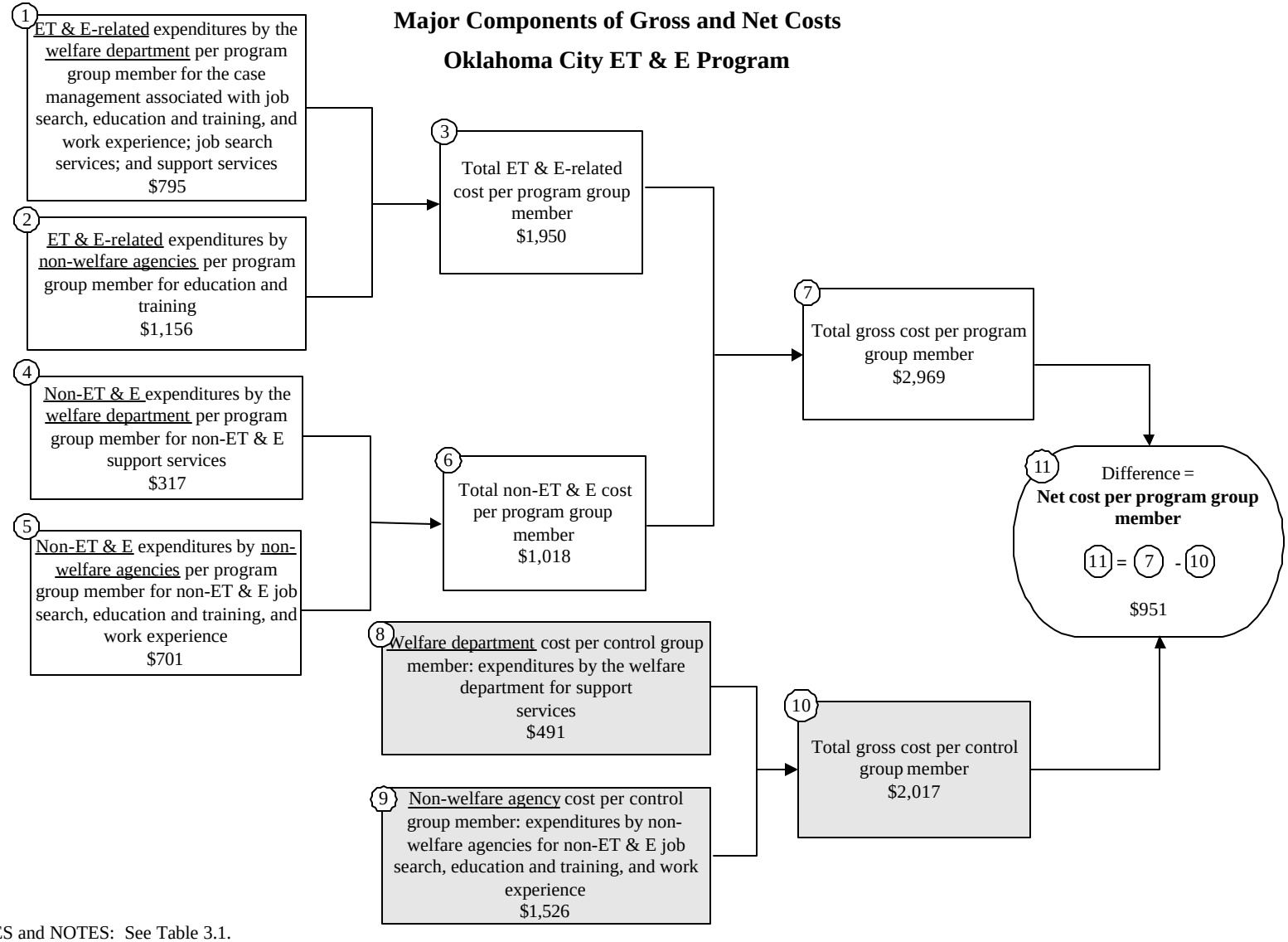
[3]Welfare department operating costs also include minimal ancillary expenditures (see Appendix A for details). Eligibility determination activities were not included in any portion of this cost analysis.

National Evaluation of Welfare-to-Work Strategies

Figure 3.1

Major Components of Gross and Net Costs

Oklahoma City ET & E Program



SOURCES and NOTES: See Table 3.1.

child care) (Box 4) and the costs of services that program group members received on their own (Box 5). Total ET & E and non-ET & E costs per program group member make up the *total gross cost per program group member* (Box 7). All control group member costs were non-ET & E expenditures. These consisted of child care payments made by the welfare department (Box 8) and expenses incurred by non-welfare agencies for self-initiated education and training activities (Box 9).

II. Gross Cost per Program Group Member

Table 3.1 shows total gross costs for program and control group members and the net cost of ET & E per program group member. Turning first to program group members, column 1 shows that Oklahoma City's gross cost per person was $2,969.[1] This is about $1,040 lower than the average gross cost per program group member of the six LFA/HCD programs and Portland. The gross cost per program group member, excluding the proportion of program group members who never received welfare during the follow-up period (21 percent) and who thus incurred no ET & E-related costs, was $3,378, which is still about $630 per person lower than the average for the six LFA/HCD programs and Portland.[2]

A. Operating Costs

Oklahoma City had a low ET & E cost primarily because of the welfare department's unusually low operating cost. The welfare department spent only $458 per program group member for ET & E-related activities (see Table 3.2).[3] Excluding the proportion of program group members who never received welfare during the follow-up period increases this cost to $555. Operating costs for other programs studied as part of this evaluation ranged from $900 in Atlanta's HCD program to $1,575 in Riverside's HCD program.[4] It is probable that Oklahoma City's funding limitations were largely responsible for its low welfare department operating cost.

A word of caution: Because of data restrictions, the Oklahoma City welfare department's ET & E-related operating cost per program group member was based on a state-level estimate of the cost of serving one person required to participate in ET & E for one month. This estimate may vary across different areas of the state, which would affect the accuracy of the estimate presented above.

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[1]Costs throughout this analysis were adjusted to 1993 dollars for comparability with previously studied NEWWS programs.

[2] The adjusted gross cost per program group member is not simply the unadjusted gross cost multiplied by 1.21. It cannot be assumed that those who did not receive welfare did not incur non-ET & E costs. Thus, this cost equals the total ET & E cost multiplied by 1.21 plus the total non-ET & E cost.

[3]See Appendix A for more information on methods used to calculate welfare department operating costs.

[4]Grand Rapids' welfare department operating cost of $648 per LFA group member is lower than Oklahoma City's. However, unlike in Oklahoma City, the six LFA/HCD programs, and Portland, job search services in Grand Rapids were paid for by non-welfare agencies. When job search service expenditures are included in Grand Rapids' welfare department cost, its operating cost rises to $1,080.

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Table 3.2

Estimated Cost per Program Group Member Within a Two-Year Follow-Up Period, by Agency (in 1993 Dollars)

Oklahoma City ET & E Program

	ET & E Cost			Non-ET & E Cost		Total Gross
Activity or Service	Welfare Department Cost ($)	Non-Welfare Agency Cost ($)	Total Program Cost ($)	Welfare Department Cost ($)	Non-Welfare Agency Cost ($)	Cost per Program Group Member ($)
Job search[a]	*106*	0	*106*	0	*8*	*114*
Basic education	*89*	218	*308*	0	190	*497*
College	*168*	397	*564*	0	167	*732*
Vocational training	*86*	540	*627*	0	315	*942*
Work experience	*9*	0	*9*	0	*21*	*31*
Subtotal (operating)	458	1,156	1,614	0	701	2,315
Child care	240	0	240	293	0	533
Child care administration[b]	19	0	19	23	0	43
Participation allowance	78	0	78	0	0	78
Total	795	1,156	1,950	317	701	2,969

SOURCES and NOTES: See Table 3.1.

Non-welfare ET & E operating costs were not as drastically low as the welfare department's ET & E-related operating costs. The welfare department relied on non-welfare agencies to provide education and training services to program group members, who were entitled to the services by virtue of their residency in the state, or who were able to obtain Pell Grants or other financial aid to pay for these services.[1] In effect, then, this allowed the welfare department to leverage resources from other agencies. In Oklahoma City, non-welfare agencies spent $1,156 per program group member for ET & E-related services, all of which went to education and training activities. This means that for every dollar the welfare department spent on day-to-day operating costs, it was able to secure another $2.52 worth of services from non-welfare agencies.

In addition to ET & E-related costs, the government spent $701 per program group member on non-ET & E-related activities provided by non-welfare agencies, primarily used by individuals who were not required to participate in ET & E. By summing ET & E and non-ET & E-related operating costs, a total gross operating cost per person of $2,315 was obtained (see Table 3.2).

B. Support Service Costs

Table 3.1 also shows the gross child care and participation allowance cost per program group member. Oklahoma City's gross support service cost per program group member was slightly higher than the average of the six LFA/HCD programs; the average cost of child care and other support services of the six LFA/HCD programs was $568, while Oklahoma City's cost was $611, excluding child care administration.[2] However, this cost in Portland was $1,493 per program group member, far higher than Oklahoma City's average total cost.

The primary reason that Oklahoma City's gross cost for support services was slightly higher than average was that the cost per program group member of non-ET & E child care was over $200 higher in Oklahoma City than the average of the six LFA/HCD programs. (Again, Portland's non-program-related child care cost was far higher than the cost in any program studied in this evaluation thus far.) The majority of these non-ET & E child care expenditures were attributable to employment-related day care. Of total employment-related child care payments, 73 percent were at-risk child care payments, and 27 percent were transitional child care payments. At-risk day care was provided to low-income working families not on AFDC, who needed child care in order to work, and would otherwise

[1]It is important to note that this analysis assumes that education and training services provided by non-welfare agencies were also financed by non-welfare agencies (including the U.S. Department of Education, if program group members received Pell Grants or other federal financial aid) and not by sample members themselves. To the degree to which sample members actually did finance their own education and training, the cost analysis overestimates the true costs to non-welfare agencies per sample member. While this has distributional implications, it does not overstate the costs of services. The GAIN Evaluation of seven counties in California found that fewer than 10 percent of sample members may have spent their own or their family's resources on education and training. See Riccio, Friedlander, and Freedman, 1994, for details.

