

**Executive Summary**

**The Los Angeles Jobs-First  
GAIN Evaluation  
First-Year Findings on Participation  
Patterns and Impacts**

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## Preface

In 1993, administrators of the Los Angeles County Department of Public Social Services (DPSS) began a total overhaul of their welfare-to-work program, GAIN (Greater Avenues for Independence). For the previous five years, GAIN staff had assigned most welfare recipients who entered the program to classes in adult basic education, GED preparation, or English as a Second Language. Evidence from several sources — including an evaluation of the program by MDRC, agency reports on participation and job placements, and discussions with supervisors and staff — showed that GAIN’s basic education approach was not working as hoped: The program was relatively costly, but helped few additional people attain education credentials or employment.

DPSS administrators resolved that a program that offered job search assistance as its primary service and encouraged welfare recipients to start working as soon as possible would help greater numbers of welfare recipients achieve self-sufficiency. Consulting with administrators of other programs, including the GAIN program in neighboring Riverside County, and working with administrators in the County Office of Education, DPSS administrators fashioned an innovative, strongly employment-focused program, which they named Jobs-First GAIN.

Launched in 1995, Jobs-First GAIN combined program services and mandates that had worked in other settings and some that were relatively new. Its main features included: (1) an unusually intensive program orientation aimed at motivating new enrollees to find work quickly; (2) high-quality job clubs, whose leaders taught job-finding skills and engaged participants in activities aimed at boosting their self-esteem and motivation to work; (3) job development activities to increase job opportunities and match people with prospective employers; (4) a strong Work First message communicated through written handouts and group presentations, and in individual meetings with program staff; (5) a warning, repeated orally and in writing, that California would impose time limits on welfare eligibility for those who did not work; (6) a concerted effort to teach people that California’s relatively generous rules for calculating welfare grants would help them increase their income in the short term by combining work and welfare; and (7) a relatively tough, enforcement-oriented approach to encourage people to complete the activities and find work quickly. Most of the features of Jobs-First GAIN continue under CalWORKs, California’s program under the TANF provisions of the 1996 federal welfare reform law.

DPSS administrators contracted with MDRC to evaluate Jobs-First GAIN, using a rigorous random assignment design. The Jobs-First GAIN Evaluation began in 1996 and includes nearly 21,000 single parents and members of two-parent households. The evaluation is jointly funded by DPSS, the U.S. Department of Health and Human Services, and the Ford Foundation. We are grateful for their commitment and support.

The first report from the evaluation described how DPSS restructured its GAIN program, and concluded that it is possible to change a large, urban, basic-education-focused welfare-to-work program to a work-focused program. The present report explores whether these changes made a difference. It describes patterns of participation in Jobs-First GAIN and presents estimates of the program’s effects on employment, earnings, and welfare receipt during the first year following the date on which people enrolled in Jobs-First GAIN and attended a program orientation.

The main findings for the first year are that Jobs-First GAIN:

- produced a substantial boost in employment and earnings;
- led to small reductions in the percentage of people receiving welfare and Food Stamps, but larger decreases in expenditures for such assistance;
- helped welfare recipients replace welfare dollars with earnings, though their overall income remained about the same;
- achieved larger employment and earnings gains than the county's previous, basic-education-focused program; and
- produced positive effects for many different types of welfare recipients.

Overall, with more people employed but a substantial percentage still not working, the findings convey a dual message: clear and measurable progress, but, not surprisingly, no simple answers.

A later report will extend the impact analysis to a second year and study a greater range of program effects, including access to medical coverage, use of transitional child care, incidence of food insecurity and hunger, and the well-being of children. The report will also include a benefit-cost analysis.

The findings from the Jobs-First GAIN Evaluation have broad significance for welfare reform. Los Angeles County has the largest welfare population of any county in the United States — larger than that of any state except New York and California. Hispanics and African-Americans make up about 80 percent of the county's welfare population. Recent studies of welfare caseloads have shown that minorities and residents of large cities are leaving assistance more slowly than other welfare recipients. If Los Angeles County's program succeeds in moving significant numbers of people from welfare to work and sustains these gains over time, the program can serve as a model for many other large urban areas.

Judith M. Gueron  
President

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A number of DPSS Computer Services Division and Electronic Data Systems (EDS) personnel helped design, launch, and monitor the random assignment module on GEARS, DPSS's automated program tracking system: Geoff Cosner, Beverly Marlowe, Herb Orban, Kien Thi, and Alexa Waarbroek. Other DPSS and EDS staff facilitated MDRC's access to and use of DPSS administrative, program tracking, and supportive service payment data: Dan Elias, Virginia Gandara, Tara Chapman, and Ralph Zbrog. MDRC also thanks the administrators and staff of the Jobs-First GAIN district offices for implementing the random assignment design, facilitating our fieldwork and on-site data collection, and providing insights on the philosophy and operation of the program.

Betty High of DPSS merits our special thanks for her patient and time-consuming work in helping MDRC learn how to access and process welfare and Food Stamp payment records and in managing the production and delivery of large monthly payment files. Similarly, Dana Herron of the Information Security Office at the California Employment Development Department (EDD) ably managed MDRC's request for Unemployment Insurance earnings data and monitored production of the files.

The Jobs-First GAIN Evaluation has also received financial support from the U.S. Department of Health and Human Services and the Ford Foundation. We offer special thanks to Howard Rolston at HHS for helping to guide the research agenda and, along with Alan Yaffe, for reviewing earlier drafts.

At MDRC, Daniel Friedlander provided overall guidance to the evaluation, supervised the impact analysis, and offered thoughtful comments on earlier drafts. Judith Gueron and Barbara Goldman also reviewed earlier drafts of this report and improved the quality of the analysis and presentation.

John Wallace worked with DPSS administrators to launch the evaluation and has performed important liaison work with county, state, and federal administrators. Evan Weissman conducted most of the initial fieldwork and helped implement the random assignment design.

Joel Gordon designed and monitored the automated random assignment process; oversaw collection of data on sample members' characteristics, program tracking, and supportive service payments; prepared analysis files; and served as a key liaison with DPSS management information administrators, staff, and subcontractors. Margarita Agudelo managed acquisition of welfare and Food Stamp payment records. Debra Romm supervised the design and ongoing processing of the data bases for these records and for Unemployment Insurance earnings records. Natasha Piatnitskaia prepared and processed these data and performed data quality checks. Ngan Yee Lee assisted in several data processing tasks, coordinated data processing schedules, and maintained the data library.

Electra Small prepared the program tracking analysis file and programmed the outcome measures. Diane Singer created tables and figures and assisted in report coordination. Diana Adams-Ciardullo, Carmen Guerra, and Julie O'Brien fact-checked the tables and text. Judith Greissman and Robert Weber edited the report, and Stephanie Cowell did the word processing.

The Authors

## Executive Summary

The Personal Responsibility and Work Opportunity Reconciliation Act of August 1996 ended the Aid to Families with Dependent Children (AFDC) program, the nation's largest cash welfare program. Among its provisions, the law replaced AFDC with block grants to states, called Temporary Assistance for Needy Families (TANF), and created financial incentives for states to run mandatory, work-focused, welfare-to-work programs. The law also placed a five-year limit on the amount of time most families can receive federally funded welfare, and it required states to place increasingly high percentages of welfare recipients into jobs and employment-related activities.

In meeting the new challenges of the federal welfare legislation, state and local administrators and policymakers can benefit from reliable information on the types of welfare-to-work program approaches that can quickly move substantial numbers of people into work and off welfare. This is especially true for programs that operate in large cities, where the remaining caseload, following large declines nationwide, is concentrated. Many of the nation's major urban areas have unemployment rates above the national average, little or no public transportation to connect inner-city residents to available jobs in the suburbs, and large bureaucracies that can be hard to change. Further, Hispanics, African-Americans, and other minority groups make up most of the nation's welfare caseload. Minorities are leaving assistance more slowly than recipients who are white and will likely make up an even larger portion of the welfare population in the coming years. Thus, the success of welfare reform nationally will depend increasingly on how well large, urban welfare-to-work programs help predominantly minority welfare populations find employment and leave assistance.

This report presents first-year participation and impact findings from the evaluation of the Los Angeles Jobs-First GAIN (Greater Avenues for Independence) program, the largest county welfare-to-work program in the nation. Consistent with the philosophy and goals of the 1996 federal welfare reform legislation that created TANF, Los Angeles Jobs-First GAIN emphasizes job search assistance and imparts a strong pro-work message in attempting to move thousands of AFDC/TANF recipients quickly into jobs and, as soon as feasible, off the welfare rolls. This message and emphasis place Jobs-First GAIN in the category of Work First programs, the approach followed by most current state and local welfare-to-work programs. Most of the features of Jobs-First GAIN continue under CalWORKs, California's program under the TANF provisions. Los Angeles inaugurated its CalWORKs program in April 1998, after the follow-up period for this report.

The findings on Jobs-First GAIN have broad significance for welfare reform. Los Angeles County, with a total population of 9.6 million people, has the largest welfare population of any county in the United States (about 700,000 people, in about a quarter of a million cases) — roughly one-twelfth of the nation's welfare caseload and larger than that of any state except New York and California. Hispanics and African-Americans make up about 80 percent of the county's welfare population. If Los Angeles County's Work First program succeeds in moving significant numbers of people from welfare to work, the program can serve as a model for many other large urban areas.

The Jobs-First GAIN Evaluation began in 1996 and will continue through December 1999. It is jointly funded by the Los Angeles Department of Public Social Services (DPSS), the U.S. Department of Health and Human Services (HHS), and the Ford Foundation. This report is the latest from the evaluation. The first report, *Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients* (1997), described how DPSS re-structured its GAIN program services model from a "human capital" development (primarily basic education) approach to a Work First model. The report concluded that it is possible to change a large, urban, education-focused welfare-to-work program to a Work First program.

