

Jobs First

Final Report on Connecticut's Welfare Reform Initiative

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Overview

Since its launch in 1996, Connecticut's Jobs First program has attracted national attention because it includes all the key elements of the 1990s welfare reforms: time limits, financial work incentives, and work requirements. Specifically, Jobs First limits families to 21 cumulative months of cash assistance unless they receive an exemption or extension. It includes an unusually generous financial work incentive that allows employed recipients to retain their full welfare grant as long as they earn less than the federal poverty level. And it requires recipients to work or to participate in employment services designed to help them find jobs quickly.

Jobs First is a focus of policymaker interest, too, as one of the first programs of its kind to be subject to a rigorous, large-scale evaluation. MDRC studied Jobs First's effects under a contract with the Connecticut Department of Social Services. Nearly 5,000 single-parent welfare applicants and recipients in Manchester and New Haven were assigned, at random, to Jobs First or to the Aid to Families with Dependent Children (AFDC) group, which was subject to the prior welfare rules. Jobs First's effects were estimated by comparing how the two groups fared over a four-year period. (Connecticut modified the Jobs First program after the period studied in this evaluation.)

Key Findings

- Jobs First made progress towards its key goal of replacing welfare with work: By the end of the four-year study period, 51 percent of the Jobs First group were working and not on welfare, compared with 42 percent of the AFDC group. Only 19 percent of Jobs First families were on welfare by the end of the study, compared with 28 percent of AFDC families.
- Jobs First boosted employment and earnings. Over four years, Jobs First group members earned 7 percent (about \$1,800) more, on average, than their AFDC counterparts. Gains were especially large — 37 percent (about \$3,600) — for recipients facing the most serious barriers to employment.
- The program's effects on welfare and income changed over time. Initially, the financial work incentive allowed Jobs First families to receive more in welfare benefits than AFDC families; they also had more income. But once Jobs First families began reaching the time limit, their welfare receipt was reduced and their income gains disappeared. Over four years, families in the two groups received about the same amount in welfare payments, but Jobs First families had 6 percent (about \$2,400) more, on average, in income from public assistance and earnings. Jobs First had few consistent effects on levels of material hardship, which were high for families in both groups.
- Just over half of Jobs First recipients reached the time limit in the four-year study period. About two-thirds of those recipients were granted at least one six-month benefit extension because they were not working or were earning very little and were deemed to have made a good-faith effort to find a job. (Most who received an extension left welfare in the next year or two.) Conversely, most recipients whose grant was closed because of the time limit were working.
- Jobs First generated some small improvements in the behavior of participants' young children but had mixed effects on adolescent children.

The final results from the Jobs First evaluation show that time limits — at least when the economy is exceptionally strong and most nonworking recipients who reach the time limit are allowed to continue receiving benefits — can be implemented without having widespread severe consequences for families.

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Preface

The welfare reforms of the 1990s included three core components — broader and tougher work requirements, financial incentives to make work pay, and time limits on benefit receipt. This is the final report in a multifaceted, six-year evaluation of Connecticut’s Jobs First program, one of the first statewide reform initiatives to include all three. Because the Jobs First evaluation used a rigorous random assignment research design to isolate effects that are attributable to the program, it provides some of the first solid evidence on the reforms’ impacts.

Connecticut’s welfare reform policies made a difference. While the study’s results suggest that large numbers of welfare recipients would have found jobs and left welfare in the 1990s, even without the reforms, Jobs First succeeded in increasing work and reducing long-term welfare receipt — particularly among an important group of recipients facing the most serious barriers to employment.

The study also shows that a time limit can be implemented without causing widespread, severe harm to families. Just as important, it illustrates how the seemingly simple concept of a time limit, when coupled with a commitment to protect vulnerable families, can evolve in unanticipated ways. Connecticut’s 21-month time limit is one of the shortest in the nation, yet approximately two-thirds of the families who reached the limit were granted at least one six-month extension of their benefits.

Finally, the results add an important chapter to the emerging story about the effects of welfare reform policies on income and child well-being. Other studies have found that reforms that did not include special earnings supplements increased work, but not income, and had few effects on children. Programs that supplemented earnings for an extended period, by contrast, raised both employment and income and generated positive effects for children — although at higher cost for taxpayers. The Jobs First results fall in the middle: The program’s work incentives boosted income, but the gain was temporary because of the time limit. There were small improvements in children’s behavior; but unlike earnings supplement programs that did not include a time limit, Jobs First produced no effects on their academic performance.

These results are timely, coming just as Congress begins to debate reauthorization of the landmark 1996 welfare law. Policymakers, administrators, and others throughout the country who are interested in the workings of welfare reform owe a debt of gratitude to the Connecticut Department of Social Services, which steadfastly supported the study, and the U.S. Department of Health and Human Services, which provided a large proportion of the funding to support this pathbreaking research.

Gordon Berlin
Senior Vice President

Acknowledgments

This is the final report in a six-year evaluation of Connecticut's Jobs First welfare reform initiative. Many people in the State of Connecticut and at MDRC made valuable contributions to the evaluation over the years.

The Connecticut Department of Social Services, led by Commissioner Patricia A. Wilson-Coker, has steadfastly supported the study. The evaluation was initially required by the federal government, but DSS decided to continue it — and to add a major study of child well-being — after the federal mandate no longer applied. Former Commissioner Joyce A. Thomas was instrumental in the study's development and continuation.