[2]Child care administration costs in this analysis consist of the cost of arranging for and referring sample members to all types of child care, including ET & E, employment-related, and other non-ET & E child care. The cost analyses of the six LFA/HCD programs either did not include the cost of child care administration or included only program-related child care administration costs as part of welfare department operating costs. Thus, for this comparison, child care administration costs are not included.

be at risk of becoming eligible for welfare; transitional child care was provided for up to one year to former AFDC recipients who left welfare for work. Thus, most employment-related child care payments were made not to program group members leaving welfare for work but to prevent them from going on or returning to welfare.

ET & E-related child care costs per program group member were slightly lower in Oklahoma City than in the other programs evaluated thus far, although this may have been due to the evaluation's inclusion of welfare applicants who did not receive AFDC and thus did not have the opportunity to receive ET & E-related child care. While average ET & E-related *monthly* child care payments were about $40 higher than the average of the six LFA/HCD programs, only 19 percent of the sample received this type of child care in the two years following random assignment. The total ET & E-related child care cost per program group member over the two-year follow-up period was $240. (See Appendix Table A.1 for detailed support service costs.)

In addition to child care payments, program group members also received participation allowances to offset the cost of transportation to and from ET & E activities and to buy meals while participating in those activities. Appendix Table A.1 shows that, for clients who received participation allowances, the average cost over the two-year follow-up was $239 per person. One-third of program group members received these allowances, resulting in an average cost of $78 per person over the follow-up period.

III. Gross Cost per Control Group Member

Column 2 of Table 3.1 shows that the gross cost per control group member in Oklahoma City was $2,017. The gross operating cost and the gross support service cost per control group member were $1,526 and $491, respectively. The cost of non-ET & E-related child care per control group member in Oklahoma City was much higher than the comparable average cost per control group member in the six LFA/HCD programs. The majority of these payments were attributable to employment-related child care, of which at-risk child care payments made up 77 percent. Control group members were not eligible for participation allowances or other ancillary payments.

IV. Net Cost per Program Group Member

The right-hand column of Table 3.1 shows that the total net cost of Oklahoma City's ET & E program was $951 per program group member — the lowest net cost among the seven programs evaluated to date. This result is not surprising, given that ET & E produced only small or negative increases in average hours of participation (see Table 2.2). Moreover, compared with the average net child care cost of $283 in the six LFA/HCD programs, Oklahoma's net child care cost of $78 per program group member was also unusually small. Thus the total difference between the investment made in ET & E program group members was small compared with the investment that would have been made anyway, in the absence of the program (or compared with the investment made in control group members).

IV. Per-person Cost for Individuals Who Entered the Program With and Without a High School Diploma or GED

Separating costs for sample members who had a high school diploma or GED at random assignment (graduates) from those who did not (non-graduates) reveals that the total gross cost per program group non-graduate was higher than the gross cost per graduate (see Appendix Table A.2). While the gross operating cost per program group non-graduate was about $500 *higher* than per graduate, the gross support service cost per program group non-graduate was around $300 *lower* than per graduate. These two estimates result in a total gross cost per program group non-graduate of just $200 more than per program group graduate. The gross operating cost per program group non-graduate was higher than that per graduate because, on average, this subgroup spent more hours in job search, basic education, and vocational training than did program group graduates (see Table 2.3). The gross support service cost per program group non-graduate was lower than for graduates for several reasons. First, a smaller percentage of non-graduates received child care assistance in the two-year follow-up than graduates. Second, those who did receive child care assistance had lower monthly child care payments and received payments for fewer months than graduates. Third, the average participation allowance cost per program group non-graduate was much lower than per program group graduate.

The net cost per non-graduate was over one and a half times the net cost per graduate. The total net cost per program group non-graduate was higher than for graduates because, as discussed in Chapter 2, ET & E produced participation impacts among individuals in this subgroup but not among individuals in the graduate group. This is the primary reason why the net cost per program group non-graduate exceeds the net cost per program group graduate and for the full sample. The largest portion of the net cost per program group non-graduate was attributable to basic education and vocational training expenditures. With longer follow-up, these investments may pay off for program group non-graduates.

Chapter 4

Impacts of ET & E on Employment, Earnings, and Welfare Receipt

- **ET & E produced no impacts on employment or earnings within two years, but it did generate moderate AFDC savings, primarily among individuals who had a high school diploma when they applied for welfare. The absence of impacts on employment and earnings suggests that the welfare savings are not the result of enrollees' achieving self-sufficiency. Instead, it is possible that applicants chose alternatives to welfare in response to ET & E's initially stated mandate to participate or that case managers were better able to discover AFDC ineligibility information for ET & E enrollees.**

Table 4.1 shows ET & E's effects on employment, earnings, and welfare receipt within a two-year follow-up period. These are the benefits that are expected to offset the costs described in chapter 3.[1] Over two years, ET & E did not increase employment rates or average earnings either for the full sample or for subgroups of individuals with and without a high school diploma or GED at random assignment.

The program did, however, produce moderate welfare savings. Over the two-year follow-up, members of the control group received an average of $3,624 in welfare payments, while members of the program group received $3,391 — a 6 percent decrease. The welfare effects were found only for those who had a high school diploma or GED at random assignment (graduates). For graduates, the welfare payment savings were large: a 10 percent decrease relative to the control group's mean.

Program group members' total welfare payments were less for two reasons. First, a smaller percentage of program group members received welfare at all during the two-year follow-up, shown by the 2.8 percentage point reduction in those who ever received AFDC in years 1 or 2. Second, program group members who were on AFDC at some time during the follow-up period received welfare payments for fewer months than did their counterparts in the control group.[2]

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[1]For a more detailed discussion of ET & E impacts and a more comprehensive comparison with other welfare-to-work programs, see the forthcoming NEWWS Evaluation report on two-year program impacts in seven sites. In addition to the impacts described here, the report contains results on Food Stamps receipt, total measured income, child care use while employed, and child and family well-being. A future report will compare ET & E program benefits to costs with longer follow-up..

[2]The percentage change in those who received any welfare payments at all during the two-year follow-up (3.5 percent) accounts for about half the total percentage change in payments over two years (6.4 percent). Because the program had no effect on average payments per month received (shown in italics in Table 4.1), reductions in the number of months for those who did receive payments must account for the remainder of the decrease.

National Evaluation of Welfare-to-Work Strategies

Table 4.1

Two-Year Impacts on Employment, Earnings, AFDC Receipt, and AFDC Payments

Oklahoma City ET & E Program

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Outcome and Subgroup	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Full sample				
Ever employed, years 1 and 2 (%)	64.1	65.0	-0.9	-1.4
Average total earnings, years 1 and 2 ($)	3,518	3,514	5	0.1
Ever received any AFDC payments (%)				
Years 1 or 2	79.0	81.9	-2.8 ***	-3.5
Years 1 or 2, including quarter of random assignment [a]	80.1	83.4	-3.3 ***	-3.9
Quarter of random assignment (Q1)	43.2	46.7	-3.5 ***	-7.6
Quarter 2	69.0	72.9	-4.0 ***	-5.4
Quarter 3	62.7	66.7	-4.0 ***	-5.9
Quarter 4	53.6	57.2	-3.6 ***	-6.4
Quarter 5	49.8	52.7	-2.9 ***	-5.5
Quarter 6	45.6	48.7	-3.1 ***	-6.4
Quarter 7	42.4	45.4	-3.0 ***	-6.5
Quarter 8	40.7	42.5	-1.9 *	-4.4
Quarter 9	38.4	40.8	-2.5 **	-6.0
Average number of months receiving AFDC payments, years 1 and 2	10.9	11.7	-0.8 ***	-6.7
Average total AFDC payments received, years 1 and 2 ($)	3,391	3,624	-233 ***	-6.4
Average AFDC payment per month received, years 1 and 2 ($)	*310*	*309*	*1*	*0.3*
Sample size	4309	4368		
High school diploma or GED				
Ever employed, years 1 and 2 (%)	66.1	68.1	-2.0	-2.9
Average earnings, years 1 and 2 ($)	4,412	4,374	38	0.9
Ever received any AFDC payments, years 1 or 2 (%)	75.1	80.0	-4.9 ***	-6.1
Average number of months receiving AFDC payments, years 1 and 2	9.8	11.0	-1.2 ***	-10.9
Average total AFDC payments received, years 1 and 2 ($)	3,068	3,403	-336 ***	-9.9
Sample size [b]	2361	2381		

(continued)

Table 4.1 (continued)

Outcome and Subgroup	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
No high school diploma or GED				
Ever employed, years 1 and 2 (%)	61.7	61.1	0.6	1.0
Average earnings, years 1 and 2 ($)	2,440	2,457	-18	-0.7
Ever received any AFDC payments, years 1 or 2 (%)	83.8	84.5	-0.7	-0.8
Average number of months receiving AFDC payments, years 1 and 2	12.3	12.6	-0.3	-2.7
Average total AFDC payments received, years 1 and 2 ($)	3,788	3,907	-119	-3.0
Sample size [b]	1919	1945		

SOURCES: MDRC calculations from Oklahoma Unemployment Insurance (UI) earnings records and AFDC records.

NOTES: Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

Italicized estimates cover only the period of employment or AFDC receipt. Differences between program and control group members for such "conditional" estimates are not true experimental comparisons.