This report explores whether these changes made a difference. It describes patterns of participation in Jobs-First GAIN and presents estimates of the program's effects on employment, earnings, and welfare receipt during the first year following the date on which people enrolled in Jobs-First GAIN and attended a program orientation.

Central to the evaluation is an experimental design based on random assignment. Nearly 21,000 single parents (AFDC-FGs, or Family Group) and members of two-parent households (AFDC-U, or Unemployed Parents) who attended a Job-First GAIN orientation from April 1 through September 11, 1996, were randomly assigned to one of two groups: the experimental and control groups. Experimental group members had access to Jobs-First GAIN's program services and Work First message. They were subject to the program's mandatory participation requirements and could incur a sanction (a reduction in their welfare grant) for noncompliance. Control group members were precluded from receiving Jobs-First GAIN services until October 1998, the end of the follow-up period for the evaluation. They remained eligible to receive welfare and Food Stamp payments, however. Control group members could also seek other services in the community and receive child care assistance from DPSS for employment-related programs in which they enrolled on their own initiative.

Finally, both experimental and control group members were eligible for California's rules for calculating welfare grants, called "Work Pays" (described in Section II). Work Pays allowed most welfare recipients who found a job to continue receiving welfare benefits and retain eligibility for Medicaid. Control group members may have been motivated by these rules to look for work on their own initiative or to increase their hours of work. As discussed in Section II, it is likely that fewer control than experimental group members knew about Work Pays.

Experimental designs based on random assignment typically provide the most accurate and reliable findings on effects of welfare-to-work programs. Because people are assigned at random to the experimental or control group, the two groups do not differ systematically on both measured characteristics (such as length of time on welfare) and unmeasured characteristics (such as strength of motivation to get a job). Members of the two groups also face the same labor market conditions. The employment and welfare behavior of control group members represents what would have happened to welfare recipients in the absence of the program. Thus, any subsequent differences found between the two groups can be attributed with confidence to the combination of program services, messages, and participation mandates that only experimental group members experienced. These differences, known in the language of evaluations as program *impacts*, will be discussed later in this summary and are statistically significant unless otherwise noted (that is, they have greater than a 90 percent chance of resulting from the program rather than by chance).



## I. Overview of the Findings

- **As expected for a Work First program, Jobs-First GAIN produced a substantial initial boost in employment and earnings.** Jobs-First GAIN increased the proportion of single parents (AFDC-FGs) who worked for pay during the first year of follow-up by 11 percentage points above control group levels. This increase is large relative to results from earlier studies of welfare-to-work programs. The program raised first-year earnings for AFDC-FGs by an average of \$750 (31 percent) relative to the control group. Jobs-First GAIN also boosted employment levels for members of two-parent families (AFDC-U) by 12 percentage points and increased their first-year earnings by an average of \$1,082, or 44 percent (compared to the control group's earnings). The AFDC-U sample for this evaluation is nearly evenly divided between men and women. Jobs-First GAIN caused employment and earnings gains for both men and women, with the gains for AFDC-U men averaging \$1,449 per experimental group member (compared to the average earnings for AFDC-U men in the control group). The gains for AFDC-U women were not as large.
- **Jobs-First GAIN produced small reductions in welfare and Food Stamp receipt, but larger decreases in expenditures for public assistance.** At the end of year 1, the vast majority of experimental group members — 78 percent of single parents (AFDC-FGs) and 77 percent of members of two-parent families (AFDC-U) — still received AFDC/TANF payments, but these proportions were 4 and 5 percentage points lower than control group levels. Jobs-First GAIN reduced welfare outlays in the first year of follow-up, with average savings (relative to the control group) of \$432, or 7 percent, for single parents (AFDC-FGs) and \$667, or 10 percent, for members of two-parent families (AFDC-U). Jobs-First GAIN produced similar reductions in Food Stamp receipt and payments as in AFDC/TANF for both AFDC-FGs and AFDC-U.
- **Jobs-First GAIN helped welfare recipients replace welfare dollars with earnings, but their overall income remained about the same.** Earnings gains for single parents (AFDC-FGs) and members of two-parent families (AFDC-U) were matched by reductions in AFDC/TANF and Food Stamp payments. As a result, Jobs-First GAIN did not increase combined income from these sources during the first year of follow-up.
- **Jobs-First GAIN achieved larger employment and earnings gains than the county's previous, basic-education-focused program.** Welfare administrators changed the program's self-sufficiency approach from emphasizing skill-building to emphasizing rapid entry into jobs. First-year results demonstrate that the current program was more effective in helping welfare recipients find employment. Though successful, Jobs-First GAIN did not achieve as strong results as two previously evaluated Work First programs operated in neighboring Riverside County. The more positive results for the Riverside pro-

grams could have been caused by differences in the program environments, however.

- **Jobs-First GAIN achieved positive effects for many different types of welfare recipients. The degree of consistency achieved by the program is unusual and impressive.** The program increased employment and reduced welfare payments for recipients in the central city and outer regions of Los Angeles County, for different racial and ethnic groups, for recipients with the most serious barriers to employment (no high school diploma or GED — high school equivalency — certificate, no recent work experience, and lengthy prior welfare receipt) as well as for those facing fewer barriers to employment. The program also achieved earnings gains for most of these groups.
- **Jobs-First GAIN also achieved positive results for welfare recipients who volunteered to enter the program early.** Los Angeles County lacked funding to serve all welfare recipients required to participate. The agency developed a waiting list for services but also invited some welfare recipients to enter the program several months or more before their name reached the top of the list. Results of the Jobs-First GAIN Evaluation show that welfare-to-work programs can pay off for recipients who volunteer for services: In year 1, the program increased employment and earnings by 14 percentage points and over \$1,000 respectively and reduced AFDC/TANF payments by 8 percent.

## II. Key Features of the Los Angeles Program

In response to the 1996 law, most states and localities are implementing some kind of Work First approach, with the central focus on rapid employment. Los Angeles's version — put in place prior to the federal law — has a number of features that together represent serious investments in the program.

- **Communicating a strong Work First message.** Welfare administrators have stated clearly that the goal of the program is to move people to employment as rapidly as possible. This philosophy is communicated to program enrollees through written handouts and group presentations, and in individual meetings with program staff.
- **Warning enrollees that time-limited welfare is coming and urging them to get a job right away to preserve their eligibility for assistance.** Even before the federal welfare reform legislation was enacted in August 1996, program staff were informing new enrollees that the federal government and the State of California would limit welfare eligibility, possibly to two years, and encouraging them to find work in order to avoid the expected cuts in welfare. As one agency flyer put it:

Everyone will be expected to work. . . . These changes could occur as early as 1996. It is critical that you prepare now for these social changes. Work

experience is the best training. Remember: “WORK IS IN, WELFARE IS OUT.”

The message was repeated during program activities, such as job club (group sessions in which people get assistance in looking for work), and in meetings between enrollees and program staff.

- **Operating an unusually intensive program orientation.** All new enrollees attend a six-hour-long group orientation session, followed by an individual appraisal meeting with a case manager during their first day in the program. In contrast, most other welfare-to-work programs, including some that share Los Angeles County’s Work First philosophy, run much shorter orientations. Further, staff in other programs use most of the available time to collect background information on new enrollees and to assign enrollees to their first employment-related activity. Orientation meetings aim to change recipients’ perceptions of Jobs-First GAIN, to present them with the Jobs-First program’s message, and to increase their self-esteem — particularly with regard to their ability to find work. At the appraisal meetings, case managers convey their expectation that enrollees will be working soon. They also discuss the availability of transitional child care and medical insurance for participants who leave welfare for employment.
- **Providing high-quality job search assistance.** As described below, the vast majority of those who actively participated in Jobs-First GAIN attended job clubs. Well-trained staff from the Los Angeles County Office of Education run these services at 15 Job Centers around the county, and — along with Jobs-First GAIN staff — monitor participants’ progress. Jobs-First GAIN’s job clubs provide instruction in many of the skills needed to obtain employment, including finding job openings, writing a résumé and job application, and conducting a job interview. Job club participants then conduct up to two weeks of supervised job search, using agency phone banks, job listings, and assistance from program staff. These features are typical of job clubs in many other programs. Jobs-First GAIN’s job clubs, however, also feature a strong motivational component. The message and a specially developed curriculum are upbeat, stressing how work can lift self-esteem and that a low-paying first job can lead to a better one in the future. In addition, GAIN job developers aggressively develop linkages to local employers and match enrollees to specific job openings. These efforts go considerably beyond what is traditionally offered in job search activities.

Jobs-First GAIN offered short-term basic education and vocational training classes as well, but assigned few enrollees to these activities. The program also made limited use of unpaid work experience jobs.

- **Using job development activities to support enrollees’ job search efforts.** Each Jobs-First GAIN office has job developers who cultivate relationships with local employers and create lists of job positions. Job developers then try

to match enrollees to available job openings, based on enrollees' prior experience and interests. Job developers begin working with enrollees during orientation and appraisal, and continue assisting their job search efforts during job club and other program components. Job developers also arrange and host job fairs for clients — weekly “mini” job fairs with one or two employers, plus larger quarterly job fairs with numerous employers. One office even experimented with having its job developers work on a one-on-one basis with program enrollees who had received a financial sanction for noncompliance with program requirements.