Staff in the DSS regional offices in Manchester and New Haven implemented the complex random assignment procedures that made the evaluation possible. During MDRC field visits, managers and staff at all levels were always straightforward and open in discussing both the successes and challenges involved in implementing Jobs First. We owe special thanks to Beverly Miller, Nancy Torchio-Zembko, and Ken Derrick (Manchester); and Robert Lucash, Carol Quinn, Mark Schwartz, Alice Ellovich, Richard Sebastian, and former Regional Administrator Joanne Diglio (New Haven).

In the DSS central office, Mark Heuschkel served as MDRC's primary liaison and worked tirelessly on behalf of the study through the years; the evaluation would have been impossible without his efforts. We also greatly appreciate the support and assistance of Kevin Loveland, Marion Wojick, Jan Miller, Sue Simmat, and Cuyler Massicotte. The late Bill Goodwin and his data processing staff prepared the complex administrative records files that provided data on public assistance receipt. Don Beltrame, Theresa Emery, and Sue Wilson of DSS provided valuable information on child care issues, and Abe Simeon of Maximus provided the child care subsidy data. John Ford played a critical role in the study's early years.

Thanks are also due the managers in the local Department of Labor (DOL) offices and the Regional Workforce Development Boards for helping us to understand their role in Jobs First. In the DOL central office, Nancy Wiggett and Ron Lucas provided critical information for the study on many occasions. (Both also played key roles in earlier stages while with DSS.) William Lindberg and William Pasternak oversaw the processing of Unemployment Insurance wage data.

Carol Huckaby, along with managers and staff in the local Connecticut Council of Family Services member agencies, provided critical information on the Safety Net and Individual Performance Control (IPC) programs.

The final report benefited from input and comments from Howard Rolston, Larry Wolf, and others at the U.S. Department of Health and Human Services, Administration for Children and Families. In addition, the federal agencies, representatives of states, and researchers and foundations in the Project on State-Level Child Outcomes, coordinated by Child Trends, Inc., played an important role in developing the child survey instrument, informing the conceptual framework, and providing valuable feedback during various stages of the analysis of child and family impacts. Bruce Fuller of the University of California, and Lynn Kagan and Jude Carroll

of Yale University, collaborated on the study and offered helpful comments on the child and family analysis.

At MDRC, Barbara Goldman provided overall guidance for the study. David Butler played a central role in launching the study and offered wise advice on many occasions. Judith Gueron and Gordon Berlin offered thoughtful comments on drafts of the final report, and Lisa Gennetian helped revise the child and family analysis.

Leslie Sperber supplied indispensable help with many aspects of the study, participating in field visits, leading aspects of the benefit-cost analysis, and assisting with the analysis of time-limit extension outcomes. Gilda Azurdia handled a large share of the programming for the survey analysis. Alethia Brown coordinated the report's production and oversaw fact-checking, with supervision from Reishma Seupersad. Chris Rodrigues, Chris Henrichson, Mark Van Dok, Frank Tsai, and Tara Cullen also made important contributions to the final report.

Joel Gordon coordinated the acquisition of administrative records with the assistance of Sandy Schechter. Galina Farberova and Ngan Lee, working under the direction of Debra Romm, developed and managed the systems for processing the data. Greg Hoertz oversaw the project's surveys. Under his guidance, Jordan Kolovson was the primary liaison to Roper Starch Worldwide, the survey subcontractor, and Marla Sherman oversaw the teacher survey. Lee Robeson directed the project for RSW.

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Robert Weber edited the report, and Stephanie Cowell did the word processing.

Finally, we owe a debt of gratitude to the thousands of parents in the Jobs First and AFDC groups who took the time to respond to surveys and offered their insights during focus groups and individual interviews.

The Authors

Executive Summary

I. Introduction

Connecticut's Jobs First program, which began operating in January 1996, was one of the first welfare reform initiatives to impose a statewide time limit on welfare receipt. Today, almost all states have established time limits on cash assistance benefits, either for adults or for entire families, and the 1996 federal welfare law has imposed a nationwide 60-month time limit on federally funded benefits (with limited exceptions). Jobs First has attracted national attention because it includes all the features that are central to most states' current welfare programs, it has one of the shortest time limits in the nation, and it is one of the few programs of its kind that has been subject to a rigorous evaluation, including an assessment of effects on participants' children.

This is the final report in an independent evaluation of Jobs First conducted by the Manpower Demonstration Research Corporation (MDRC), under contract with the Connecticut Department of Social Services (DSS). The evaluation was also funded by the U.S. Department of Health and Human Services, the Ford Foundation, the Smith Richardson Foundation, and other organizations listed at the front of the report.

Jobs First limits families to 21 cumulative months of cash assistance unless they receive an exemption or extension. The program also includes unusually generous financial work incentives and requires recipients to participate in employment-related services targeted toward quick job placement. Jobs First operates statewide, but this study focused on two welfare offices, Manchester and New Haven, which together include about one-fourth of the state's welfare caseload.

To assess what difference Jobs First made, the study compared the experiences of two groups of people: the *Jobs First group*, whose members were subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members were subject to the prior welfare rules. To ensure that the groups would be comparable, about 4,800 welfare applicants and recipients were assigned at random to one or the other group between January 1996 and February 1997. Because the two groups had similar kinds of people, any differences that emerged between the groups during the study's four-year follow-up period can reliably be attributed to Jobs First rather than to differences in personal characteristics or changes in the external environment. These differences are referred to as *impacts* or *effects*.