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

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from the follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

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

[a] Ever received AFDC in quarters 1-9 was calculated with a different regression model than the other numbers. The different model did not make any noticeable changes to the estimates.

[b] Individuals who did not indicate whether they had a high school diploma or GED at random assignment were excluded from the subgroup analysis.

Compared with other welfare-to-work programs, Oklahoma City's earnings and welfare effects are small. Within two years, for example, other NEWWS programs raised earnings from $367 to $1,842, compared with Oklahoma City's non-statistically significant $5 increase. Because AFDC grant levels differ widely across states, in order to compare welfare savings across programs, it is necessary to compare payment reductions in percentages, not dollar amounts. ET & E's 6 percent decrease in total payments over two years is on the low end of the 6 to 19 percent reductions found in other NEWWS programs for the same period.[3]

There are a number of reasons why no earnings or employment impacts were found at the two-year mark. First, other studies indicate that welfare-to-work programs which primarily provide job search and basic education do not work as well for the sample studied in this evaluation — applicants for welfare — as for other, more disadvantaged members of the welfare caseload. A current study of both skill-building and "work first" programs has also found that programs work least well for those who enter them with the greatest labor market advantages.[4]

Second, ET & E did not create a large treatment difference between the program group and the control group. Welfare-to-work programs are expected to raise individuals' employment and earnings by increasing their facility and speed in finding a job; by increasing their literacy or vocational skills, thus making them capable of finding better jobs; or by giving them credentials that might be valued in the labor market, such as a GED or vocational certificate. Generally, these increases are measured by impacts on participation in job search activities (for finding a job easier or faster); on basic education (for literacy or credentials); and on vocational training, college, or on-the-job training (for job skills). ET & E did not substantially increase rates of participation or duration in these activities.

ET & E did, however, increase participation in basic education, vocational training, and job search for individuals who entered the program without a high school diploma or GED. The failure of increases in these services to pay off for this subgroup is corroborated by results from other NEWWS Evaluation programs. Within two years, three examples of strong education-focused programs that primarily increased participation in basic education for this subgroup did not consistently raise employment or earnings levels for these individuals.[5]

Third, programs that encourage enrollees to invest in education or training before entering the labor market are not expected to show immediate employment gains. Instead, payoffs from increased human capital are expected to emerge in later years, in higher-paying or longer-lasting jobs. It is possible that the gains in basic education and vocational training in Oklahoma City for those who did not have a high school diploma or GED when they applied for welfare may pay off for this subgroup in the labor market in the long term, i.e., in the third, fourth, or fifth years of follow-up that will be analyzed in future NEWWS Evaluation documents. However, given that ET & E did not substantially augment the program group's human capital, ET & E is not a fair test of the skill-building approach to self-sufficiency.

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[3]This range of welfare reductions does not include Detroit, where results were not statistically significant.

[4]Freedman et al., 2000. The researchers found that, in general, both approaches are less successful in helping sample members who had been employed in the year prior to random assignment and whom researchers therefore considered less disadvantaged.

[5]See Hamilton et al., 1997.

It is unclear, however, why the program *did* produce AFDC impacts. Welfare-to-work programs are expected to generate welfare savings primarily by increasing the earnings of program group members, making them ineligible for welfare or reducing their monthly payments. Another way that programs can decrease average welfare payments is by introducing additional paperwork or eligibility requirements for participants, thereby deterring sample members from accepting payments in order to avoid the "hassle" of complying. Programs can also decrease average payments by relying heavily on sanctions or grant reductions that enforce the mandate to participate. Further, participation in a welfare-to-work program may increase the case manager's scrutiny of the enrollee's eligibility; for example, the effort to understand how an individual is supporting her family on a grant that was reduced by a sanction may unearth unreported income.

The fact that ET & E did not increase employment or earnings in Oklahoma City suggests that program group members left welfare for reasons unconnected to employment. It remains possible that the welfare effects are a result either of individuals' choosing to forego welfare when faced with the participation requirement stated at the application and home visit or of case managers' finding more program group members ineligible for AFDC benefits.

Although the discussion of ET & E was not lengthy at application, welfare department staff clearly stated to program group members that they were required to participate in ET & E and that they could be sanctioned if they didn't; control group members knew of the existence of ET & E and knew that they were not subject to the participation requirements. On average, sample members had to wait about one month (25 days) before their applications were approved — long enough for the stated message of mandatory participation to induce individuals to find jobs or alternatives to accepting cash assistance. Though there is no evidence that the participation mandate increased employment among the program group,[6] the welfare impacts do suggest that the ET & E program could have deterred sample members from accepting cash assistance. First, the fact that fewer program group members received welfare at all over the two-year follow-up indicates that enrollees were affected by the ET & E program at application, not by services received later in the follow-up. It is possible that the message of required participation at application or the home visit deterred some sample members from ever accepting a welfare payment. Also, as shown in Table 4.2, ET & E's welfare reductions are primarily the result of increasing the number of people who were not employed and not on welfare at the expense of the percentage who were not working and on welfare.[7] In other words, ET & E's reductions could be the result of nonworkers' finding alternatives to AFDC to support themselves and their families.

[6]The Unemployment Insurance system can miss "off-the-books" or short-term jobs. Data from a client survey that asked program and control group members to report any jobs which they held over the two-year follow-up, including informal ones, show no increase in employment early in the follow-up. The survey does, however, indicate an 8 percentage point impact on employment over two years. Closer examination of the monthly employment levels of program group and control group members indicates that the "new" jobs were short-term.

[7]Corroborating results from UI earnings records and AFDC records, findings from a survey of clients indicate that at the end of the two-year follow-up, the AFDC reductions resulted from a higher percentage of individuals who were both off AFDC and not employed.

National Evaluation of Welfare-to-Work Strategies

Table 4.2

Impacts on Employment and Welfare Status

Oklahoma City ET & E Program

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Quarter after random assignment and subgroup	Employed and Off Welfare	Employed and On Welfare	Not Employed and Off Welfare	Not Employed and On Welfare
Full sample				
Quarter of random assignment (Q1)	-0.5	-1.5 **	4.0 ***	-2.1 **
Quarter 2	1.1 **	-1.7 **	2.8 ***	-2.2 **
Quarter 3	1.4 **	-2.0 **	2.5 ***	-1.9 *
Quarter 4	0.7	-0.7	3.0 ***	-2.9 ***
Quarter 5	0.3	-1.1	2.6 ***	-1.8 *
Quarter 6	-0.2	-1.9 ***	3.3 ***	-1.2
Quarter 7	-0.1	-1.2 *	3.1 ***	-1.8 *
Quarter 8	-0.1	-0.9	1.9 *	-0.9
Quarter 9	-0.6	-0.5	3.1 ***	-2.0 **
Sample size	8677	8677	8677	8677
High school diploma or GED				
Quarter of random assignment (Q1)	-0.4	-1.8 *	4.4 ***	-2.2 *
Quarter 2	1.3	-2.1 *	3.8 ***	-3.0 **
Quarter 3	2.1 **	-2.2 *	3.0 **	-2.9 **
Quarter 4	0.6	-0.5	5.0 ***	-5.2 ***
Quarter 5	0.5	-1.5	4.5 ***	-3.5 ***
Quarter 6	-0.3	-2.6 ***	6.2 ***	-3.4 **
Quarter 7	-0.5	-1.9 **	5.6 ***	-3.2 **
Quarter 8	-0.2	-1.6 *	4.1 ***	-2.3 *
Quarter 9	-1.2	-1.6 *	5.2 ***	-2.5 **
Sample size [a]	4742	4742	4742	4742

(continued)

Table 4.2 (continued)

Quarter after random assignment	Employed and Off Welfare	Employed and On Welfare	Not Employed and Off Welfare	Not Employed and On Welfare
No high school diploma or GED				
Quarter of random assignment (Q1)	-0.2	-1.0	3.1 **	-1.9
Quarter 2	1.0	-1.2	1.5	-1.3
Quarter 3	0.9	-2.1 *	1.9	-0.7
Quarter 4	1.0	-0.8	0.5	-0.8
Quarter 5	0.5	-0.7	0.4	-0.3
Quarter 6	0.0	-1.3	0.0	1.3
Quarter 7	0.4	-0.5	0.3	-0.2
Quarter 8	0.2	-0.3	-0.5	0.6
Quarter 9	-0.1	0.6	0.9	-1.4
Sample size [a]	3864	3864	3864	3864

SOURCES: See Table 4.1.

NOTES: See Table 4.1.

[a] Individuals who did not indicate whether they had a high school diploma or GED at random assignment were excluded from the subgroup analysis.

However, these same results could be interpreted another way. Oklahoma City's use of integrated case management may have helped social workers, through discussions of ET & E participation, discover welfare eligibility information that they would not have found in the eligibility interviews with control group members. Findings from another NEWWS site that was testing integrated case management versus a traditional, separated approach have shown that integrated case management — when programs are given adequate support — can produce differential welfare savings without differential employment and earnings impacts. A suggested reason for these differential impacts was the added opportunities that integrated case managers had to discover eligibility changes while discussing barriers to welfare-to-work program participation.[1] Both the greater frequency of contact between case managers and clients and the different nature of conversations that case managers have in an integrated model may contribute to the increased chances for learning eligibility information.

Though Oklahoma City's ET & E program did not benefit from plentiful resources, it is possible that the initial interviews and discussions regarding mandatory participation were long enough to enable social workers to discover personal or family circumstances, such as a disability, that would make the program group member eligible for other government assistance (e.g., SSI), and subsequently ineligible for AFDC. Social workers would not have learned such information about control group members, because they did not discuss ET & E with them. The discovery of these eligibility differences could explain the impacts over two years and the simultaneous increase in the percentage unemployed without welfare and decrease in the percentage unemployed and on welfare. Discovering other eligibility information throughout the follow-up, such as changes in family composition, could account for the reductions in the length of time that recipients received welfare over two years.