- **Demonstrating that work pays.** As noted above, California’s “Work Pays” rules for calculating welfare grants allowed many recipients to combine work and welfare. Using waivers granted by the U.S. Department of Health and Human Services, Work Pays increased, above national standards, the amount of earnings that the welfare department “disregarded” (did not count) when calculating welfare grants. As a result, most welfare recipients who combined work and welfare could receive hundreds of dollars per month in income above what they would have received from welfare alone. Work Pays became part of the Jobs-First GAIN strategy for convincing people to find employment as quickly as possible, even if available jobs paid little. Jobs-First GAIN staff made a concerted effort to explain the financial benefits of Work Pays to experimental group members. Staff walked new enrollees through several examples of grant calculations during program orientation motivational sessions and repeated this message during job clubs and other employment-related activities. Control group members were also eligible for Work Pays financial incentives, although they did not receive this message from Jobs-First GAIN staff. Possibly, as a result, fewer control group members may have been motivated to find employment than if they had received this reinforced message.
- **Running a relatively tough, enforcement-oriented program.** Jobs-First GAIN case managers made frequent use of the program’s formal enforcement procedures, including threats to reduce welfare grants, to encourage enrollees to participate in program activities or show good cause why they could not. As discussed in the report, the vast majority of program enrollees received at least one warning that they were out of compliance with program rules. About one in five incurred a grant reduction (sanction). Program administrators intended that a “high enforcement” case management approach and a strong pro-employment message would complement the program’s high-quality, motivational job clubs. Together, these components of Jobs-First GAIN’s approach encouraged enrollees to find work quickly and discouraged them from spending a long time in the program.

### **III. The Research Sample and Program Environment**

The research sample for the evaluation includes 20,731 AFDC-FGs and AFDC-Us, randomly assigned between April 1 and September 11, 1996, when they showed up at a Jobs-First GAIN office for their scheduled program orientation. During the evaluation, DPSS followed the

eligibility criteria written into the federal Family Support Act of 1988 (FSA) when determining which recipients had to enroll in Jobs-First GAIN. According to the FSA, any single-parent AFDC recipient whose youngest child was age three or over and who did not meet certain exemption criteria was mandated to participate in a welfare-to-work program. Exemption reasons included having a disabling illness, being employed full time (30 hours or more per week), living in a remote area that made program activities inaccessible, or being in at least the second trimester of pregnancy. These eligibility criteria also pertained to members of AFDC-U cases, except that parents of children under three were also required to enroll. Further, DPSS required both parents on an AFDC-U case to enroll in Jobs-First GAIN, an option given to states and localities under the FSA.

DPSS did not have the resources to serve all welfare recipients mandated to participate. The agency therefore implemented a targeting strategy. Prior to the start of the evaluation, DPSS reserved nearly all places in Jobs-First GAIN for people identified by the federal Family Support Act of 1988 as having the greatest risk of remaining on welfare for many years. DPSS gave highest priority to those who had received welfare continuously for at least three years.

Anticipating the start of the evaluation, DPSS decided to change its targeting strategy so that the evaluation could determine the effect of the Jobs-First GAIN approach on a broad cross section of the welfare caseload and on various types of welfare recipients. To do this, DPSS administrators implemented a complex selection and weighting procedure. The resulting sample, which included nearly everyone who came into the program between April and early September 1996, was drawn from specific groups in the caseload and, in very broad terms, appears to reflect the diversity of the mandatory caseload. The sample differs from the full Jobs-First GAIN mandatory caseload in having a substantially smaller percentage of persons experiencing a very long spell — at least five years — on welfare and by not including teen parents and a few other groups.

The sample includes 15,683 single parents (AFDC-FGs) and 5,048 members of two-parent families (AFDC-U). It includes welfare recipients who inhabit the inner-city neighborhoods of Los Angeles, as well as the outlying suburbs. The sample is large and diverse, by race and ethnicity, by age and family size, and according to several indicators of relative disadvantage in the labor market. Among AFDC-FG sample members, Hispanics form the largest ethnic group (45 percent); about 31 percent are African-Americans; 17 percent are non-Hispanic whites; and 6 percent are Asians. Just over half of all the AFDC-FGs had at least one preschool-age child (under the age of six), for whom child care would have been needed. Nearly 20 percent of AFDC-U sample members are Asians (primarily Indochinese), and about half the AFDC-Us had limited English proficiency. The AFDC-U group also contains a larger percentage of non-Hispanic whites (many of them recent immigrants from Armenia) and a much smaller percentage of African-Americans compared to AFDC-FGs. Further, the AFDC-U sample members had, on average, more children on their cases than did the AFDC-FG sample members (2.4 versus 2.0, respectively).

A large majority of AFDC-FG and AFDC-U sample members faced one or more serious barriers to employment at the time of random assignment: Fewer than half of each group had graduated from high school or received a GED certificate; about 60 percent had not worked for pay in the prior three years; and about 70 percent had received welfare for at least two years. Other members of the research sample faced fewer barriers to employment: About 30 percent of

AFDC-FGs and AFDC-U's were newly approved applicants for assistance or had received assistance for less than two years, and more than a quarter of each group had worked for pay in the year before random assignment.

A key task of the evaluation is to analyze whether Los Angeles County's Work First approach benefited many types of recipients or primarily certain groups within the caseload. Key subgroups for analysis include:

- inhabitants of different geographic areas of the county;
- members of different racial and ethnic groups;
- people who entered the program with a high school diploma or a GED certificate and nongraduates;
- short- and longer-term welfare recipients;
- those with and without recent work histories;
- persons with multiple barriers to employment (for example, no high school diploma or GED certificate, no recent work history, and long-term welfare receipt);
- among AFDC-FGs, "early" and "regular" enrollees;
- among AFDC-U's, men and women.

The last two comparisons address specific questions on DPSS's strategy for targeting services to particular types of welfare recipients. As discussed above, DPSS lacked funding to serve all welfare recipients mandated to participate in Jobs-First GAIN. In response, DPSS placed recipients on a waiting list, which was ordered according to recipients' length of time on AFDC, as well as other background characteristics. Most enrollees in Jobs-First GAIN entered the program after reaching the top of the waiting list and receiving a notice from DPSS informing them that a place in the program had become available. These persons are called "regular enrollees." Other enrollees asked DPSS to let them enter the program "early," that is, before they reached the top of the waiting list. (Both "early enrollees" and "regular enrollees" were subject to Jobs-First GAIN's mandatory participation requirements and could incur a reduction in their welfare grant — a sanction — for noncompliance.) Including early enrollees in a random assignment study of Jobs-First GAIN allows the evaluation to address a long-standing issue for welfare reform: When funds are scarce, should welfare-to-work programs target recipients who show the highest motivation to participate?

Most previous studies of AFDC-U's in welfare employment programs focused only on household heads (usually men). In contrast, the AFDC-U group in this evaluation consists of both primary wage-earners (usually men) and second parents (usually women). The research design, however, permitted only one adult member of an AFDC-U household to be included in the research sample: the first person to show up for a program orientation during the sample intake period. Nearly half of the AFDC-U's in the sample are women. Thus, the evaluation provides an unusual opportunity to learn about program effects on women in two-parent cases. (What little research

exists indicates that female AFDC-U recipients have scant prior earnings, and also have tended not to benefit as much from welfare-to-work programs as their male counterparts.) In addition, the Jobs-First GAIN Evaluation began after California received a federal waiver eliminating regulations that terminated an AFDC-U case if the primary wage-earner worked 100 hours or more in a month. Thus, studying the employment and earnings effects for AFDC-U men (usually the primary wage-earners) will provide needed information on the long-term impact of the elimination of the “100-hour rule.”

#### **A. Additional Background Information**

Labor market conditions have been improving in Los Angeles County during the evaluation period — employment levels have risen, and unemployment has declined. Still, the county’s unemployment rate is higher than the national average. Further, within the county, unemployment rates vary considerably. For example, unemployment rates in South-Central and East Los Angeles — communities where more than 90 percent of the residents are either African-Americans or Hispanics — still hover over 10 percent (3 percentage points above the county average).

County AFDC/TANF caseload numbers followed the trends in employment figures. As of July 1996, Los Angeles County had about 306,000 cases; two years later, the number declined to 245,000. California has reduced grant levels by nearly 7 percent since the evaluation began, although the state’s welfare grant levels remain well above the national average.

### **IV. The Policy Context of the Evaluation: Comparing the Effects of Jobs-First GAIN to Those of Other Programs**

Launched in 1988, the original Los Angeles GAIN program, in keeping with statewide directives, placed a strong emphasis on upfront basic education. Working only with long-term welfare recipients, the program assigned most of them to adult basic education (remedial English and math), GED test preparation, or English as a Second Language classes; relatively few were assigned to job search activities.

A large-scale evaluation MDRC conducted of the GAIN program in Los Angeles and five other counties found that Los Angeles GAIN had incurred substantial per capita costs but had produced little gain in participants’ earnings and only modest savings in welfare expenditures. Los Angeles GAIN staff voiced frustration over the program’s shortcomings: Enrollees were neither completing their education activities nor finding jobs. In contrast, the GAIN program in neighboring Riverside County had achieved unprecedented earnings gains, large reductions in welfare payments, and substantial savings to government budgets. Riverside GAIN used a mixed-services approach. The program assigned a large percentage of people to job club (usually as their first activity), used job development to support their job search efforts, maintained job placement goals for program staff, and communicated a strong and pervasive message that encouraged people to find work as soon as possible. In keeping with statewide directives, Riverside GAIN also offered basic education instruction to welfare recipients determined at program entry to have no high school diploma or GED certificate, limited literacy or math skills, or limited ability to read and speak English. The program discouraged long stays in basic education, however, and transferred participants with poor attendance to job club.

DPSS administrators decided to revamp their program along the lines of successful Work First programs such as Riverside's. Administrators adopted most of the prominent features of Riverside GAIN (except its job placement goals for program staff), but put a greater emphasis on building welfare recipients' self-esteem and motivation to find work. DPSS completed this process by the end of 1995, changing the name of its program to Jobs-First GAIN to emphasize the program goal of moving large numbers of recipients rapidly into jobs. That same year, California stopped requiring county welfare-to-work programs to assign any welfare recipients to basic education. This change allowed DPSS to implement a more strongly job-search-oriented program than Riverside GAIN.