The Jobs First evaluation differs from many earlier random assignment studies in which individuals subject to a mandatory welfare-to-work program were compared with people in a control group who were not required to participate in employment services (but could do so voluntarily). In this case, members of the AFDC group were subject to the program that existed before Jobs First began, which included some emphasis on employment and self-sufficiency and provided some employment-related services to recipients but was less mandatory than Jobs First. Thus, the study is assessing what difference Jobs First made above and beyond the effects of the state's previous welfare-to-work program. (In October 2001, after the follow-up period for this

study, Connecticut implemented substantial changes in Jobs First.¹ This report does not evaluate the new policies.)

II. Findings in Brief

The Jobs First evaluation was conducted during a period characterized by unusually low unemployment rates, a decline of almost 60 percent in Connecticut's welfare caseload, and publicized changes in state and national welfare policies. These factors shaped the outcomes for the AFDC group, many of whom found jobs and left welfare without the program, creating a high benchmark for Jobs First to surpass. In addition, while the key components of Jobs First were put in place in Manchester and New Haven, start-up problems and specific features of the program design prevented it from being implemented very intensively. Thus, the evaluation results represent a conservative estimate of the program's potential. Nevertheless, Jobs First produced several important effects:

- **Just over half the Jobs First group reached the time limit during the study period. About two-thirds of those recipients received an extension of their benefits, generally because they had very low income and were deemed to have made a good-faith effort to find work.**

Over the four-year period, roughly one-third of Jobs First group members' cases were closed because of the time limit. Most parents whose grant was closed because of the time limit were working. Although some people received multiple extensions of benefits, the vast majority of cases that received an extension on reaching the time limit were no longer receiving benefits three years later.

- **On average, over the four-year study period, Jobs First increased employment, earnings, and income and did not affect cash assistance receipt.**

Over four years, Jobs First group members earned an average of about \$1,800 (7 percent) more than their AFDC group counterparts. The two groups received about the same amount in average cash assistance benefits, but the Jobs First group received a little more in Food Stamp payments. Over the study period, the Jobs First group had about \$2,400 (6 percent) more total income from earnings, cash assistance, and Food Stamps, compared with the AFDC group.

- **Jobs First made progress toward its key goal of replacing welfare with work. By the end of the four-year period, Jobs First group members were more likely to be working and less likely to be receiving welfare than their AFDC group counterparts.**

The pattern of Jobs First's effects changed over time. In Jobs First, all earned income is disregarded (not counted) in calculating recipients' cash grants (and Food Stamp benefits) as long as that income is below the federal poverty level. This allows working parents to retain

¹Changes include limiting the circumstances under which recipients can be granted more than three 6-month benefit extensions and imposing a new 60-month limit.

their full cash grant in months in which their income would have made them ineligible for assistance under the prior (AFDC) rules. As a result, before anyone reached the time limit, Jobs First increased the fraction of people receiving cash assistance. It increased average annual cash assistance payments during the first two years of the follow-up period by 16 percent (\$558). The program also increased employment and earnings in the pre-time-limit period. Because Jobs First participants had both higher earnings *and* higher public assistance payments, their average total income from these sources was 12 percent higher than the AFDC group average during the two years following study entry.

When members of the Jobs First group began to reach the time limit, the program began to decrease cash assistance receipt and payments. By the end of the four years, only 19 percent of the Jobs First group were receiving welfare, compared with 28 percent of the AFDC group. Employment and earnings gains continued throughout the period, but because of the cash assistance reductions, the income gains diminished: In the last three months of the study period, the two groups' average income from earnings, cash assistance, and Food Stamps was almost identical, although a larger fraction of the Jobs First group than of the AFDC group were working and not on welfare (51 percent, compared with 42 percent).

- **The program's impacts on employment and earnings were concentrated among individuals facing greater barriers to employment.**

Among individuals who were long-term welfare recipients, had no recent work history, and did not have a high school diploma — making up 12 percent of study participants — the Jobs First group had about \$3,600 (37 percent) more earnings than the AFDC group over four years. After people began reaching the time limit, the program substantially decreased welfare payments for this subgroup.

In contrast, Jobs First had little effect on employment and no effect on earnings among individuals with the fewest barriers to employment (high school graduates with recent work history who were not long-term welfare recipients). The program's primary impact for this subgroup was to allow those who would have worked anyway to continue receiving public assistance in the pre-time-limit period, thereby raising their income. After they began reaching the time limit, Jobs First began to reduce welfare receipt.

- **Like most programs studied, Jobs First had no consistent effect on a wide range of indicators of material well-being. Levels of hardship remained high for families in both groups.**

According to responses to a survey administered three years after sample members' entry into the study, Jobs First produced no impacts on a wide range of measures of material hardship, although it had a mixed effect on living conditions. Relative to the AFDC group, the Jobs First group reported fewer problems in their neighborhood during the year before they were interviewed, suggesting that some may have moved to better neighborhoods. At the same time, they were also more likely to have been homeless during the year before their interview. Although the level of homelessness in each of the research groups was low (2 percent of the AFDC group and 3 percent of the Jobs First group), the increase is of concern. Analysis found that some of the Jobs First group members who became homeless had rather steep drops in income during the

year before the interview, possibly as a result of Jobs First policies such as sanctioning (benefit reductions because of noncompliance with program rules) and the time limit.