It is unclear which of these explanations is most plausible — and even more difficult to explain why the effects are concentrated among graduates. First, consider the deterrence hypothesis. The fact that the program did not increase the percentage of individuals who were employed and off welfare discredits the possibility that individuals chose to rely on jobs reported to the Unemployment Insurance wage system that they already had. Program group members, however, could have decided to rely more heavily on income from other sources or on income from other household members. Yet findings from a client survey show that, at the end of two years, program group graduates in Oklahoma City were *less* likely to receive income from child support and Food Stamps than were their control group counterparts, and were no more likely to live with another wage earner. Further, income from program group graduates' household members did not offset their welfare losses; program group graduates' other household members contributed *less* to the total household income than did control group graduates' other household members.

Second, consider the hypothesis that social workers could discover eligibility information for AFDC or other governmental transfer programs, such as SSI, better with ET & E enrollees. The client survey shows that, at the end of two years, there are no differences between graduate program and control groups members in the percentage of individuals and families who received SSI or in the amount

[1]Brock and Harknett, 1998.

of payments they received. This finding, however, cannot rule out the contribution of this mechanism to the impacts early in the follow-up.

There is also little evidence that social workers discovered more employment among ET & E enrollees than among control group members. The group for which discovery would be possible includes those who were employed before coming to the welfare office, shown in columns 1 and 2 of Table 4.2. Through discussion of ET & E participation, social workers may be more likely to discover program group members' employment, subsequently making them ineligible for AFDC. This would be evident from a decrease in the percentage who were both employed and on welfare (column 2) with a simultaneous increase in the percentage who were employed and off welfare (column 1), thereby changing the welfare status of employed individuals. Though there are small decreases in the percentage employed and on welfare for graduates during the follow-up period (shown in the second column of Table 4.2), there are no corresponding statistically significant increases in the percent employed and off welfare (column 1).[2]

It is possible that both the UI system and the survey of clients fail to capture income that program group members find to compensate for the AFDC losses. Other research has found that large-scale surveys tend not to capture all of welfare-reliant and low-wage workers' income, because respondents to such surveys are just as likely to hide side income from survey researchers as from welfare department officials.[3] An in-depth study by Edin and Lein of welfare recipients and low-income women found that personal introductions to survey respondents and repeated interviewing were crucial for accurate data collection. Over time, respondents became more comfortable with interviewers, and interviewers had more chances to obtain more accurate accounting of respondents' income and expenditures.

Edin and Lein, who conducted in-depth interviews, found that a significant portion (17 percent) of welfare-reliant mothers' total income came from informal contributions from family and friends, including those who did not live in their households. These "network-based" strategies contributed about the same amount to welfare mothers' total budgets as "work-based" strategies did (almost all of which was unreported or underground work).[4] Both the UI system and the large-scale survey administered as part of the NEWWS Evaluation are unlikely to capture these types of income sources for Oklahoma City's sample members. If program group graduates were better able than non-graduates to compensate for AFDC losses with such income, it could explain why the AFDC effects were concentrated among the graduate subgroup.

[2]The survey corroborates these findings at the end of two years for off-the-books employment as well.

[3]Edin and Jencks, 1992, in Edin and Lein, 1997.

[4]Edin and Lein, 1997.

Chapter 5

Lessons from Oklahoma City's ET & E Program

- **In order for a welfare-to-work program to produce an added benefit, it is necessary for it to engage individuals who would not have participated on their own.**

Without intervention from a special welfare-to-work program, some welfare recipients attend basic education classes, go to college, or look for a job on their own. For example, in the two-year follow-up period in Oklahoma City, 13 percent of control group members attended basic education classes, and 20 percent attended college. Many also became employed and left welfare. The rationale for instituting a special welfare-to-work program is to improve outcomes for welfare recipients, including increasing participation levels in education, speeding or increasing the rate of employment, increasing the attainment of higher-paying or longer-lasting jobs, and accelerating welfare exits. In order to do these things, a program must provide more or different services to those who enroll in it, compared with what they could have obtained on their own. For example, it either must increase the proportion of people who look for jobs or attend education classes or must increase the length of time that they spend doing these activities.

ET & E did not do this. With the preference given to motivated individuals and the honoring of their choices for activity assignments, ET & E enrolled those who, by and large, would have participated on their own initiative in the absence of a program. As a result, ET & E enrollees' participation rates and duration in education classes or job search were only slightly higher than those for a control group. ET & E generated larger participation rates for individuals who did not have a high school diploma or GED when they applied for welfare, but these differences were small when compared with other NEWWS programs. Though the individuals in the program group likely benefited from, for example, going to college or learning a job skill, the absence of a large net difference in participation rates between the program group and the control group kept ET & E from making a net difference in labor market outcomes. Similar results were found for the Washington State Family Independence Program (FIP), another welfare-to-work program that focused on individuals who decided to participate on their own initiative. Evaluators found that, among individuals with access to FIP, no more participated in activities than did a comparison group. As a result, the program had no impact on employment or earnings and even increased AFDC receipt.[1]

- **If a program is to achieve effects when providing a wide range of services, there is a minimum resource investment that must be made per person.**

Welfare administrators are always faced with tough choices when implementing polices and programs. Often, budgets are tight, and administrators must make a crucial decision about program coverage: whether to serve a broad cross-section of the caseload with low-cost services or to focus

[1]Long, Nightingale, and Wissoker, 1994.

resources on a selected group. ET & E's findings, however, along with the results of other welfare-to-work programs, indicate that welfare departments may need to make minimum expenditures per person to have any effect on welfare recipients' self-sufficiency.[2]

Two previously evaluated programs, Cook County's WIN program and Florida's Project Independence (PI), suffered from insufficient funding to effectively engage a broad section of their caseloads. Cook County's program provided job search assistance, but no supplemental education or training services. The program generated small welfare savings, but it had no effect on participants' employment or earnings. Researchers found that resources were spread too thinly over the caseload to promote employment.[3] PI, like ET & E, was designed to provide an array of services, including job search, education, training, and child care. Researchers found that limitations on child care and case management resources later in the follow-up made it difficult to effectively engage participants in a later cohort, diminished the program's earnings effects, and created financial losses for PI enrollees because they lost welfare benefits but could not replace them with increased income from work.[4]

Oklahoma City also had limited resources to spend on its program. The welfare department spent about half of what other NEWWS programs spent on program-related services. Moreover, outside providers did not fill the gap created by the welfare department; they spent one-fifth less on ET & E activities than they did in other NEWWS programs. Using the results from Cook County and PI as a guide, this limited ET & E investment may have kept the program from increasing sample members' participation and subsequent employment and earnings.

- **Unless administrators indicate the importance of a welfare-to-work program to staff, the program can suffer when underfunded welfare departments use integrated case management.**

Integrated case management has been suggested as one way to move the culture and goals of a welfare department toward promoting self-sufficiency.[5] Research in the Columbus NEWWS programs — a site testing integrated and traditional case management strategies side-by-side — has found that integrated case management is, at a minimum, more effective at producing welfare savings than a traditional system is.

Yet, in a time crunch, ET & E case managers, under guidance from their supervisors and administrators, fulfilled their eligibility duties at the expense of ET & E case management. Administrators and staff believed that, when time was critical, the primary goal of the welfare department was to deliver cash assistance to families in need; secondarily, they aimed to increase the self-sufficiency of their clients so that they would no longer need the department's assistance. In other words, ET & E case management was an afterthought to eligibility maintenance. Case managers needed to devote four-fifths of their time to performing eligibility-related duties. Spending only one-quarter of their time on ET & E was not enough, they felt, to do an adequate job. A supervisor summed up, "I used to think it was better to

[2]See also Bloom, 1997, p. 51.

[3]Friedlander et al., 1987, Executive Summary.

[4]Kemple, Friedlander, and Fellerath, 1995, pp. ES-3, ES-24 - ES-31.

[5]Bane and Ellwood, 1994.

combine welfare and ET & E, but now I think it would be better to split. It's a function of caseload size. . . . It's harder to do ten things with ten people than one thing with 100 people." Researchers found a similar situation in Cook County's WIN program; there, case managers were evaluated primarily on welfare reductions, not on employment placements or other client outcomes, and so they tended to focus on administrative and monitoring functions instead of providing services to clients. As noted earlier, the program did not increase individuals' employment or earnings.[6]

Though job developers in Oklahoma City did provide intensive ET & E case management for a portion of the caseload, it was not always clear who should be referred to job developers and what the procedures were for following up on referrals. However, job developers did not always follow up on each individual referred to them. In this situation, ET & E case management was spread too thinly over the caseload to make a difference.

Future NEWWS Evaluation reports will follow Oklahoma City's sample members for up to five years. Substantial shifts in the program design and the moderate investments made in individuals who entered ET&E without a high school diploma or GED may paint a different story in the long-term than the two-year results presented here. These two-year results, however, provide program administrators with valuable lessons on how to improve programs' short-term effectiveness.

[6]Friedlander et al., 1987, pp. viii-ix.

Appendix A

Cost Analysis Methodology

Appendix A

Cost Analysis Methodology

This appendix outlines the major concepts and methodology used in the Oklahoma City ET & E cost analysis.

The cost section of this report (Chapter 3) focuses primarily on the costs of activities *per person*, usually shown as an average cost *per program group member* or *per control group member*. The cost per person of an activity or service is calculated using two measures: (1) the unit cost of the activity or service and (2) the average time spent in that activity or service. A *unit cost* represents the cost of serving one person, in a specified service, for a specified unit of time. In this analysis, the unit cost is presented as either a cost per month or a cost per hour. Multiplying the unit cost of a service by the average length of time sample members used that service over the two-year follow-up yields the average cost incurred per sample member over this period for that service.