A key question for the evaluation is whether Los Angeles County's Work First program did a better job of helping welfare recipients find work and leave welfare than the county's previous, basic-education-focused program. The evaluation also considers whether Jobs-First GAIN attained positive effects similar in magnitude to those achieved by Riverside GAIN during the late 1980s and early 1990s. As discussed above, Riverside GAIN represents a different version of a Work First program because (in accordance with state GAIN rules at the time) it assigned a higher percentage of welfare recipients to basic education. Finally, the evaluation compares program impacts to those achieved by a later version of Riverside's Work First program, called Labor Force Attachment (or LFA). Operated during the early-to-mid 1990s, as part of the National Evaluation of Welfare-to-Work Strategies, the Riverside LFA program, like Jobs-First GAIN, assigned most enrollees to job club and relatively few to education and training. These comparisons are performed with subsamples of AFDC-FGs who share similar background characteristics.

## **V. Findings on Program Implementation and Participation**

- **Jobs-First GAIN exposed all enrollees to a strong Work First message. The program did not achieve high levels of participation in employment-related activities that took place after program orientation.**

This report follows the analytical framework used in previous MDRC studies of participation patterns in welfare-to-work programs. It defines participation as attendance for at least one day at an employment-related activity, but does not count program orientations, appraisals, or other meetings with Jobs-First GAIN staff in calculations of participation levels. This definition of participation assumes that program enrollees who take part in activities such as short-term job clubs or longer-term education and training courses receive the strongest exposure to the program "treatment." For Jobs-First GAIN, however, the distinction between attendance at a program activity and a meeting with program staff is not clear-cut. *All* experimental group members attended a long informational and motivational meeting at orientation during which program staff strongly communicated the program's Work First message. In addition, experimental group members could receive job leads from program staff during orientation or appraisal, or at any time afterwards. Thus, using a more inclusive definition of what constitutes a program activity, one could conclude that 100 percent of experimental group members participated.

Relatively few experimental group members participated in an employment-related activity during the first year after orientation: 38 percent of AFDC-FGs and 30 percent of AFDC-Us (see Figure 1). Nearly all participants in program activities attended job club — a service of-ten em-



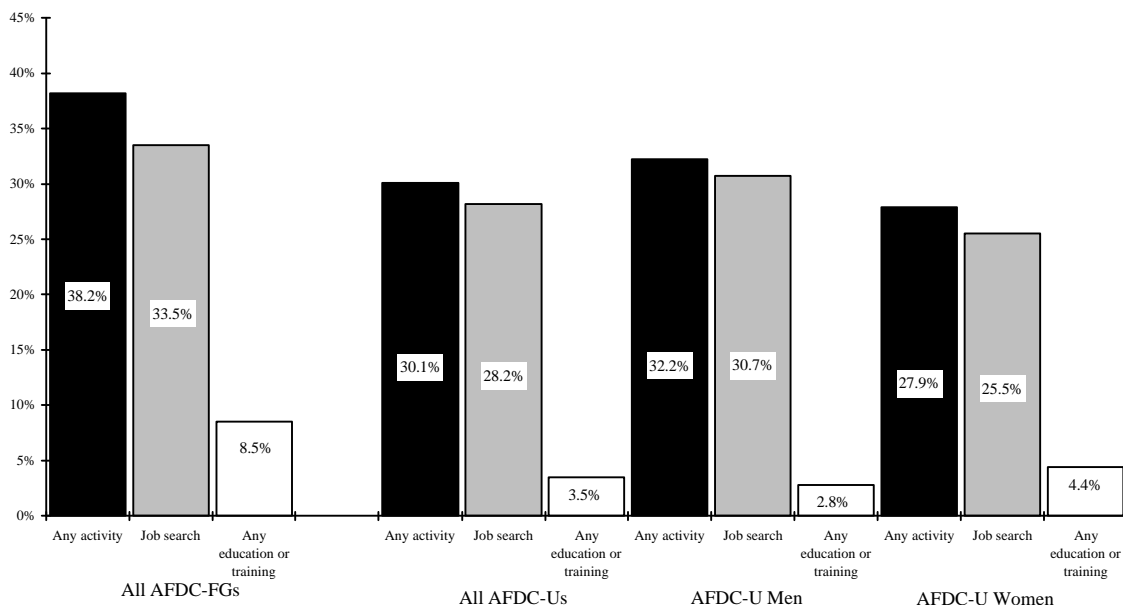
phasized in Work First programs. Participation was usually short term. Most participants attended job club only, and most job club attenders took part in only one three-week session.

- **Participation frequently led to employment.**

About two-thirds of AFDC-FG and AFDC-U experimental group members who partici-

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Figure 1  
Rates of Participation for All AFDC-FGs, All AFDC-Us, and AFDC-U Men and Women



pated in an employment-related activity (hereafter referred to as “participants”) found a job during the first year.<sup>1</sup> Employment levels, however, exceeded by a wide margin the rate at which participants exited AFDC/TANF. These findings suggest that most former job club participants were combining work and welfare. The vast majority of AFDC-FG and AFDC-U participants were de-registered from the program during the first year — that is, they became no longer required to participate. About half entered this status because they were employed 30 or more hours per week.

- **Many nonparticipants also found work or were no longer required to participate in the program.**

As noted above, most experimental group members did not participate in a Jobs-First GAIN activity after orientation. Low participation rates, however, do not mean that the program did not affect people, because even nonparticipants received some exposure to the program’s

<sup>1</sup>Sections VI and VII compare employment levels for all experimentals (participants and nonparticipants) with people in the control group and thus provide a more complete and accurate measure of the program’s success.

Work First message and information on California's Work Pays incentives. In this way, the program may have directly or indirectly encouraged nonparticipants to find a job on their own initiative, contributing to the program's overall effects on employment and welfare receipt. Moreover, DPSS administrators have asserted that Jobs-First GAIN's mandatory participation requirements encourage experimental group members who started working before orientation to report their employment to program staff.

Among both AFDC-FGs and AFDC-Us, just under half of the nonparticipants found a job during the first year of follow-up, based on statewide Unemployment Insurance (UI) earnings records. Strikingly, a much higher percentage — more than five out of every six AFDC-FG and AFDC-U nonparticipants — were deregistered by program staff, mostly for reasons other than employment (for example, long-term illness or disability, marriage, birth of a child, or incurring a financial sanction). Jobs-First GAIN staff learned of and reacted to changes in the circumstances of nearly every nonparticipant. Almost no one in the experimental group was “lost in the system.”

The findings on employment for nonparticipants suggest that the program's message and mandates may produce positive results beyond those achieved through attendance in job club. It should also be kept in mind, however, that employment levels of nonparticipants fell below those of program participants. Possibly, Jobs-First GAIN could have achieved greater employment overall through additional investments in staffing and development of case management strategies designed to increase participation in job club.

- **Jobs-First GAIN case managers made extensive use of the program's enforcement procedures, although the process only sometimes resulted in imposition of a financial sanction.**

Jobs-First GAIN staff initiated formal enforcement proceedings for about 70 percent of AFDC-FGs and AFDC-Us during the first year of follow-up. Reasons for commencing the “conciliation” process (as DPSS terms it) include nonattendance at an assigned activity or scheduled meeting with Jobs-First GAIN staff. Some experimental group members also entered conciliation status during their initial appraisal meeting following random assignment, when they refused to accept an assignment to job club.

About 23 percent of AFDC-FGs and 17 percent of AFDC-Us incurred a reduction in their welfare check (a sanction) during the first year of follow-up (compared to fewer than 10 percent in the earlier Los Angeles GAIN and Riverside GAIN programs). These rates are similar to those found for some other employment-focused welfare-to-work programs of the 1990s. Not surprisingly, Jobs-First GAIN staff were particularly likely to impose sanctions on nonparticipants.

- **Participation levels varied by subgroup.**

As might be expected, early enrollees among the AFDC-FGs (people who asked to enter the program before they were required to do so) were much more likely to participate in employment-related activities than regular enrollees (people who waited until their regularly scheduled assignment to Jobs-First GAIN). Participation levels were the same for AFDC-FGs with and without a high school diploma or a GED certificate at random assignment. Among AFDC-Us, however, experimental group members who had not graduated from high school (or received a GED certificate) recorded higher levels of participation. A larger proportion of AFDC-U men

than women participated in Jobs-First GAIN. Among both AFDC-FGs and AFDC-Us, participation levels for African-Americans and Hispanics exceeded the rates for whites and Asians.

## **VI. Impact Findings for AFDC-FGs**

The next two sections discuss the effects, or impacts, of Jobs-First GAIN on employment, earnings, and welfare receipt. Impacts were estimated in two steps. First, for each outcome measure, separate averages were calculated for the experimental and control groups. These calculations included all members of each research group, and controlled for differences in members' background characteristics, such as prior educational attainment, that may have affected their chances of finding and keeping a job. Second, the control group average was subtracted from the experimental group average. The difference represents the added value, or *impact*, of Jobs-First GAIN's combination of services, messages, and mandatory participation requirements.