- **Jobs First had a few positive effects on the behavior of elementary school children, concentrated among 5- to 8-year-olds, and had mixed effects for adolescents.**

Among children who were 5 to 12 years old at the end of the third year of follow-up, Jobs First children were more likely than their AFDC peers to be in child care. Parents (but not teachers) reported that Jobs First children exhibited fewer behavioral problems and more positive behaviors; these effects were concentrated among children who were 5 to 8 years old. According to parents' and teachers' ratings, Jobs First did not affect performance or engagement in school for 5- to 12-year-olds.

Among children 13 to 17 years old, Jobs First had both positive and negative effects. Unlike most similar programs studied, Jobs First increased the use of child care for adolescents, primarily after school, from grandparents. Parents reported that adolescents in the Jobs First group were less likely than those in the AFDC group to have been convicted of a crime. They also reported, however, that adolescents in Jobs First had lower school achievement than those in the AFDC group.

- **Over five years, the government's investment in Jobs First was not offset by decreased welfare payments. The investment generated substantial gains in income and services for Jobs First participants.**

The program's net cost for employment services and related support services — the cost of these services over and above what was spent on the AFDC group — was only about \$2,250 per person over five years. This is relatively low compared with the cost of other welfare-to-work programs, because most Jobs First participants took part in short-term job search activities. The government also spent more on Jobs First group members, compared with the AFDC group, for Food Stamps and Medicaid benefits. These investments were not offset by welfare savings, because the Jobs First and AFDC groups received about the same amount in welfare payments. In sum, relative to the AFDC program, Jobs First cost the government about \$4,150 per person over five years. Program participants gained income from increased earnings and Food Stamp payments and lower tax payments (because of the Earned Income Credit). They also received more child care assistance, Medicaid benefits, and employment-related fringe benefits.

III. Implications of the Evaluation's Findings

The Jobs First evaluation provides some of the first information on the implementation and impacts of a welfare reform strategy that included a time limit on benefit receipt. On average, Jobs First's combination of employment and support services, generous work incentives, and time limits increased employment and earnings and, after people began reaching the time limit, decreased cash assistance receipt. As a result, the program increased the proportion of people who worked and did not receive welfare. Jobs First also modestly increased participants' income, although this was not an explicit program goal. Importantly, the Jobs First experience shows that,

at least under certain circumstances, time limits can be implemented without causing the widespread severe consequences predicted by some critics of the policy. Then again, the program did not substantially improve families' well-being, as some proponents of time limits had hoped.

When drawing conclusions based on the Jobs First evaluation, however, it is important to remember that the program is an unusual hybrid and was implemented in a specific manner. First, Jobs First has one of the shortest time limits in the nation, but, during the period studied, those who had very low income when they reached the limit typically received benefit extensions. Second, the program includes an unusually generous earned income disregard, which allowed many working parents in the study to retain their entire welfare grant at least temporarily. Third, Jobs First provides employment-services to help people find jobs, but the program was not implemented very intensively. The effects of Jobs First reflect the complex interactions of these components. Finally, the evaluation period was characterized by an unusually strong economy, which likely fostered job-finding and helped reduce the chances that Jobs First would harm vulnerable families.

Summary Report

Connecticut's Jobs First program is a statewide welfare reform initiative that began operating in January 1996. In implementing Jobs First, Connecticut was one of the first states to impose a statewide time limit on the receipt of cash assistance; under the program, families are limited to 21 months of cash assistance unless they receive an exemption or extension. The program also includes unusually generous financial work incentives and requires recipients to participate in employment-related services targeted toward quick job placement. Jobs First was initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law, but it includes all the features that are central to most states' current welfare programs. Thus, the Jobs First evaluation is one of the first rigorous assessments of a statewide program that incorporates the key welfare reforms of the 1990s and can provide important, timely lessons for other states and for policymakers. (In October 2001, after the follow-up period for this study, Connecticut implemented substantial changes in Jobs First, including changes in the time-limit rules. This report does not evaluate the new reforms.)

The Connecticut Department of Social Services (DSS), the agency that administers Jobs First, contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct a multifaceted evaluation of the effectiveness of the program. MDRC is a nonprofit, nonpartisan organization with over a quarter-century's experience designing and evaluating programs and policies for low-income individuals, families, and communities. The U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation also funded the evaluation; the agencies and foundations listed at the front of this report supported the analysis of Jobs First's effects on children. The study focused on two welfare offices — Manchester and New Haven — which together include about one-fourth of the state's welfare caseload.

To assess what difference Jobs First made, the study compared the experiences of two groups of people: the *Jobs First group*, whose members were subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members were subject to the prior welfare rules. To ensure that the groups would be comparable, between January 1996 and February 1997, about 4,800 welfare applicants and recipients were assigned at random to one or the other group. Because the two groups had similar kinds of people, any differences that emerged between the groups during the study's follow-up period — for example, in employment rates or average cash assistance receipt — can reliably be attributed to Jobs First rather than to differences in personal characteristics or changes in the external environment. These differences are referred to as *impacts* or *effects*.