I. Welfare Department Costs

A. Unit Cost

The first step in estimating the welfare department's average unit cost (the cost per program group member per month of participation) was to collect welfare department ET & E expenditure information for a "steady-state" period from October 1993 to September 1994. This was chosen as the period most representative of expenditures during the follow-up period. As discussed in the text, because of data restrictions, a welfare department unit cost for Oklahoma City (Oklahoma, Cleveland, and Pottawatomie Counties) could not be calculated.[1] Therefore, welfare department ET & E expenditure information for the State of Oklahoma was instead collected from the Department of Health and Human Services. State-level ET & E welfare department expenditures included the cost of case management, job search services, overhead expenditures, and payments made to program group members to reimburse them for GED test fees, clothing required by an employer or activity, and certain medical expenses.[2]

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[1]Though welfare department expenditure information was available for Oklahoma City, participation counts for the three counties were unavailable, and thus a unit cost for the three counties could not be calculated.

[2]Expenditures incurred by the welfare department to reimburse program group members for GED test fees, clothing, and certain medical expenses were not included as part of the welfare department's costs in prior cost analyses. Because of data limitations, ancillary expenditures — with the exception of participation allowances — could not be separated from other welfare department expenditures. However, prior cost analyses have found payments for these types of ancillary expenditures to be relatively small, ranging from $1 per program group member in Grand Rapids' LFA program to $12 in Portland's program. Atlanta's ancillary expenditures were much higher but are not comparable to Oklahoma City's because Atlanta's expenditures include participation allowance costs. Also, because of data limitations, the welfare department operating cost does not include expenditures made to non-welfare agencies to provide education services to program group members. State-level information indicates that the excluded amount is relatively small: including these expenditures would add about $90 to the total welfare department operating cost per

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In most other MDRC cost analyses, the next step would be to divide welfare department expenditures for each activity (job search, basic education, college, vocational training, and work experience) by a measure of participation in each activity, to obtain a unit cost per activity per month of participation.[3] However, participation counts by activity were unavailable. Instead, total ET & E expenditures were divided by the total number of months that individuals were required to participate (in any activity) during the steady-state period, or "mandatory months." The number of mandatory months was obtained by summing, across all months in the steady-state period, the monthly number of persons in the state who were required to participate in ET & E. By dividing state welfare department ET & E expenditures by total state mandatory months, an estimate of the monthly cost of serving one person who was required to participate in ET & E was obtained. This calculation yielded a welfare department cost of $42 per mandatory month per person over the steady-state period.

B. Cost per Person

To obtain a total welfare department operating cost per person, the welfare department's unit cost was multiplied by the average number of months that program group members were required to participate in ET & E over the two-year follow-up.[4] This calculation translates the state-level unit cost into an estimate of the cost per program group member for the Oklahoma City sample. Table 3.2 shows that the welfare department operating cost per program group member was $458.

In most MDRC cost analyses, the total welfare department cost per person is obtained in three steps, as follows: (1) a welfare department unit cost for each activity is obtained; (2) the unit cost per activity is multiplied by the average length of stay in each activity, resulting in an average cost per person for each activity; (3) the sum of the costs for all participants in all activities yields the total welfare department operating cost. Note that, because unit costs by activity could not be calculated from the data available, the method used in Oklahoma City's cost analysis does not calculate costs per activity but calculates the total welfare department operating cost per program group member. Therefore, to allocate this total cost of $458 per program group member to the five activities, it was necessary to work backwards from the three-step method by using a series of assumptions. Before describing them, however, it is important to note that — because unit costs for each activity were not calculated directly but instead were estimated on the basis of assumptions — the welfare department activity costs should be regarded as less accurate than the other costs presented in Table 3.2 (i.e., non-welfare agency costs and support service costs). However, the following assumptions affect only the distribution of costs across activities, not the total operating cost per person.

The first assumption used to allocate the welfare department operating cost of $458 per program group member to the five activities was that costs can be allocated based on participation by sample members. In other words, for every unit of time that a sample member spent in an activity, an equal amount of case management services were spent on that individual. From information about ET & E

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program group member. The present analysis assumes that non-welfare agencies picked up these costs, and thus the $90 per person is captured in the non-welfare agency operating cost.

[3]For more information on the methodology used in other cost analyses, see Chapter 7, pp. 165-69, in Hamilton et al., 1997; or Chapter 3, pp. 64-74, in Riccio, Friedlander, and Freedman, 1994.

[4]The average number of months sample members were mandatory for ET & E was obtained using case file data.

activities, it is probable that the welfare department spent more on job search per person (which includes life skills workshops) than on other activities, because the ET & E program ran job search and life skills workshops in addition to providing case management services to individuals who were in those activities. In contrast, the welfare department provided only case management services to individuals involved in other activities. In the two HCD programs where the welfare department provided case management for all activities but only job search services, the welfare departments spent, on average, three times more per month of participation on job search than they did on education, training, and work experience. Thus, it was assumed that the welfare department in Oklahoma City is similar to those in the two HCD sites and that the cost of providing job search and the associated case management to one person for one month is three times the cost of providing case management services to individuals in the other four activities.[5] Again, this assumption was necessary because no information was available concerning how much the welfare department in Oklahoma City spent per person by activity.

Therefore, the following formula was used to determine welfare department unit costs by activity:

$$(\text{LOS in job search} * 3(\text{CMU})) + (\text{LOS in basic education} * (\text{CMU})) + (\text{LOS in college} * (\text{CMU})) +$$

$$(\text{LOS in vocational training} * (\text{CMU})) + (\text{LOS in work experience} * (\text{CMU})) = \$458$$

LOS is the average length of stay (number of months) in each ET & E-related activity; CMU is the unit cost (cost per month) of job search, basic education, college, vocational training, and work experience case management; 3(CMU) is the unit cost of job search case management and services; and $458 is the welfare department's average total operating cost per program group member. The product of the average length of stay for each activity and the derived unit cost equal the cost per person by activity. The unit cost estimates calculated from the above equation are shown in Appendix Table A.3. Multiplying each activity's unit cost by the average length of time spent in each activity produced, the per-person costs by activity shown in Table 3.2.

II. Non-Welfare Agency Costs

A. Unit Cost

In contrast to welfare department costs, data *were* available to calculate non-welfare agency unit costs for basic education, college, and vocational training. To do this, expenditure information from the major educational institutions that sample members attended were collected. These institutions fell into four categories: adult schools, community colleges, vocational institutes, and proprietary schools. A unit cost for each type of institution was calculated by dividing the expenditure information for each institution by the total number of hours that students were scheduled to attend over the same period for which expenditure data were collected. Scheduled hours are used instead of monthly costs because education institutions conventionally report their participation in terms of "full-time equivalent students"

[5]Grand Rapids' unit cost was not used because the welfare department did not provide job search services.

(FTEs) or "credit hours," which are based on scheduled hours. Next, the unit cost for each activity was calculated by taking a weighted average of each type of institution's unit cost based on participation rates in each type by sample members. For example, suppose that the average cost of attending vocational institutes was $8 per scheduled hour and that the average cost of attending community college was $6 per scheduled hour. Also suppose that 75 percent of program group members took vocational training courses at vocational institutes, while 25 percent attended a community college. Then the unit cost of vocational training would be calculated as follows:

($8.00 * 75%) + ($6.00 * 25%) = $7.50 per hour

Thus, it would cost $7.50 for one person to attend one scheduled hour of vocational training.

While non-welfare agency unit costs for basic education, college, and vocational training are expressed in terms of the cost of providing one scheduled hour of education to one person, the unit costs of job search and work experience are expressed in terms of a cost per month and are estimated based on welfare department unit costs.

As described previously, this analysis computes welfare department unit costs based on the assumption that case management across all activities costs the same amount per person. The unit cost of job search is higher than the unit cost of the other four activities, primarily because both case management and job search services were offered by the welfare department. Thus, subtracting the unit cost of the other four activities from the job search unit cost (which represents the cost of providing case management to program group members) should yield the portion of the job search unit cost that represents mostly job search services and little additional case management. It was assumed that job search services available through non-welfare agencies would provide classroom training and job development but would not provide much case management. Therefore, the unit cost of job search provided by non-welfare agencies shown in Appendix Table A.3 is the difference between the unit cost of job search provided by welfare agencies and the unit costs of the other four activities.

The unit cost of work experience provided by the welfare department represents the cost of providing case management to those participating in this activity. It was assumed that, if sample members participated in a work experience activity provided by a non-welfare agency, they would receive a similar set of services as provided by the welfare department; e.g., welfare department and non-welfare agency work experience would include locating placements and monitoring participation. Therefore, the unit cost of work experience provided by non-welfare agencies was assumed to be equal to that of the welfare department.

Although non-welfare agency job search and work experience unit costs were estimated using welfare department unit costs by activity, which should be considered less accurate than non-welfare agency education and training unit costs, these estimates may vary without significantly influencing gross or net costs. This is because very few program and control group members participated in job search and work experience through non-welfare agencies. For example, instead of using the assumptions described above, non-welfare agency job search and work experience unit costs may be estimated using average unit costs from the three HCD programs. This would only increase the gross cost per program group member by $29 and the net cost by $28 per person.

B. Cost per Person

After estimating non-welfare department unit costs as described above and shown in Appendix Table A.3, unit costs by activity were multiplied by the average length of stay in the respective activities to obtain the cost per program group member and control group member by activity. The results of these calculations are shown in Table 3.2 for program group members and in Table 3.1 for control group members.