- **In the first year of follow-up, Jobs-First GAIN produced employment and earnings gains for AFDC-FGs.**

Because of their employment focus, Work First programs are expected to produce gains in employment and earnings early in the follow-up period. Jobs-First GAIN met this expectation. Table 1 shows that 54 percent of AFDC-FG experimental group members worked for pay at some point during year 1, versus 43 percent of control group members — a large increase of 11 percentage points. On average, control group members earned \$2,438 in year 1, whereas experimental group members earned an average of \$3,187 — a gain of \$750, or 31 percent. (These averages include zeros for those not working during year 1.) As expected of a Work First program, the program increased earnings primarily by putting to work recipients who would not have found jobs on their own. Jobs-First GAIN attained only small increases in the number of quarters

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**Table 1**  
**Impacts on Employment, Earnings, AFDC/TANF, and Food Stamps,**  
**for AFDC-FGs and AFDC-Us in the Full Sample**

<b>Outcome</b>	<b>Experimental Group</b>	<b>Control Group</b>	<b>Difference (Impact)</b>	<b>Percentage Change (%)</b>
<b>AFDC-FGs</b>				
Ever employed in year 1 (%)	54.2	43.3	10.9 ***	25.1
Total earnings in year 1 (\$)	3,187	2,438	750 ***	30.8
Received AFDC/TANF in quarter 5 (%)	78.2	82.5	-4.3 ***	-5.2
Total AFDC/TANF payments in year 1 (\$)	5,363	5,795	-432 ***	-7.5
Received Food Stamps in quarter 5 (%)	76.4	80.1	-3.8 ***	-4.7
Total Food Stamps in year 1 (\$)	2,005	2,179	-174 ***	-8.0
<b>Sample size (total = 15,683)</b>	<b>11,521</b>	<b>4,162</b>		
<b>AFDC-Us</b>				
Ever employed in year 1 (%)	53.6	41.6	11.9 ***	28.6
Total earnings in year 1 (\$)	3,538	2,455	1,082 ***	44.1
Received AFDC/TANF in quarter 5 (%)	77.3	82.7	-5.4 ***	-6.5
Total AFDC/TANF payments in year 1 (\$)	6,180	6,847	-667 ***	-9.7
Received Food Stamps in quarter 5 (%)	77.7	83.3	-5.6 ***	-6.7
Total Food Stamps in year 1 (\$)	2,449	2,759	-310 ***	-11.2
<b>Sample size (total = 5,048)</b>	<b>4,039</b>	<b>1,009</b>		

NOTES: The quarter of random assignment, quarter 1, may contain some earnings, AFDC/TANF payments, or Food Stamp payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare.

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

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

of employment or in average earnings per quarter for experimental group members who found a job (not shown in table).

Quarterly employment rates for experimental group members moved up during year 1, but the experimental-control group difference in employment grew somewhat smaller over time. This decrease in impacts occurred because larger numbers of control group members found jobs, a phenomenon known as control group “catch-up.” Jobs-First GAIN continued to achieve earnings gains at the end of year 1. Additional follow-up is needed to determine whether impacts will be sustained over the long term. Some previously evaluated Work First programs that produced large gains early on showed diminishing impacts in year 2.

- **Jobs-First GAIN reduced AFDC/TANF expenditures and receipt in the first year of follow-up.**

During year 1, experimental group members received cash assistance for about half a month less, on average, than control group members (not shown in table). Average welfare payments decreased by \$432, or 7 percent (see Table 1). Percentage reductions in welfare payments grew larger over the course of follow-up, suggesting that the program will continue to produce savings in year 2. While most of the AFDC/TANF savings resulted from reductions in the number of months an individual received welfare, a substantial portion of the savings were accounted for by reduced welfare payment amounts in months when individuals were still receiving welfare. It is likely that California’s Work Pays financial incentives, which encouraged people to combine work and welfare in the short term, and Jobs-First GAIN’s relatively high sanction rate contributed to this outcome.

A year after random assignment, 83 percent of control group members were still on welfare. Jobs-First GAIN reduced this proportion to 78 percent, an impact of 4 percentage points (see Table 1). These findings, while positive, suggest that DPSS will face a significant challenge in moving large numbers of recipients off assistance after they complete their second year of welfare receipt. Under CalWORKs (California’s current welfare program), most recipients who reach a two-year time limit without a job will be required to participate in community service.

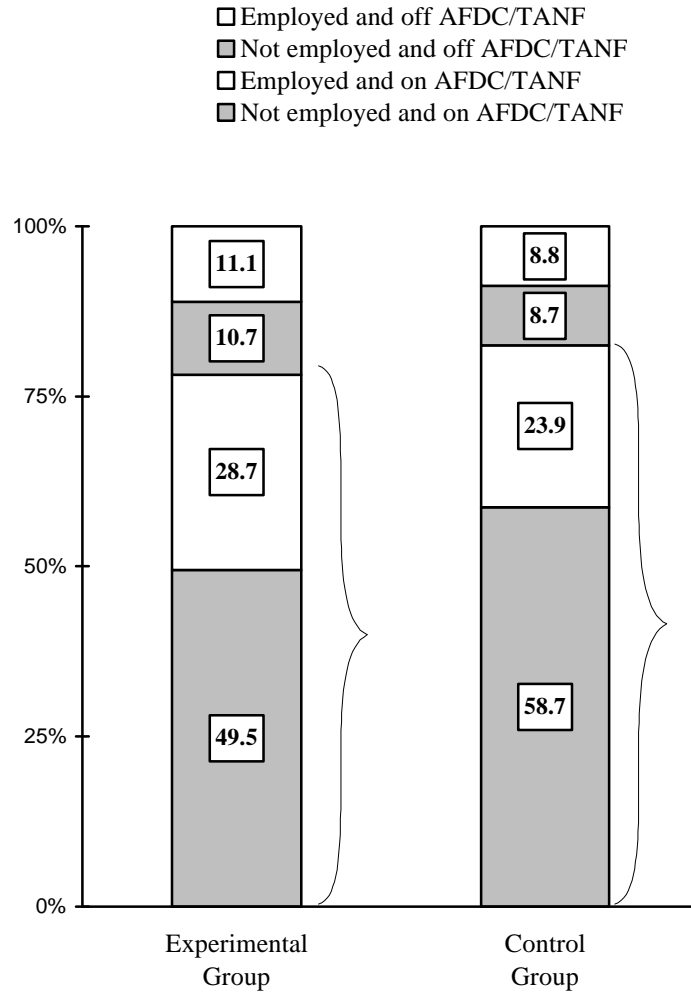
- **At the end of the first year of follow-up, the increase in the percentage working and off AFDC/TANF was small; the great bulk of the employment gain resulted from more people combining work and welfare.**

Figure 2 illustrates how Jobs-First GAIN affected self-sufficiency; it breaks down the experimental and control groups into four categories based on employment and AFDC/TANF status at the end of year 1. As shown, Jobs-First GAIN reduced the proportion of sample members in the most dependent group — those who were jobless and on welfare — by 9 percentage points, from 59 to 50 percent. The program raised employment levels at the end of the first year of follow-up by 7 percentage points, but most of the increase is attributable to experimental group members’ combining work and welfare (a gain of 5 percentage points). Jobs-First GAIN only slightly increased the percentage of recipients employed and off cash assistance. California’s relatively high welfare grants and Work Pays financial incentives helped produce these results. Earnings for employed experimental group members reduced the size of their welfare grants, but usually did not end their eligibility for assistance.

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## Figure 2

### Employment and AFDC/TANF Status at the End of Year 1 For AFDC-FGs



NOTES: The bracketed area represents the proportion of sample members on AFDC/TANF at the end of year 1. Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

- **The program produced first-year reductions in Food Stamp receipt and expenditures that were similar in magnitude to the reductions in AFDC/TANF.**

In the year following random assignment, control group members received Food Stamps for approximately the same amount of time that they were on welfare: a little over 10 months. Jobs-First GAIN reduced the length of Food Stamp receipt by as much as it reduced the length of AFDC/TANF receipt: about two weeks (results not shown).

Total Food Stamp expenditures for control group members averaged \$2,179 in year 1. (See Table 1.) In comparison, the typical Jobs-First GAIN enrollee received \$2,005 in Food Stamps — a decrease of \$174, or 8 percent (about the same size as the percentage reductions in AFDC/TANF payments).

- **During year 1, losses in public assistance largely offset earnings gains, so Jobs-First GAIN had little effect on experimental group members' combined income from earnings, AFDC/TANF, and Food Stamps.**

Previous research shows that Work First programs that, like Los Angeles's, assign nearly all enrollees to job search first tend to replace welfare dollars with earnings but leave families with about the same amount of income. Jobs-First GAIN produced such results in year 1. Experimental group members gained \$750 in average earnings during year 1, but lost \$606 in average AFDC and Food Stamp payments. Their net increase in combined income relative to control group members totaled just \$144 (1 percent, not statistically significant) above the control group average of \$10,411.

- **Through its substantial employment gain and moderate earnings increase, Jobs-First GAIN outdid its predecessor, Los Angeles GAIN, which produced little-to-no first-year impacts on these measures. The program did not achieve as strong results as Riverside GAIN and Riverside LFA, but this disparity may have stemmed from differences in program environments.**

Table 2 illustrates how first-year impacts for single parents in Los Angeles's Jobs-First GAIN compare to first-year impacts for single parents in three previously evaluated programs. Each result displayed in the table was calculated in several steps. First, to make results comparable across sites, demographically similar subsamples from each of the comparison programs and from Jobs-First GAIN were selected. Second, for each of these subsamples, experimental-control group differences, or impacts, were estimated on measures of employment, earnings, and welfare expenditures during the first year of follow-up and on welfare receipt at the end of year 1. (All dollar impacts were converted to 1996 dollars.) Next, impacts estimated for each of the three comparison programs were subtracted from the corresponding impacts estimated for Jobs-First GAIN. Table 2 presents these differences. For measures of employment and earnings, a difference greater than zero indicates that Jobs-First GAIN produced a larger increase than the comparison program. For measures of welfare payments and receipt, however, a positive difference

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**Table 2  
Comparison of Los Angeles Jobs-First GAIN Impacts to Los Angeles GAIN,  
Riverside GAIN, and Riverside LFA Impacts**

	<b>Difference Between Jobs-First GAIN Impact and Comparison Program Impact</b>			
	Ever Employed in Year 1 (%)	Average Total Earnings in Year 1 (\$)	Average Total AFDC/TANF Payments in Year 1 (\$)	Received AFDC/TANF in Quarter 5 (%)
<b>LA GAIN Comparison</b>	8.6 ***	761 ***	-17	-0.8
<b>Riverside GAIN Comparison</b>	-6.2 ***	-548 **	441 ***	2.8
<b>Riverside LFA Comparison</b>	-7.4 ***	-108	265 ***	2.2

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Dollar averages include zero values for sample members not employed and for sample members not receiving welfare.