This is the final report in the Jobs First evaluation.¹ It summarizes the implementation of Jobs First and presents information on the program's impacts measured over four years after sample members entered the study — well beyond the point when Jobs First group members began reaching the time limit. It also uses data from a large-scale survey to assess Jobs First's ef-

¹Reports completed in 1997 and 1998 examined the implementation of Jobs First during its first two years of program operations. Reports completed in 2000 and 2001 updated the implementation story and presented information on the impacts of Jobs First over three years. Other reports examined the experiences of families who left welfare because of time limits or other reasons.

fects on such key outcomes as housing status and health insurance coverage as well as its effects on participants' children. Finally, the report describes the results of a benefit-cost analysis, which compares Jobs First's financial benefits and costs for participants and for government budgets.

I. Background: Jobs First and the Evaluation

A. The Jobs First Program Model

In implementing the Jobs First program, Connecticut intended to “begin a transformation of [its] welfare program from a system of dependency to one of personal responsibility and self-support. . . . [T]he underlying philosophy is that employment, whether full time or part time, high skilled or low, offers clients the dignity that no AFDC check can.” Jobs First replaced the state's AFDC program with Temporary Family Assistance (TFA) and significantly modified benefits and services. Table 1 describes various features of Jobs First as it operated during the study period, along with the prior policies that applied to the AFDC group.² The key features are:

- **A time limit.** Jobs First limits families to a cumulative total of 21 months of cash assistance receipt. Certain families, such as those in which the parent is incapacitated, are exempt from the time limit. (As long as the exemption applies, months of benefit receipt do not count toward the limit.) In addition, recipients who reach the time limit may receive renewable six-month extensions of their benefits if they have made a good-faith effort to find employment but have family income below the welfare payment standard, the maximum monthly grant for their family size. (After the follow-up period for the evaluation, Connecticut began limiting the number of extensions recipients can receive. This and some other recent policy changes are described briefly below.) Families whose cases are closed but who have income below the payment standard are referred to the Safety Net, a program administered by nonprofit organizations that provides services and supports in order to prevent harm to children in such families.
- **An enhanced earned income disregard.** To encourage and reward work, Jobs First includes an unusually generous earned income disregard policy: All earned income is disregarded — that is, not counted — when calculating recipients' cash grants (and Food Stamp benefits) as long as their earned income is below the federal poverty level (which was \$1,138 per month for a family of three in 1998, around the midpoint of the study period). In other words, recipients can earn up to one dollar below the poverty level and continue to receive their full cash assistance grant. They become ineligible for cash assistance if their earnings are at or above the poverty level. In 1998, a parent with two

²As noted above, Jobs First operates statewide. Thus, once Jobs First began, the AFDC program operated only in the study sites, Manchester and New Haven, for the purpose of the random assignment evaluation. After the follow-up period for this evaluation, all AFDC group members who were receiving cash assistance were phased into the Jobs First program (this began in March 2001).

Connecticut's Jobs First Program

Table 1

Comparison of Jobs First and AFDC Policies During the Study Period

Characteristic	Jobs First Policies	AFDC Policies
Time limit	21 months, with possibility of extensions	None
Benefit increase for children conceived while mother receives welfare	\$50 per month	Approximately \$100 per month
Earned income disregard for cash assistance	All earned income disregarded (not counted) in calculating recipient's grants as long as earnings are below federal poverty level	First 4 months of work: \$120 plus 33 percent of earnings disregarded; months 4-12: \$120 disregarded; after month 12: \$90 disregarded; fill-the-gap budgeting
Earned income disregard for Food Stamps	Federal poverty level disregard while family receives cash assistance	20 percent of gross earnings disregarded, in accordance with regular Food Stamp rules
Cash assistance eligibility for two-parent families	Similar nonfinancial eligibility rules for single- and two-parent families	Two-parent families subject to special nonfinancial eligibility criteria (e.g., that principal wage-earner work fewer than 100 hours per month)
Asset limit for cash assistance eligibility ^a	\$3,000	\$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility ^a	Up to \$9,500 in equity value of one vehicle excluded	Up to \$1,500 in equity value of one vehicle excluded
Medical assistance for families leaving welfare for work	Two years of transitional Medicaid; coverage beyond that point depends on eligibility for other programs	One year of transitional Medicaid; coverage beyond that point depends on eligibility for other programs
Child care assistance for families leaving welfare for work	Assistance provided as long as income is below 75 percent of state median	One year of transitional child care; assistance beyond that point depends on eligibility for other programs
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for child under age 1 who was not conceived while mother received welfare	Parent exempt if caring for child under age 2
Child support rules	All child support passed through to custodial parent; first \$100 a month disregarded in grant calculation	First \$50 in child support passed through to custodial parent and disregarded in grant calculation
Sanctions for failure to comply with employment-related mandates	1 st instance: grant reduced by 20 percent for 3 months; 2 nd instance: grant reduced by 35 percent for 3 months; 3 rd instance: grant canceled for 3 months	1 st instance: adult removed from grant until compliance; 2 nd instance: adult removed from grant for at least 3 months; 3 rd instance: adult removed from grant for at least 6 months

SOURCE: Connecticut Department of Social Services policy materials.

NOTES: This table reflects Jobs First policies in early 2001, when the study period ended.

^a Because cash assistance recipients are categorically eligible for Food Stamps, these asset rules effectively apply to Food Stamp eligibility while a family receives Temporary Family Assistance (TFA).

children who was working 40 hours per week at \$6.25 per hour would have \$688 more in total monthly income under Jobs First than under AFDC, a substantial financial gain. Connecticut selected this disregard policy in large part because it is simple and straightforward to explain to recipients and to administer.