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Appendix Table A.1

Estimated Support Service Cost per Program Group Member Within a Two-Year Follow-Up Period (in 1993 Dollars)

Oklahoma City ET & E Program

	Per Person Who Received Service				
Support Service	Average Monthly Payment ($) (A)	Average Months of Payments (B)	Cost per Person Who Received Service (A * B) ($) (C)	Percent of People Who Received Service (%) (D)	Cost per Program Group Member (C) * (D) ($) (E)
Child care					
ET & E	242	5	1,289	19	240
Employment-related[a]	259	6	1,630	14	234
Other non-ET & E[b]	283	3	969	6	59
Subtotal (child care)					533
Participation allowance	55	4	239	33	78
Total					611

SOURCES: MDRC calculations based on fiscal and participation data from the following: State of Oklahoma, Department of Human Services; Oklahoma State Regents for Higher Education; Oklahoma State Department of Vocational and Technical Education; U.S. Department of Health and Human Services, Administration for Children and Families; information collected on tuition charged at proprietary schools attended by sample members; and information from MDRC-collected case file data and the Two-Year Client Survey. MDRC child care and other support service calculations are based on State of Oklahoma, Department of Human Services payment data.

NOTES: Child care records were available only for payments made after July 1993. Child care payments made to sample members prior to this point were imputed based on receipt rates after July 1993.

[a]Employment-related child care includes at-risk and transitional child care.

[b]Other child care includes non-JOBS child care and child care payments funded by the Child Care and Development Block Grant and by the Social Services Block Grant.

Rounding may cause slight discrepancies in calculating sums and products.

Appendix Table A.2

Estimated Total Gross Costs and Net Costs Within a Two-Year Follow-Up Period (in 1993 Dollars) by High School Diploma/GED Status

Oklahoma City ET & E Program

Activity or Service and Subgroup	Total Gross Cost per Program Group Member ($)	Total Gross Cost per Control Group Member ($)	Net Cost per Program Group Member ($)
For those with a high school diploma or GED:			
Job search[a]	*98*	*41*	*56*
Basic education	*103*	2	*101*
College	*1,040*	1,071	*-31*
Vocational training	*947*	507	*440*
Work experience	*27*	*7*	*20*
Subtotal (operating)	2,215	1,628	587
Child care	623	556	67
Child care administration[b]	50	44	5
Participation allowance	120	0	120
Total	3,007	2,228	780
For those without a high school diploma or GED:			
Job search[a]	*138*	*40*	*99*
Basic education	*969*	539	*430*
College	*365*	190	*175*
Vocational training	*1,212*	826	*386*
Work experience	*40*	*21*	*18*
Subtotal (operating)	2,724	1,616	1,109
Child care	413	338	75
Child care administration[b]	33	27	6
Participation allowance	28	0	28
Total	3,198	1,980	1,218

SOURCES: MDRC calculations based on fiscal and participation data from the following: State of Oklahoma, Department of Human Services; Oklahoma State Regents for Higher Education; Oklahoma State Department of Vocational and Technical Education; U.S. Department of Health and Human Services, Administration for Children and Families; information collected on tuition charged at proprietary schools attended by sample members; and information from MDRC-collected case file data and the Two-Year Client Survey. MDRC child care and other support service calculations are based on State of Oklahoma, Department of Human Services payment data.

NOTES: The numbers in italics represent costs which include or are derived from welfare department costs by activity. Welfare department costs by activity were calculated based on participation by sample members (instead of the actual unit cost of each activity). Because of this, these numbers should be considered less reliable than the other numbers in this table. See Appendix A for details.

Welfare department costs were derived from state-level ET & E unit costs. Data for Oklahoma, Cleveland, and Pottawatomie Counties were not available.

Child care records were available only for payments made after July 1993. Child care payments made to sample members prior to this point were imputed based on rates of receipt after July 1993.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]For program group members, this measure includes participation in life skills workshops.

[b]Administrative costs for the determination of child care needs and payment issuance were estimated as a percentage of the value of payments, i.e., by dividing total administrative costs by total payments. It was estimated that for each dollar of payments, there were eight cents of administrative costs.

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Appendix Table A.3

Estimated Unit Costs for Employment-Related Activities (in 1993 Dollars)

Oklahoma City ET & E Program

	Program Group			Control Group	
	Welfare Department Unit Cost	Non-Welfare Agency Unit Cost		Non-Welfare Agency Unit Cost	
Activity	Average per Month of Participation ($)	Average per Hour ($)	Average per Month of Participation ($)	Average per Month of Participation ($)	Average per Hour ($)
Job search[a]	*368*	n/a	*251*	*251*	n/a
Basic education	*117*	5.53	n/a	n/a	5.43
College	*117*	5.62	n/a	n/a	5.65
Vocational training	*117*	7.50	n/a	n/a	7.58
Work experience	*117*	n/a	*117*	*117*	n/a

SOURCES: MDRC calculations based on fiscal and participation data from the following: State of Oklahoma, Department of Human Services; Oklahoma State Regents for Higher Education; Oklahoma State Department of Vocational and Technical Education; U.S. Department of Health and Human Services, Administration for Children and Families; information collected on tuition charged at proprietary schools attended by sample members; and information from MDRC-collected case file data and the Two-Year Client Survey. MDRC child care and other support service calculations are based on State of Oklahoma, Department of Human Services payment data.

NOTES: The numbers in italics are welfare department unit costs by activity or are derived from welfare department unit costs by activity. These costs were calculated based on participation by program group members (instead of the actual unit cost of each activity). Because of this, they should be considered less reliable than the other numbers in this table. Based on results from other education-focused programs, it was assumed that the costs of providing one month of case management for basic education, college, vocational training, or work experience were equal and that the cost of providing job search case management and services for one month was three times that cost. See text of Appendix A for details.

Welfare department unit costs were derived from state-level ET & E unit costs. Data for Oklahoma, Cleveland, and Pottawatomie Counties were not available.

N/a = not applicable.

[a]For program group members, this measure includes participation in life skills workshops.

Appendix B

Supplementary Tables

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.1

Caseloads and Characteristics of Program Staff

Oklahoma City ET & E Program

Characteristic	Social Workers	Job Developers
Average caseload size[a]	174	148
Average number of years employed with agency	8.5	12.9
Average number of years in current position	4.2	5.5
Percent with prior experience in an employment-related field	22.2	31.8
Percent with prior experience as a(n):		
Caseworker in a WIN or other employment and training program[b]	9.3	22.7
JTPA caseworker[b]	5.1	0.0
Employment counselor, trainer, or job developer[b]	12.2	22.7
Percent with prior experience as an income maintenance worker[b]	N/A	72.7
Highest degree/diploma earned (%)		
High school graduate[c]	1.1	0.0
Some college	6.1	5.0
Associate's degree	1.7	5.0
Bachelor's degree or higher	91.1	90.0
Average age (years)	40.2	43.2
Gender (%)		
Male	26.1	22.7
Female	73.9	77.3
Race/ethnicity (%)		
White	76.8	77.3
Hispanic	4.0	0.0
Black	11.9	22.7
Native American/ Alaskan Native	4.5	0.0
Asian/Pacific Islander	1.1	0
Other	1.7	0.0
Sample size	180	22

SOURCES: Integrated and JOBS Staff Activities and Attitudes Surveys.

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

N/A means that workers were not asked this question.

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

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

[c]Includes some individuals who have earned a General Educational Development (GED) certificate.

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Appendix Table B.2

Selected Income Maintenance and Integrated Staff Survey Measures

Oklahoma City ET & E Program

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

(continued)

Appendix Table B.2 (continued)

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

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

NOTES: N/a = not applicable.

[a]All staff in Oklahoma City are integrated. The Income Maintenance Staff survey was not administered.

[b]Only these two measures include the responses of both income maintenance and integrated staff.

[c]This table presents the number for income maintenance staff. The average number of minutes for integrated staff is 11.7.

[d]Sample sizes may vary because not all survey items were applicable to some staff.

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Appendix Table B.3

Selected JOBS and Integrated Staff Survey Measures

Oklahoma City ET & E Program

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

(continued)

Appendix Table B.3 (continued)

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

(continued)

Appendix Table B.3 (continued)

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

SOURCES: Integrated and JOBS Staff Activities and Attitudes Surveys.

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

[b]This scale indicates responses of JOBS staff only.

[c]Sample sizes may vary because not all survey items were applicable to some staff.

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Appendix Table B.4

Selected Client Survey Measures

Oklahoma City ET & E Program

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

(continued)

Appendix Table B.4 (continued)

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

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

NOTES: Eligible sample members in Columbus, Detroit, and Oklahoma City had an equal chance of being chosen to be interviewed. In contrast, sample members in Atlanta, Grand Rapids, Portland, and Riverside had a greater or lesser chance, depending on their background characteristics or month of random assignment. To

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.5

Summary of Rates of Participation Within a Two-Year Follow-Up Period by High School Diploma/GED, Teen, and Age of Youngest Child Statuses

Oklahoma City ET & E Program

Activity Measure	Full Participation Sample (%)	High School Diploma or GED (%)	No High School Diploma or GED (%)	Teen (16-19) (%)	Not a Teen (20 or Over) (%)	Youngest Child 2 or Under (%)	Youngest Child 3-5 (%)	Youngest Child 6 or Over (%)
Participated in:								
Any activity	38.6	37.3	39.7	38.7	38.8	40.5	43.2	32.7
Job search	7.8	11.2	2.5	0.0	9.3	7.5	9.6	6.8
Any education or training	28.1	23.3	33.3	38.7	26.5	31.5	28.8	21.8
Basic education	11.5	1.9	24.3	24.6	9.3	18.0	9.6	6.8
College	8.3	11.2	5.1	10.5	8.0	6.0	9.6	8.1
Vocational training	12.0	11.2	10.3	10.5	12.3	13.5	12.0	8.1
Life skills workshops	8.3	10.3	6.4	0.0	9.9	7.5	9.6	8.1
Work experience	3.7	5.6	1.3	0.0	4.3	4.5	2.4	4.1
Sample size[a]	163	89	68	26	137	62	34	58

SOURCES: MDRC calculations based on MDRC-collected ET & E case file data and Oklahoma AFDC administrative records.