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

Rounding may cause slight discrepancies in calculating differences.

A two-tailed t-test was applied to differences between impacts for the demographically comparable subsamples. Statistical significance levels are indicated as: \* = 10 percent; \*\* = 5 percent; and \*\*\* = 1 percent.



conveys a different meaning: that Jobs-First GAIN was less effective than the comparison program because its welfare reduction was smaller. Differences in impacts were tested for statistical significance. In Table 2, stars next to a difference indicate that it achieved statistical significance. Lack of statistical significance means that the impact of Jobs-First GAIN was essentially the same as the impact of the comparison program.

Table 2 shows that the Jobs-First GAIN program was more successful than the original Los Angeles GAIN program. Jobs-First GAIN's first-year employment increase was 9 percentage points larger than that of the earlier program, and its earnings gain was \$761 larger. In contrast, the two programs produced similar impacts on welfare payments and receipt. These results indicate that a Work First program can be more effective than a basic-education-focused program in a major metropolitan area.

Jobs-First GAIN's first-year employment and earnings impacts fell short of Riverside GAIN's unusually strong results by 6 percentage points and \$548, respectively (see Table 2). In addition, Riverside GAIN reduced welfare payments by \$441 more than Jobs-First GAIN. Decreases in the proportion on welfare at the end of year 1 were similar for the two programs.

Like Riverside GAIN, Riverside LFA produced an unusually large impact on employment, which exceeded Jobs-First GAIN's by 7 percentage points. Both programs, however, produced similar increases in average earnings. Riverside LFA was somewhat more effective than Jobs-First GAIN (by \$265) in lowering welfare expenditures. Both programs reduced welfare receipt at the end of year 1 by about the same amount.

It is unclear whether differences between the impacts of Jobs-First GAIN and those of the two Riverside programs resulted from differences in the way the programs were implemented or because of other factors, such as differences in their program environments (Los Angeles County is a large urban center, whereas Riverside County is exurban) or in unobservable characteristics of their sample members.

- **Jobs-First GAIN benefited a broad cross section of the welfare caseload, producing impacts for recipients with the most as well as the fewest barriers to employment, for people of different racial and ethnic backgrounds, and for recipients in all parts of Los Angeles County. Such consistency of impacts is not always found among Work First programs.**

Jobs-First GAIN produced impacts for subgroups that are typically considered the least job ready: the “nongraduates” (those who lacked a high school diploma or a GED certificate when they were randomly assigned to the experimental or control group), those who did not work for pay in the year prior to random assignment, and the “most disadvantaged” recipients. (These subgroups are not mutually exclusive.) The latter subgroup contains nongraduates who did not work in the year prior to random assignment and who had received welfare payments for at least two years cumulatively before random assignment. They face more barriers to employment than any other subgroup examined in this study.

It is particularly important to learn how Jobs-First GAIN affects nongraduates because there has been uncertainty about whether it is worthwhile to encourage recipients with low educational attainment to take a job right away. In Jobs-First GAIN, about 40 percent of nongradu-

ates attended job club, but only 10 percent attended education or training classes. In contrast, in a basic-education-focused program like the previous GAIN program in Los Angeles or in a Work First “mixed services” program like Riverside GAIN, these recipients most likely would have attended an education or training activity first, as opposed to a job search activity. As shown in Table 3, Jobs-First GAIN raised employment and earnings and decreased welfare payments and receipt for this subgroup, demonstrating that job-search-first programs can work for recipients who lack education credentials, and that education and training are not the sole route to success.

Welfare-to-work programs especially need to help recipients who lack recent employment experience because they typically have much more difficulty obtaining a job on their own than do recipients with a recent work history. Table 3 shows that a mere 28 percent of control group members in the Jobs-First GAIN Evaluation who did not work in the year prior to random assignment obtained a job during the first year of follow-up. Jobs-First GAIN produced a large (14 percentage point) increase in employment and raised average earnings by more than \$800 for this subgroup. Reductions in first-year AFDC/TANF payments were moderate.

For the most disadvantaged sample members, Jobs-First GAIN raised employment by a large amount (15 percentage points) and almost doubled average earnings (with a \$784 gain). The program also reduced AFDC/TANF expenditures and receipt by moderate and small amounts, respectively. These results provide convincing evidence that even the most dependent welfare recipients can benefit from a Work First program.

Jobs-First GAIN also benefited recipients facing less serious barriers to employment. Sample members who worked in the year prior to random assignment can be considered the most job ready subgroup. As shown in Table 3, 70 percent of control group members in this subgroup worked in the first year of follow-up, and first-year control group earnings averaged \$4,639. Jobs-First GAIN increased employment and earnings for sample members with recent work experience by 6 percentage points and \$638, respectively. The employment gain was significantly smaller than the gain for recipients who lacked recent work experience, probably because the latter group was less likely to find work without the program’s help. Otherwise, impacts for the two subgroups were similar.

As shown in Table 3, the program produced employment and earnings increases for the four main racial/ethnic subgroups in the single-parent sample: whites, African-Americans, Hispanics, and Asians. There were modest reductions in welfare receipt for three of the four subgroups.

- **Jobs-First GAIN also achieved positive results for welfare recipients who volunteered to enter the program early (“early enrollees”), as well as for those who waited to be called into the program (“regular enrollees”).**

In general, first-year impacts for early enrollees did not differ by a statistically significant amount from those for regular enrollees (see Table 3), although trends in quarterly earnings suggest that the program may work better for early enrollees than for regular enrollees in year 2 (not shown in table).

Los Angeles Jobs-First GAIN Evaluation

**Table 3**  
**Program Impacts on Employment, Earnings,**  
**and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-FGs**

Region and Subgroup	Ever Employed in Year 1					Average Total Earnings in Year 1				
	Sample Size	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	
Full sample	15,683	54.2	43.3	10.9 ***	25.1	3,187	2,438	750 ***	30.8	
Regular enrollee	12,441	53.0	43.0	10.0 ***	23.4	3,167	2,493	674 ***	27.0	
Early enrollee	3,242	58.6	44.5	14.1 ***	31.8	3,265	2,224	1,041 ***	46.8	
San Fernando Valley (Region 2)	2,843	55.4	44.8	10.6 ***	23.7	3,393	2,539	854 ***	33.6	
San Gabriel Valley (Region 3)	3,990	56.0	42.6	13.3 ***	31.2	3,247	2,420	827 ***	34.2	
Central (Region 4)	2,526	51.3	38.9	12.5 ***	32.0	2,717	1,953	765 ***	39.2	
Southern (Region 5) <sup>a</sup>	3,522	53.1	46.9	6.3 ***	13.3	3,191	2,672	518 ***	19.4	
Southeastern (Region 6)	2,802	54.4	41.3	13.2 ***	31.9	3,338	2,445	893 ***	36.5	
White	2,715	50.1	41.9	8.2 ***	19.6	3,030	2,385	645 ***	27.0	
African-American	4,891	55.8	48.1	7.6 ***	15.9	3,348	2,698	650 ***	24.1	
Hispanic	7,079	55.9	41.8	14.1 ***	33.6	3,260	2,316	944 ***	40.8	
Asian	872	44.8	31.1	13.7 ***	44.0	2,358	1,628	730 ***	44.8	
Has a high school diploma or GED	7,168	59.6	49.5	10.0 ***	20.2	4,033	3,253	780 ***	24.0	
Does not have a high school diploma or GED	8,515	49.6	38.0	11.7 ***	30.7	2,475	1,750	725 ***	41.4	
Applicant	561	59.4	46.9	12.6 **	26.8	3,701	3,716	-15	-0.4	
Short-term recipient	3,699	59.0	47.9	11.2 ***	23.3	4,062	3,393	669 ***	19.7	
Long-term recipient	11,423	52.4	41.4	10.9 ***	26.4	2,877	2,067	810 ***	39.2	
Employed in year prior to random assignment	5,704	75.8	70.1	5.7 ***	8.1	5,277	4,639	638 ***	13.8	
Not employed in year prior to random assignment	9,979	41.8	27.8	14.1 ***	50.7	1,991	1,176	815 ***	69.3	
Most disadvantaged <sup>b</sup>	4,750	38.8	23.9	15.0 ***	62.7	1,590	806	784 ***	97.3	

(continued)