- **Mandatory “work first” employment services.** Unless they were exempt, most Jobs First group members were required to look for a job, either on their own or through Job Search Skills Training (JSST) courses that teach job-seeking and job-holding skills. Education and training were generally restricted to those who were unable to find a job despite lengthy up-front job search activities. Recipients who failed to meet these requirements could be sanctioned. During the first 21 months of assistance, sanctions involve reducing their welfare grant or closing their case for three months. The penalties become stricter after the time limit: A single instance of noncompliance during an extension may result in *permanent* discontinuance of the entire welfare grant (the “one-strike” policy).

Jobs First policies called for other changes in traditional welfare rules. For example, the program imposes a partial “family cap”: When a recipient gives birth to a child who was conceived while she was receiving welfare, her benefits are increased by about half as much as they would have been under prior rules. In addition, Jobs First participants receive two years of transitional Medicaid coverage after leaving welfare while employed (as opposed to the one year of coverage provided under prior law).

Jobs First also changed some key rules about the interaction between child support payments and welfare benefits. First, all child support collected on behalf of children receiving assistance in Jobs First is given directly to the custodial parent. Under prior rules, when child support was collected, the welfare recipient received a check for the first \$50 that was collected each month (or less than \$50 if less was collected), in addition to her regular welfare check. Any additional child support was retained by the state as reimbursement for welfare costs. Therefore, under the old rules, recipients may not have known how much support had been paid. Second, when calculating the cash grant amount in Jobs First, the first \$100 of child support collected is disregarded — not counted as income; under AFDC, only the first \$50 of child support was disregarded. In other words, recipients in Jobs First can receive more in child support before the payments begin to reduce the amount of their welfare grant. These changes were designed to make it easier for recipients to see how much support is collected for their children and to provide a greater financial incentive to cooperate with child support enforcement efforts. Electronic Benefit Transfer (EBT) replaced check issuance in 1997, making the support component less visible, although parents who receive child support also receive a notice telling them how much was paid.

Connecticut instituted some changes in Jobs First policy that took effect in October 2001. Although they occurred after the follow-up period for this evaluation, two key changes are worth noting briefly. First, families who reach the 21-month time limit are now limited to three 6-month extensions of their benefits, unless they meet certain criteria (which include being a victim of domestic violence or having two or more barriers to employment, such as lacking affordable child care or having learning disabilities or severe physical or mental health problems). It is un-

clear how this will play out in practice, because some of the criteria may be difficult to confirm and, likewise, difficult to rule out. Second, spurred by federal law (discussed below), the state has begun to enforce a 60-month time limit on benefit receipt that allows few exceptions.

B. Jobs First's Policy Significance

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), enacted in August 1996, abolished the AFDC program, created the Temporary Assistance for Needy Families (TANF) block grant, and prohibited states from using federal TANF funds to support most families for more than 60 cumulative months (although states may exempt up to 20 percent of the caseload from this provision). States may establish time limits of fewer than 60 months and also may use state funds to support families who pass the federal 60-month limit and exceed the cap on exemptions. As of late 2001, 17 states, including Connecticut, had imposed time limits that could result in cancellation of a family's entire welfare grant after fewer than 60 months of assistance, but only six of these states had imposed *lifetime* time limits of fewer than 60 months. Twenty-six states have imposed a 60-month time limit, and another eight states either have no time limit or a limit that will reduce rather than eliminate families' benefits.³

Although PRWORA made major changes in the structure and funding of public assistance programs, most of the specific policies that the law encourages states to adopt were already being implemented as part of state waiver initiatives. By mid-1996, more than 40 states had been granted waivers of federal AFDC rules that enabled them to implement a variety of measures designed to increase employment and self-sufficiency among welfare recipients. More than 30 states had received waivers to implement some form of time limit in at least part of the state. Thus, these states' experiences foreshadow the likely results of the 1996 law.

Connecticut's Jobs First program is one of the most important initiatives undertaken under waivers because it includes both some of the most stringent and some of the most generous provisions of any state welfare reform program. Notably, its 21-month time limit is one of the shortest lifetime limits in the nation. (In assessing a state's time-limit policy, however, it is important to understand the design and implementation of exemption and extension policies; Connecticut's are discussed further below.) In other respects, Connecticut's welfare policies are unusually generous. As noted, Jobs First includes a financial work incentive that is both liberal and distinctive in its design: *All* earned income is disregarded — that is, not counted — when calculating recipients' monthly welfare grants as long as their earnings are below the federal poverty level. Although most states have enhanced earned income disregards, few policies, if any, are as generous as Connecticut's. Jobs First provides important evidence on earned income disregards and on the complex interaction between disregards and time limits.

PRWORA is scheduled to be reauthorized in 2002. The nature of the federal five-year time limit undoubtedly will be central in the reauthorization debate. Because families did not begin reaching the federal 60-month time limit until September 2001,⁴ at the time this report was

³State Policy Documentation Project, administered by the Center on Budget and Policy Priorities and the Center on Law and Social Policy (www.spdp.org).