NOTES: The case file participation sample includes only people who received welfare during the follow-up period. The measures in this table were adjusted downward to account for the proportion of the larger impact sample who never received AFDC (and thus never participated in the ET & E program).

[a] Individuals who did not indicate at random assignment the age of their youngest child or whether they had a high school diploma or GED were excluded from the subgroup analysis.

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Appendix Table B.6

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

Oklahoma City ET & E Program

Activity Measure	Full Participation Sample	High School Diploma or GED	No High School Diploma or GED
Referred for sanction (%)	6.3	5.6	6.4
Sanction imposed (%)	1.5	0.9	2.5
Sample size[a]	163	89	68

SOURCE: MDRC calculations from MDRC-collected ET & E case file data and Oklahoma AFDC administrative records.

NOTES: The case file participation sample includes only people who received welfare during the follow-up period. The measures in this table were adjusted downward to account for the proportion of the larger impact sample who never received AFDC (and thus never participated in the ET & E program).

[a] Individuals in the participation sample who did not indicate at random assignment whether they had a high school diploma or GED were excluded from the subgroup analysis.

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Appendix Table B.7

Participation of Program Group Members in Job Search, Education, Training, and Work Experience, Within a Two-Year Follow-Up Period, by Whether Participation was Part of ET & E or Outside ET & E

Oklahoma City ET & E Program

Outcome	Participation as Part of ET & E	Participation Outside of ET & E	Total[a]
Percent participated in:			
Job search[b]	11.3	1.9	13.3
Basic education	13.5	14.5	25.3
College	12.0	13.9	22.6
Vocational training	10.6	11.7	22.3
Work experience or on-the-job training	2.3	2.7	5.0
Sample size	259	259	259

SOURCES: MDRC calculations from the Two-Year Client Survey, adjusted using MDRC-collected ET & E case file data.

NOTES: [a]Participation as a part of ET & E and participation outside of ET & E do not sum to total participation because some sample members participated in these activities both as a part of ET & E and outside of ET & E.

[a]For program group members, this measure includes participation in life skills workshops.

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.8

Two-Year Impacts on Participation in Job Search, Education, Training and Work Experience, and on Sanctioning, Based on Client Survey Data Only

Oklahoma City ET & E Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference	*Program Group*	*Control Group*	*Difference*
Participated in:									
Any activity	51.2	40.2	11.0 **	214.1	188.5	25.6	*418.0*	*468.5*	*-50.5*
Job search	12.3	7.2	5.1 *	18.9	8.6	10.3	*153.3*	*119.5*	*33.8*
Any education or training activity	44.3	34.6	9.7 **	195.2	179.9	15.3	*440.7*	*519.4*	*-78.7*
Basic education	21.4	11.7	9.8 ***	53.6	34.2	19.3	*249.7*	*292.7*	*-43.0*
College	15.2	15.3	0.0	66.8	90.0	-23.3	*438.0*	*588.9*	*-151.0*
Vocational training	15.2	12.6	2.6	74.9	55.6	19.3	*493.8*	*442.0*	*51.8*
Work experience or on-the-job training	4.4	1.8	2.6 *	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[a]	3.8	2.1	1.7	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size	259	252		259	252		*varies*	*varies*	

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

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

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

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

Differences between program group members and control group members (shown in italics) for "Hours of Participation Among Participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

[a]Sanctioned between date of random assignment and date of survey interview.

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.9

For Sample Members With a High School Diploma or GED: Two-Year Impacts on Participation in Job Search, Education, Training and Work Experience, and on Sanctioning, Based on Client Survey Data Only

Oklahoma City ET & E Program

Outcome	Participated or Sanctioned (%)			Hours of Participation			*Hours of Participation Among Participants*		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference	*Program Group*	*Control Group*	*Difference*
Participated in:									
Any activity	47.0	41.4	5.6	203.4	226.2	-22.8	*432.9*	*546.8*	*-114.0*
Job search	13.3	8.4	4.8	16.5	8.4	8.1	*124.6*	*99.6*	*25.0*
Any education or training activity	37.6	35.1	2.5	186.9	217.8	-31.0	*497.6*	*620.8*	*-123.2*
Basic education	4.0	0.5	3.5 *	12.2	0.4	11.8	*306.4*	*90.7*	*215.8*
College	22.2	22.7	-0.5	92.4	157.9	-65.5	*415.9*	*694.8*	*-278.9*
Vocational training	16.0	15.5	0.5	82.2	59.5	22.7	*515.4*	*383.9*	*131.4*
Work experience or on-the-job training	5.0	2.4	2.6	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[a]	2.2	1.6	0.6	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size[b]	134	133		134	133		*varies*	*varies*	

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

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

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

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

Differences between program group members and control group members (shown in italics) for "Hours of Participation Among Participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

[a]Sanctioned between date of random assignment and date of survey interview.

[b]Individuals who did not indicate at random assignment whether they had a high school diploma or GED were excluded from the subgroup analysis.

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.10

For Sample Members Without a High School Diploma or GED: Two-Year Impacts on Participation in Job Search, Education, Training and Work Experience, and on Sanctioning, Based on Client Survey Data Only

Oklahoma City ET & E Program

Outcome	Participated or Sanctioned (%) Program Group	Control Group	Difference		Hours of Participation Program Group	Control Group	Difference	*Hours of Participation Among Participants* *Program Group*	*Control Group*	*Difference*
Participated in:										
Any activity	55.5	39.3	16.2	**	223.8	153.3	70.5	*403.5*	*390.4*	*13.1*
Job search	10.1	6.1	4.0		20.1	8.7	11.3	*198.5*	*142.8*	*55.7*
Any education or training activity	51.9	34.3	17.6	***	203.7	144.6	59.2	*392.8*	*421.4*	*-28.6*
Basic education	42.6	24.8	17.8	***	100.9	76.6	24.4	*237.0*	*309.1*	*-72.1*
College	7.2	7.3	0.0		38.7	16.3	22.4	*534.5*	*223.8*	*310.8*
Vocational training	13.1	9.1	4.0		64.1	51.7	12.4	*490.0*	*567.4*	*-77.4*
Work experience or on-the-job training	4.1	1.0	3.0		n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sanctioned[a]	5.0	2.7	2.3		n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Sample size[b]	118	116			118	116		*varies*	*varies*	

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

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

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

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

Differences between program group members and control group members (shown in italics) for "Hours of Participation Among Participants" are not true experimental comparisons. Statistical tests were not performed.

N/a = not available or not applicable.

[a]Sanctioned between date of random assignment and date of survey interview.

[b]Individuals who did not indicate at random assignment whether they had a high school diploma or GED were excluded from the subgroup analysis.

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.11

Two-Year Impacts on Employment, Earnings, and AFDC

Oklahoma City ET & E Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	50.8	51.6	-0.8	-1.5
Q6 to 9	50.9	51.6	-0.7	-1.4
Q2 to 9	64.1	65.0	-0.9	-1.4
Quarters employed				
Q2 to 5	1.11	1.13	-0.02	-1.8
Q6 to 9	1.23	1.29	-0.06 *	-4.3
Q2 to 9	2.34	2.42	-0.08	-3.1
Employed (%)				
Q2	26.9	27.5	-0.6	-2.2
Q3	27.2	27.8	-0.6	-2.1
Q4	28.1	28.1	0.0	-0.1
Q5	28.7	29.5	-0.8	-2.7
Q6	28.8	30.9	-2.1 **	-6.9
Q7	29.8	31.1	-1.3	-4.2
Q8	31.6	32.6	-1.0	-3.0
Q9	33.2	34.3	-1.1	-3.2
Earnings ($)				
Q2 to 5	1,401	1,387	14	1.0
Q6 to 9	2,117	2,127	-10	-0.4
Q2 to 9	3,518	3,514	5	0.1
Q2	269	270	-1	-0.3
Q3	335	329	7	2.0
Q4	382	368	14	3.7
Q5	414	420	-5	-1.3
Q6	457	464	-7	-1.6
Q7	494	499	-5	-1.0
Q8	553	551	2	0.4
Q9	613	613	0	0.1
Ever received AFDC (%)				
Q2 to 5	76.0	79.3	-3.3 ***	-4.1
Q6 to 9	53.2	55.4	-2.3 **	-4.1
Q2 to 9	79.0	81.9	-2.8 ***	-3.5

(continued)

Appendix Table B.11 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Months received AFDC				
Q2 to 5	6.37	6.84	-0.47 ***	-6.8
Q6 to 9	4.56	4.87	-0.32 ***	-6.5
Q2 to 9	10.93	11.71	-0.78 ***	-6.7
Received AFDC (%)				
Q2	69.0	72.9	-4.0 ***	-5.4
Q3	62.7	66.7	-4.0 ***	-5.9
Q4	53.6	57.2	-3.6 ***	-6.4
Q5	49.8	52.7	-2.9 ***	-5.5
Q6	45.6	48.7	-3.1 ***	-6.4
Q7	42.4	45.4	-3.0 ***	-6.5
Q8	40.7	42.5	-1.9 *	-4.4
Q9	38.4	40.8	-2.5 **	-6.0
AFDC amount ($)				
Q2 to 5	1,990	2,125	-135 ***	-6.4
Q6 to 9	1,401	1,499	-98 ***	-6.5
Q2 to 9	3,391	3,624	-233 ***	-6.4
Q2	609	649	-40 ***	-6.1
Q3	516	552	-37 ***	-6.6
Q4	446	478	-32 ***	-6.7
Q5	419	446	-27 ***	-6.1
Q6	383	412	-29 ***	-7.0
Q7	361	387	-26 ***	-6.6
Q8	337	361	-23 **	-6.5
Q9	320	340	-20 **	-5.9
Sample size (total = 8,677)	4,309	4,368		

SOURCES: See Table 4.1.