**Table 3 (continued)**

<b>Region and Subgroup</b>	<b>Average total AFDC/TANF payments in year 1</b>					<b>Received AFDC/TANF in quarter 5</b>			
	Sample Size	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	15,683	5,363	5,795	-432 ***	-7.5	78.2	82.5	-4.3 ***	-5.2
Regular enrollee	12,441	5,370	5,787	-417 ***	-7.2	78.3	82.9	-4.6 ***	-5.6
Early enrollee	3,242	5,335	5,826	-490 ***	-8.4	78.0	81.2	-3.2	-3.9
San Fernando Valley (Region 2)	2,843	5,152	5,740	-588 ***	-10.2	74.5	80.9	-6.4 ***	-7.9
San Gabriel Valley (Region 3)	3,990	5,296	5,663	-367 ***	-6.5	76.8	81.2	-4.4 ***	-5.4
Central (Region 4)	2,526	5,525	5,962	-436 ***	-7.3	82.5	85.6	-3.1	-3.6
Southern (Region 5) <sup>a</sup>	3,522	5,610	5,950	-340 ***	-5.7	81.9	84.3	-2.4	-2.8
Southeastern (Region 6)	2,802	5,211	5,699	-489 ***	-8.6	75.3	80.8	-5.5 ***	-6.8
White	2,715	4,944	5,335	-391 ***	-7.3	72.3	77.2	-4.9 **	-6.4
African-American	4,891	5,461	5,843	-381 ***	-6.5	82.1	85.8	-3.7 ***	-4.3
Hispanic	7,079	5,384	5,910	-526 ***	-8.9	77.3	82.3	-5.0 ***	-6.0
Asian	872	5,920	6,234	-314 **	-5.0	82.0	85.2	-3.2	-3.7
Has a high school diploma or GED	7,168	5,013	5,431	-419 ***	-7.7	75.1	79.6	-4.5 ***	-5.6
Does not have a high school diploma or GED	8,515	5,658	6,106	-448 ***	-7.3	80.8	85.1	-4.2 ***	-5.0
Applicant	561	4,517	4,585	-68	-1.5	64.7	65.4	-0.7	-1.0
Short-term recipient	3,699	4,596	4,981	-386 ***	-7.7	67.9	72.5	-4.6 **	-6.4
Long-term recipient	11,423	5,652	6,115	-463 ***	-7.6	82.2	86.5	-4.3 ***	-4.9
Employed in year prior to random assignment	5,704	4,856	5,272	-416 ***	-7.9	73.9	77.9	-4.0 ***	-5.1
Not employed in year prior to random assignment	9,979	5,652	6,098	-446 ***	-7.3	80.6	85.3	-4.6 ***	-5.4
Most disadvantaged <sup>b</sup>	4,750	6,094	6,543	-449 ***	-6.9	85.3	88.5	-3.2 ***	-3.7

(continued)

**Table 3 (continued)**

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

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

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

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

The sample sizes of the ethnicity subgroups do not add up to the full sample size because results for Native Americans and Pacific Islanders are not presented.

Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data.

<sup>a</sup>This region serves the low-income communities of Watts, Compton, and North Long Beach.

<sup>b</sup>The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

A homogeneity test was applied to variation in impacts across subgroups. Variation in impacts across subgroups was statistically significant as follows:

<u>Subgroups</u>	<u>Employment</u>	<u>Earnings</u>	<u>AFDC/TANF Payments</u>	<u>AFDC/TANF Receipt Q5</u>
Enrollee status	No	No	No	No
Region	Yes	No	Yes	Yes
Race/ethnicity	Yes	No	Yes	No
Educational attainment	No	No	No	No
Welfare history	No	No	Yes	No
Employed in year prior to random assignment	Yes	No	No	No

## VII. Impact Findings for AFDC-Us

- **Averaged across all AFDC-U**s in the sample (both men and women), **Jobs-First GAIN produced large first-year impacts on both employment and earnings.**

In the first year of follow-up, 42 percent of control group members in the AFDC-U group worked for pay (see Table 1). The average control group member earned \$2,455 (zeros for people who never worked are averaged into this measure). Jobs-First GAIN produced a 12 percentage point increase in the proportion employed and an earnings gain of \$1,082, or 44 percent. About two-thirds of the earnings gain resulted from the program's help in finding jobs for recipients who would not have worked on their own. The remainder was due equally to a longer duration of employment and higher average earnings for recipients who would have worked anyway. Employment and earnings gains remained substantial throughout the follow-up period and are therefore likely to persist in year 2.

These results gain particular importance in light of TANF's work requirements, which are much stricter for AFDC-U

s than for single parents. TANF requires a higher percentage of two-parent families to work or participate in employment-related activities (in 1998, 75 percent of two-parent families versus 30 percent of single parents) and specifies that they work more hours per week in order to be counted as participants (35 versus 20).

- **Jobs-First GAIN reduced first-year AFDC/TANF and Food Stamp expenditures and receipt for the full sample (both men and women).**

The program decreased the average length of AFDC/TANF receipt for the AFDC-U

s by a moderate amount (about 2½ weeks, not shown in tables) and reduced welfare expenditures by \$667, or 10 percent (see Table 1). As was the case for single parents, most of these savings resulted from case closures, but a substantial portion was due to lower average monthly grants for those still on welfare. At the end of year 1, 77 percent of experimental group members versus 83 percent of control group members were on welfare (see Table 1). While Jobs-First GAIN's effect on welfare receipt was promising, these results suggest that the vast majority of program enrollees will still receive assistance at the end of year 2. Jobs-First GAIN also reduced Food Stamp expenditures by \$310, or 11 percent. (See Table 1.)

- **Partly as a result of California's generous earnings disregards, most employed Jobs-First GAIN enrollees still received AFDC/TANF at the end of year 1. Consequently, the program's increase in the percentage employed and off welfare was small. Jobs-First GAIN achieved a substantial reduction in the proportion of AFDC-U**s who depended on welfare as their primary source of income, however.

Jobs-First GAIN lowered the proportion in the least self-sufficient group, those who were jobless and on AFDC/TANF, from 58 to 47 percentage points. The overall employment gain at the end of year 1 resulted partly from the program's small (4 percentage point) impact on employment without welfare (12 percentage points for experimental group members minus 8 percentage points for control group members) and partly from its similar (5 percentage point) impact

on combining work and welfare (30 percentage points minus 25 percentage points). (These results are not shown in tables or figures.)

- **Earnings gains for the AFDC-U group were matched (but not exceeded) by reductions in AFDC/TANF and Food Stamp payments.**

In the first year of follow-up, Jobs-First GAIN replaced welfare dollars with earnings but did not raise average combined income for members of two-parent families. Both experimental and control group members received about \$12,000 in earnings, AFDC/TANF payments, and Food Stamps. (This measure of income includes earnings only from the sample member, and not from the other parent on the case.) Previously evaluated programs tended to actually reduce overall income for members of two-parent families.

- **Jobs-First GAIN achieved similarly large increases in employment for male and female AFDC-U's. First-year earnings gains, however, were nearly twice as large for men as for women. Over the course of follow-up, quarterly earnings gains for men and women began to converge.**

As shown in Table 4, more male than female control group members found a job during the first year of follow-up: about one-half versus one-third. This result is not surprising, because more men than women worked before random assignment. Male control group members earned more than twice as much, on average, as their female counterparts: \$3,274 versus \$1,497. (Zero earnings for jobless sample members are averaged into this measure.)

During year 1, Jobs-First GAIN boosted employment by 13 percentage points (to 43 percent) for women and by 11 percentage points (to 63 percent) for men, both representing large increases relative to the control group. Earnings gains were nearly twice as large for men (\$1,449) as for women (\$740), despite the similarity in their employment increases. This is because male experimental group members who worked earned more per quarter (on average) than their control group counterparts, but female experimental group members did not (not shown in tables).

The data suggest that both subgroups will continue to achieve employment and earnings gains in year 2, but impacts for men will probably grow smaller. At the beginning of year 2, the employment gain for men declined to 8 percentage points. Their earnings increases also diminished slightly but remained large (\$281). For women, employment impacts remained large, and earnings gains peaked at \$253, the beginning of year 2, indicating that the women may eventually approach the earnings gains of men.

- **Jobs-First GAIN reduced first-year AFDC/TANF payments for both men and women. At the end of year 1, the program decreased the proportion of men on welfare by a moderate amount, but it did not decrease AFDC/TANF receipt for women.**

Despite their higher earnings levels, male control group members received more AFDC/TANF dollars, on average, than their female counterparts during year 1: \$7,133 versus \$6,495 (see Table 4). It is unclear why this apparent inconsistency occurred. In addition, they

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**Table 4**  
**Program Impacts on Employment, Earnings,**  
**and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-Us**

Region and Subgroup	Ever Employed in Year 1				Average Total Earnings in Year 1				
	Sample Size	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	5,048	53.6	41.6	11.9 ***	28.6	3,538	2,455	1,082 ***	44.1
San Fernando Valley (Region 2)	1,507	45.8	34.2	11.7 ***	34.2	2,778	2,029	749 ***	36.9
San Gabriel Valley (Region 3)	1,376	56.9	47.2	9.7 ***	20.5	3,701	2,624	1,077 ***	41.1
Central (Region 4)	591	50.2	42.2	8.0 *	19.0	3,004	2,821	182	6.5
Southern (Region 5) <sup>a</sup>	611	57.7	42.1	15.6 ***	37.1	4,205	3,007	1,198 **	39.8
Southeastern (Region 6)	963	60.6	43.8	16.7 ***	38.2	4,397	2,252	2,144 ***	95.2
Female	2,393	43.2	30.5	12.7 ***	41.4	2,237	1,497	740 ***	49.5
Male	2,655	62.9	51.9	11.0 ***	21.2	4,723	3,274	1,449 ***	44.2
White	1,420	42.0	32.4	9.6 ***	29.7	2,379	2,060	319	15.5
Hispanic	2,362	59.3	44.4	14.9 ***	33.4	4,316	2,485	1,830 ***	73.7
Asian	990	53.9	47.4	6.5 **	13.8	3,083	2,428	655 **	27.0
Has a high school diploma or GED	2,044	51.1	41.1	9.9 ***	24.2	3,613	2,835	778 **	27.4
Does not have a high school diploma or GED	3,004	55.3	42.1	13.2 ***	31.4	3,482	2,226	1,256 ***	56.4
Applicant	142	63.0	46.6	16.4 * <sup>u</sup>	35.3	5,855	3,843	2,013 <sup>u</sup>	52.4
Short-term recipient	1,454	58.3	45.0	13.3 ***	29.7	4,514	2,877	1,637 ***	56.9
Long-term recipient	3,452	51.3	39.4	11.9 ***	30.2	3,037	2,199	838 ***	38.1
Employed in year prior to random assignment	1,745	80.9	73.2	7.8 ***	10.6	6,327	4,731	1,597 ***	33.8
Not employed in year prior to random assignment	3,303	39.2	24.9	14.3 ***	57.4	2,064	1,240	824 ***	66.5
Most disadvantaged <sup>b</sup>	1,499	39.6	23.6	16.0 ***	68.1	1,950	902	1,048 ***	116.1