⁴The federal 60-month time-limit clock began when each state implemented its TANF program. The first states to implement TANF did so in October 1996.

written, substantial numbers of recipients had reached time limits in only a few states. One analysis estimated that, as of early 2001, about 85,000 families nationwide had had their welfare benefits canceled owing to a time limit, and nearly half of them were in Connecticut (although, as discussed below, most of these families in Connecticut were already employed when they reached the time limit).⁵ The experiences of states with short time limits will provide some hints as to what will happen when families reach the federal limit. It is critical to note, however, that states are not restricted from using federal funds to support families who exceed time limits of fewer than 60 months. Indeed, a number of states have been fairly liberal in granting extensions to the shorter limits. States may respond differently when they are no longer able to spend federal funds on a given family. In fact, as illustrated by recently enacted policy reforms, Connecticut intends to enforce its 60-month lifetime limit much more strictly than it has its 21-month limit.

C. The Evaluation

The Jobs First evaluation was initially required as a condition of the federal waivers that allowed Connecticut to operate the program. Then, in 1997, Connecticut received enhanced federal funding from the U.S. Department of Health and Human Services to support continuation of the study. The state later received a second federal grant to expand the study to examine Jobs First effects on children.

The evaluation has three major components:

- **Implementation analysis.** This component examines how Jobs First operated in the research sites. It assesses whether Jobs First policies translated into concrete changes in the day-to-day operations of the welfare system, and it identifies obstacles that were encountered. This information is needed in order to understand the impact results, and it may also help DSS identify ways to improve program performance.
- **Impact analysis.** This part of the study provides estimates of the changes that Jobs First generated in employment rates and earnings, rates and amounts of welfare receipt, family income, the extent of welfare dependency, child well-being, and other outcomes, relative to outcomes under the welfare system that preceded it (as represented by the AFDC group).
- **Benefit-cost analysis.** This analysis uses data from the impact study, along with fiscal data, to compare the financial benefits and costs generated by Jobs First for both taxpayers and eligible families.

This report uses computerized administrative records data provided by the state to measure monthly AFDC/TFA and Food Stamp benefits and quarterly earnings in jobs covered by Connecticut's unemployment insurance (UI) system for all 4,803 sample members. The records data are supplemented by a survey of 2,424 Jobs First and AFDC group members, which was conducted about three years after each person's date of random assignment. (A few of the findings presented in this report are from a smaller survey administered 18 months after random as-

⁵Based on unpublished data from the Center on Budget and Policy Priorities.

signment.) Finally, data on the program's implementation were obtained by interviewing line staff and supervisors, observing program activities, and reviewing relevant documents.

Readers should bear in mind three key features of the study design. First, almost all results in this report are drawn from the two research sites and thus may not represent the implementation or impacts of Jobs First in other offices in Connecticut.

Second, many earlier studies of welfare-to-work programs compared the experiences of people in the program with people in a control group who did not receive any employment-related services from the welfare department. This evaluation compares Jobs First with the AFDC policies that were in place just before the program began, which already included some emphasis on employment and self-sufficiency and some employment-related services for welfare recipients. Thus, the study's impact analysis is measuring the effects of Jobs First over and above what was already achieved by earlier policies.

Third, although the study design was well implemented, it seems likely that the behavior of the AFDC group was influenced to some extent by the intense focus on welfare reform at the state and federal levels over the past few years. This suggests that the study may not capture the full impact of Jobs First.⁶

D. The Evaluation's Context

Connecticut is a medium-size state with high per capita income but several very poor urban areas. The state's welfare grant levels (\$543 for a typical family of three) are high by national standards but slightly lower than those in most nearby states. Approximately 60,000 families were receiving cash assistance statewide when Jobs First began in 1996. The caseload declined modestly until late 1997, when recipients began reaching the 21-month time limit, and then started dropping quickly. By December 2000, the end of the follow-up for most of the analyses in this report, fewer than 25,500 families remained on welfare in Connecticut — a 58 percent decline from the start of the study.

Jobs First has been implemented in an extremely healthy economic climate, with a strong labor market. When the program began in 1996, Connecticut's unemployment rate was 5.7 percent, about the national average. Over the follow-up period, the state's rate dropped substantially below the national rate, which had also declined. By 2000, Connecticut's rate was only 2.3 percent, the second-lowest unemployment rate in the nation.⁷

The two Jobs First evaluation research sites were chosen in part because they represent two quite different environments. New Haven, the third-largest city in the state, is one of the poorest cities in the United States: The median household income in 1990 was only about \$26,000, and the poverty rate was about 21 percent. In contrast, Manchester covers a less populous, more suburban area near Hartford. In 1990, the median household income in Manchester was about \$40,000, and the poverty rate was only 4 percent. About 20 percent of the statewide

⁶In addition, the study was not designed to measure whether Jobs First affected the number of people who applied for welfare; it captures only the effects on individuals who did apply or were already receiving benefits.

⁷In 2000, Virginia's unemployment rate was 2.2 percent.

welfare caseload are served by the New Haven DSS office, and about 6 percent are served by the Manchester office. Correspondingly, about three-fourths of the sample for the Jobs First evaluation are from the New Haven office.

II. Evaluation Results

A. Jobs First's Implementation in the Research Sites

MDRC studied the implementation of Jobs First in order to understand how it differed from the AFDC program.⁸ Key findings include:

- **Jobs First group members heard a more employment-focused message from welfare staff than did AFDC group members. In addition, staff successfully informed recipients about the key features of Jobs First.**

A series of questions on the Interim Client Survey, which was administered about 18 months after people were randomly assigned, examined the messages that respondents heard from the welfare system and generally found large differences between the groups.⁹ More than two-thirds of Jobs First group members said that staff urged them to get a job as quickly as possible, told them that working would improve their financial situation, and emphasized that they could keep part of their welfare grant if they went to work. Not surprisingly, a somewhat smaller proportion of the Jobs First group (just over half) reported that staff urged them to get off welfare quickly. In brief, recipients were urged to take advantage of the enhanced earned income disregard and thus to combine welfare with work. A much smaller proportion of AFDC group members reported hearing similar messages.