NOTES: Dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

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

For all measures, the quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from the follow-up measures. Thus, "year 1" is quarters 2 through 5, "year 2" is quarters 6 through 9, and so forth.

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

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.12

For Sample Members With a High School Diploma or GED: Two-Year Impacts on Employment, Earnings, and AFDC

Oklahoma City ET & E Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	54.9	55.4	-0.5	-0.9
Q6 to 9	52.7	55.6	-2.9 **	-5.3
Q2 to 9	66.1	68.1	-2.0	-2.9
Quarters employed				
Q2 to 5	1.24	1.26	-0.02	-1.3
Q6 to 9	1.34	1.44	-0.10 **	-6.8
Q2 to 9	2.58	2.69	-0.11 *	-4.2
Employed (%)				
Q2	30.6	31.4	-0.8	-2.4
Q3	30.4	30.5	-0.1	-0.3
Q4	31.5	31.3	0.2	0.5
Q5	31.6	32.5	-1.0	-3.0
Q6	31.9	34.8	-2.8 **	-8.1
Q7	32.0	34.4	-2.4 *	-7.1
Q8	34.3	36.1	-1.7	-4.8
Q9	35.6	38.4	-2.8 **	-7.2
Earnings ($)				
Q2 to 5	1,747	1,710	37	2.2
Q6 to 9	2,665	2,664	1	0.0
Q2 to 9	4,412	4,374	38	0.9
Q2	336	341	-5	-1.5
Q3	415	412	3	0.8
Q4	476	452	24	5.2
Q5	520	505	15	2.9
Q6	582	574	8	1.4
Q7	612	619	-7	-1.1
Q8	698	685	12	1.8
Q9	773	786	-13	-1.6

(continued)

Appendix Table B.12 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	72.1	77.3	-5.2 ***	-6.8
Q6 to 9	46.8	51.7	-4.9 ***	-9.6
Q2 to 9	75.1	80.0	-4.9 ***	-6.1
Months received AFDC				
Q2 to 5	5.90	6.54	-0.64 ***	-9.8
Q6 to 9	3.91	4.47	-0.55 ***	-12.4
Q2 to 9	9.82	11.01	-1.20 ***	-10.9
Received AFDC (%)				
Q2	66.4	71.5	-5.1 ***	-7.1
Q3	59.1	64.1	-5.0 ***	-7.8
Q4	48.8	54.5	-5.7 ***	-10.4
Q5	44.4	49.4	-5.0 ***	-10.2
Q6	39.6	45.5	-5.9 ***	-13.0
Q7	37.0	42.1	-5.1 ***	-12.2
Q8	34.9	38.8	-3.9 ***	-10.1
Q9	32.4	36.4	-4.0 ***	-11.1
AFDC amount ($)				
Q2 to 5	1,859	2,034	-174 ***	-8.6
Q6 to 9	1,208	1,370	-161 ***	-11.8
Q2 to 9	3,068	3,403	-336 ***	-9.9
Q2	592	626	-34 **	-5.4
Q3	485	529	-44 ***	-8.3
Q4	408	457	-48 ***	-10.6
Q5	373	422	-48 ***	-11.4
Q6	335	387	-52 ***	-13.3
Q7	313	355	-43 ***	-12.0
Q8	290	327	-36 ***	-11.1
Q9	270	301	-31 **	-10.2
Sample size (total = 4,742)[a]	2,361	2,381		

SOURCES: See Table 4.1.

NOTES: See Appendix Table B.11.

[a]Individuals who did not indicate at random assignment whether they had a high school diploma or GED were excluded from the subgroup analysis.

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.13

For Sample Members Without a High School Diploma or GED: Two-Year Impacts on Employment, Earnings, and AFDC

Oklahoma City ET & E Program

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever employed (%)				
Q2 to 5	46.1	46.8	-0.7	-1.6
Q6 to 9	48.8	46.9	1.9	4.1
Q2 to 9	61.7	61.1	0.6	1.0
Quarters employed				
Q2 to 5	0.96	0.97	-0.01	-1.3
Q6 to 9	1.11	1.12	-0.01	-0.8
Q2 to 9	2.07	2.09	-0.02	-1.0
Employed (%)				
Q2	22.5	22.7	-0.1	-0.6
Q3	23.4	24.5	-1.2	-4.8
Q4	24.2	24.0	0.2	1.0
Q5	25.5	25.6	-0.2	-0.7
Q6	25.1	26.4	-1.3	-4.9
Q7	27.3	27.4	-0.1	-0.3
Q8	28.4	28.5	-0.1	-0.3
Q9	30.2	29.6	0.6	1.9
Earnings ($)				
Q2 to 5	987	979	8	0.8
Q6 to 9	1,453	1,478	-25	-1.7
Q2 to 9	2,440	2,457	-18	-0.7
Q2	188	182	6	3.4
Q3	240	226	14	6.1
Q4	271	262	10	3.7
Q5	288	309	-22	-7.0
Q6	307	332	-25	-7.5
Q7	350	354	-5	-1.3
Q8	378	387	-8	-2.1
Q9	418	405	12	3.0

(continued)

Appendix Table B.13 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Percentage Difference (%)
Ever received AFDC (%)				
Q2 to 5	80.8	82.0	-1.2	-1.4
Q6 to 9	60.8	60.4	0.5	0.8
Q2 to 9	83.8	84.5	-0.7	-0.8
Months received AFDC				
Q2 to 5	6.96	7.24	-0.28 *	-3.9
Q6 to 9	5.35	5.40	-0.06	-1.1
Q2 to 9	12.30	12.64	-0.34	-2.7
Received AFDC (%)				
Q2	72.4	74.9	-2.5 *	-3.3
Q3	67.3	70.1	-2.8 *	-4.0
Q4	59.4	61.0	-1.5	-2.5
Q5	56.3	57.2	-0.9	-1.6
Q6	53.0	53.0	0.0	0.0
Q7	49.1	49.8	-0.7	-1.4
Q8	47.7	47.4	0.3	0.5
Q9	45.6	46.4	-0.8	-1.8
AFDC amount ($)				
Q2 to 5	2,150	2,244	-94 *	-4.2
Q6 to 9	1,638	1,663	-25	-1.5
Q2 to 9	3,788	3,907	-119	-3.0
Q2	631	677	-46 ***	-6.7
Q3	554	583	-29 **	-5.0
Q4	491	505	-14	-2.8
Q5	473	479	-6	-1.2
Q6	443	445	-2	-0.4
Q7	421	426	-6	-1.4
Q8	394	404	-10	-2.4
Q9	380	387	-7	-1.9
Sample size (total = 3,864)[a]	1, 919	1, 945		

SOURCES: See Table 4.1.

NOTES: See Appendix Table B.11.

[a]Individuals who did not indicate at random assignment whether they had a high school diploma or GED were excluded from the subgroup analysis.

Selected Publications from This Evaluation

Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies. Prepared by Gayle Hamilton, MDRC, with Stephen Freedman, MDRC, and Sharon M. McGroder, Child Trends. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Children and Families; and U.S. Department of Education.

Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs. Prepared by Stephen Freedman, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, and Laura Storto, MDRC. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study. Prepared by Sharon M. McGroder, Martha J. Zaslow, Kristin A. Moore, and Suzanne M. LeMenestrel. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Children and Families; and U.S. Department of Education.

Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program. Prepared by Susan Scrivener, Gayle Hamilton, Mary Farrell, Stephen Freedman, Daniel Friedlander, Marisa Mitchell, Jodi Nudelman, and Christine Schwartz, MDRC. 1998. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Evaluating Two Welfare-to-Work Program Approaches: Two-Year Findings on the Labor Force Attachment and Human Capital Development Programs in Three Sites. Prepared by Gayle Hamilton, Thomas Brock, Mary Farrell, Daniel Friedlander, and Kristen Harknett, MDRC. 1997. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Educating Welfare Recipients for Employment and Empowerment: Case Studies of Promising Programs. Prepared by Janet Quint, MDRC. 1997. Washington, D.C.: U.S. Department of Education, Office of the Under Secretary and Office of Vocational and Adult Education; and U.S. Department of Health and Human Services.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. Evan Weissman. 1997. New York: MDRC.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. Amy Brown. 1997. New York: MDRC.

Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs. Prepared by Gayle Hamilton, MDRC. 1995. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

How Well Are They Faring? AFDC Families with Preschool-Aged Children in Atlanta at the Outset of the JOBS Evaluation. Prepared by Kristin A. Moore, Martha J. Zaslow, Mary Jo Coiro, and Suzanne M. Miller, Child Trends, Inc., and Ellen B. Magenheim, Swarthmore College. 1995. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Early Findings on Program Impacts in Three Sites. Prepared by Stephen Freedman and Daniel Friedlander, MDRC. 1995. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Adult Education for People on AFDC: A Synthesis of Research. Prepared by Edward Pauly, MDRC. 1995. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Five Years After: The Long-Term Effects of Welfare-to-Work Programs. Daniel Friedlander and Gary Burtless. 1995. New York: Russell Sage Foundation.

Early Lessons from Seven Sites. Gayle Hamilton and Thomas Brock. 1994. Washington, D.C.: U.S. Department of Health and Human Services and U.S. Department of Education.

The Saturation Work Initiative Model in San Diego: A Five-Year Follow-up Study. Daniel Friedlander and Gayle Hamilton. 1993. New York: Manpower Demonstration Research Corporation.

From Welfare to Work. Judith M. Gueron and Edward Pauly. 1991. New York: Russell Sage Foundation.