(continued)



**Table 4 (continued)**

Region and Subgroup	Average Total AFDC/TANF Payments in Year 1					Received AFDC/TANF in Quarter 5			
	Sample Size	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	5,048	6,180	6,847	-667 ***	-9.7	77.3	82.7	-5.4 ***	-6.5
San Fernando Valley (Region 2)	1,507	6,507	6,818	-311 **	-4.6	82.3	81.6	0.7	0.8
San Gabriel Valley (Region 3)	1,376	6,079	6,829	-750 ***	-11.0	76.1	81.8	-5.8 **	-7.0
Central (Region 4)	591	6,631	7,036	-405 *	-5.8	84.3	89.0	-4.6	-5.2
Southern (Region 5) <sup>a</sup>	611	6,465	7,189	-723 ***	-10.1	75.2	84.9	-9.7 **	-11.4
Southeastern (Region 6)	963	5,380	6,498	-1,117 ***	-17.2	68.7	79.1	-10.4 ***	-13.1
Female	2,393	6,071	6,495	-424 ***	-6.5	76.7	79.7	-2.9	-3.7
Male	2,655	6,285	7,133	-848 ***	-11.9	77.9	85.0	-7.0 ***	-8.3
White	1,420	6,599	6,965	-367 **	-5.3	83.3	85.0	-1.7	-2.0
Hispanic	2,362	5,576	6,438	-863 ***	-13.4	70.5	79.5	-9.0 ***	-11.3
Asian	990	7,017	7,651	-634 ***	-8.3	85.8	89.5	-3.7	-4.1
Has a high school diploma or GED	2,044	6,122	6,590	-468 ***	-7.1	76.8	79.6	-2.8	-3.5
Does not have a high school diploma or GED	3,004	6,225	6,994	-770 ***	-11.0	77.7	84.5	-6.8 ***	-8.0
Applicant	142	4,773	5,296	-524 <sup>u</sup>	-9.9	64.3	78.4	-14.1 <sup>u</sup>	-18.0
Short-term recipient	1,454	5,018	6,096	-1,078 ***	-17.7	63.6	73.9	-10.3 ***	-14.0
Long-term recipient	3,452	6,730	7,220	-490 ***	-6.8	83.7	86.3	-2.6 *	-3.1
Employed in year prior to random assignment	1,745	5,573	6,584	-1,011 ***	-15.4	72.5	80.2	-7.7 ***	-9.6
Not employed in year prior to random assignment	3,303	6,497	7,007	-510 ***	-7.3	79.8	84.2	-4.4 ***	-5.3
Most disadvantaged <sup>b</sup>	1,499	6,880	7,543	-663 ***	-8.8	82.9	90.0	-7.2 ***	-8.0

(continued)

**Table 4 (continued)**

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

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

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

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

The sample sizes for the ethnicity subgroups do not add up to the full sample size because results for African-Americans, Native Americans, and Pacific Islanders are not presented. Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data.

<sup>a</sup>This region serves the low-income communities of Watts, Compton, and North Long Beach.

<sup>b</sup>The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

<sup>u</sup>The symbol "u" indicates that, because of a very small sample size, the impact estimate shown is unreliable.

A homogeneity test was applied to variation in impacts across subgroups. Variation in impacts across subgroups was statistically significant as follows:

<u>Subgroups</u>	<u>Employment</u>	<u>Earnings</u>	<u>AFDC/TANF Payments</u>	<u>AFDC/TANF Receipt Q5</u>
Region	No	Yes	Yes	Yes
Gender	No	Yes	Yes	No
Race/ethnicity	Yes	Yes	Yes	Yes
Educational attainment	No	No	Yes	No
Welfare history	No	No	Yes	Yes
Employed in year prior to random assignment	Yes	Yes	Yes	No

were more likely to be on welfare at the end of year 1: 85 percent of men compared to 80 percent of women received cash assistance.

Jobs-First GAIN reduced first-year AFDC/TANF payments by a significantly larger amount for men (\$848, or 12 percent) than for women (\$424, or 7 percent). For both subgroups, the program continued to reduce AFDC/TANF payments at the end of follow-up, indicating that savings will continue into year 2 (not shown in tables). At the end of year 1, Jobs-First GAIN reduced welfare receipt for men only, by 7 percentage points (see Table 4).

- **As was the case for single parents, the program positively affected many different segments of the AFDC-U caseload.**

As shown in Table 4, AFDC-Us who lacked a high school diploma or a GED certificate achieved large employment and earnings gains — 13 percentage points and \$1,256, respectively — and moderate AFDC/TANF reductions.

Of the control group members who had been jobless for at least a year before random assignment, only one-fourth found employment in the year after random assignment, and their earnings averaged just \$1,240. Jobs-First GAIN produced a large (14 percentage point) employment gain for this group (which exceeds the gain for recipients who worked in the year prior to random assignment) and a moderate earnings increase.

In the first year of follow-up, about one-fourth of the “most disadvantaged” control group members worked for pay. Year 1 earnings and AFDC/TANF payments for control group members in this subgroup averaged about \$900 and \$7,500, respectively. Nine in 10 were still on welfare at the end of year 1. Jobs-First GAIN raised employment by a large amount and more than doubled average earnings. The program also reduced AFDC/TANF expenditures and receipt.

Table 4 shows that Jobs-First GAIN also benefited more job ready sample members. Although almost three-fourths of control group members with recent employment experience worked in the first year of follow-up, the program raised employment levels even further — by 8 percentage points. First-year earnings gains for experimental group members who worked in the year prior to random assignment averaged \$1,597 above the relatively high control group level of \$4,731. Higher earnings on the job made a greater contribution to the overall earnings gain for this subgroup than did job-finding itself.

As shown in Table 4, Jobs-First GAIN produced employment gains and welfare savings for recipients in each of the three main racial/ethnic groups among the AFDC-Us: non-Hispanic whites, Hispanics, and Asians. (There were not enough African-American AFDC-U sample members for reliable analysis.) Hispanics experienced the largest, most consistent impacts. These results appear more impressive in light of the fact that about half of the non-Hispanic whites and Hispanics, and almost three-fourths of the Asians, lacked English proficiency at random assignment. They show that Work First programs can help recipients who have different national origins and languages.

## **VIII. Discussion and Implications of the Findings**

The findings presented in this Executive Summary show that, in the short term at least, Los Angeles County's transition from a basic-education-focused welfare-to-work program to a strongly employment-focused program worked. Jobs-First GAIN achieved relatively large first-year employment gains, a necessary prerequisite for longer-term success. Employment impacts exceeded those for the earlier GAIN program by a wide margin. Even more impressive was the fact that Jobs-First GAIN attained positive effects in a large urban setting, where welfare-to-work programs have traditionally fared poorly. Moreover, the program raised employment levels for many types of welfare recipients, including persons facing relatively serious barriers to employment. It is also interesting to note that Jobs-First GAIN achieved these results while attaining relatively low levels of participation in job club and other employment-related activities. These findings suggest that programs that impart a strong pro-employment message (as Jobs-First GAIN did) may thereby encourage a portion of the caseload to find work who may not have done so on their own initiative.

The first-year findings also point to areas where the program has not yet attained its goals. Notably, the program did better at reducing welfare expenditures than in moving recipients off assistance. This finding may be expected, because the program encouraged enrollees to combine work and welfare in the short term, taking advantage of California's Work Pays financial incentives. At some point, however, the program will need to increase the rate of exits from assistance — otherwise, many adult recipients will eventually begin to encounter lifetime limits on eligibility for assistance. The key issue is whether experimental group members begin advancing to better jobs — offering stable, full-time employment at hourly wages exceeding the state's minimum wage (presently \$5.75) by several dollars — more frequently than their counterparts in the control group. As discussed above, the program has so far boosted average earnings mainly by putting more people to work, but not yet by helping people get better jobs. A final issue concerns recipients' income. During the first year, Jobs-First GAIN increased experimental group members' self-sufficiency by replacing welfare dollars with earnings. It has not, as yet, increased their overall income, at least as measured by earnings, welfare, and Food Stamps. It remains to be seen whether the program can boost incomes and move recipients out of poverty.

## **IX. Future Research**

In late 1999, MDRC will issue its final report on the Jobs-First GAIN Evaluation. This report will include: (1) two-year impact findings on program participation, employment rates, and earnings, as well as on AFDC/TANF and Food Stamp receipt and payments; (2) an expanded study of program impacts and other outcomes — including household composition and income, use of transitional child care and medical services, incidence of food insecurity and hunger, and child well-being; and (3) a benefit-cost analysis, comparing increased program costs to welfare savings (and associated administrative costs) and increased taxes paid by sample members. The analysis will also consider whether sample members were made better off financially as a result of Jobs-First GAIN, that is, whether their gains in earnings, fringe benefits, and the Earned Income Tax Credit exceeded their loss of income from increased taxes and reductions in AFDC/TANF, Food Stamps, and other cash and noncash benefits. MDRC will estimate these effects from automated participation, earnings, and public assistance records for the full sample and from data collected from a survey of selected AFDC-FG sample members.