Nearly 90 percent of Jobs First group respondents reported that they were subject to a time limit, and most knew its length. Just over 20 percent of AFDC group respondents reported that they were subject to a time limit. Some of them (roughly one-quarter) were correct — they had moved away from the research sites and become subject to Jobs First policies — but many had received erroneous information from the media, staff, family members, or other sources. This means that the evaluation results probably understate the impact of the Jobs First time limit on recipients' behavior, especially during the period before recipients could have reached the limit.

- **Jobs First group members were somewhat more likely than AFDC group members to participate in employment-related activities, particularly activities focused on quick job placement.**

Figure 1 shows the rates of participation in employment-related activities for Jobs First and AFDC group members in the three years after each person's date of random assignment. These findings, from the Three-Year Client Survey, include activities arranged by the welfare

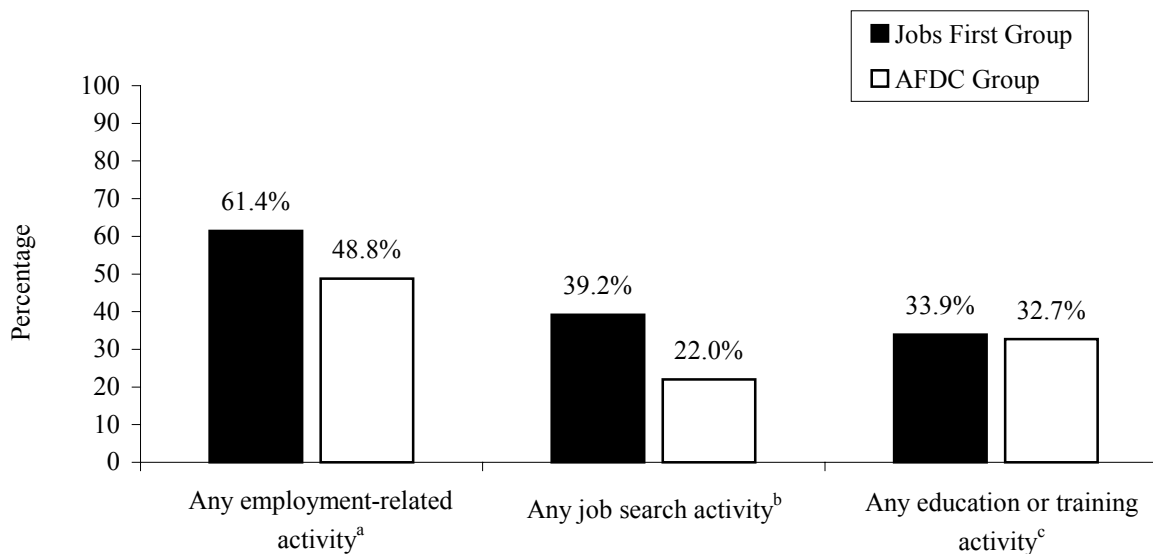
⁸The majority of sample members had their most intensive contact with Jobs First during the first four years of the program's operations, from 1996 through 1999; thus, the implementation analysis focused on this period.

⁹Results from the Three-Year Client Survey were similar. This report presents results from the earlier, interim survey because it was administered when more sample members were receiving cash assistance and were exposed to the program's message.

Connecticut's Jobs First Program

Figure 1

Self-Reported Rates of Participation in Employment-Related Activities Within a Three-Year Follow-Up Period



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

NOTES: ^aThe bars show the percentages of Jobs First and AFDC group members who participated in job search activities, education and training, work experience, or on-the-job training within three years following their date of random assignment.

^bIncludes Job Search Skills Training (JSST), Self-Directed Job Search (SDJS), job clubs, and other programs that require and assist people to look for employment.

^cIncludes Adult Basic Education (ABE), GED preparation, English as a Second Language (ESL), college, vocational training, and other education or training-oriented activities.

department as well as those not arranged by the department (for example, activities in which people participated after they left welfare).

The figure shows that members of both groups were quite likely to report that they had participated in at least one employment-related activity during the three years. However, as expected, Jobs First increased this participation: 61 percent of Jobs First group members had taken part in at least one activity, compared with 49 percent of the AFDC group. This likely reflects the fact that a smaller proportion of Jobs First group members were exempt from participation mandates and that mandates were enforced more vigorously for the Jobs First group. (In practice, AFDC group members generally were not required to participate in employment-related activities, as had been true prior to Jobs First.) Despite the modest increase in participation in employment-related activities, Jobs First group members were only slightly more likely than AFDC group members to agree that they had received services that enhanced their long-term employability. The vast majority of both groups either participated in an employment-related activity or worked at some point during the three-year follow-up (88 percent of Jobs First group members and 79 percent of AFDC group members; these numbers are not shown on the figure).

Consistent with the program model, the overall difference in participation rates was driven by an increase in participation in job search activities. Because the job search activities were fairly brief, these findings imply that Jobs First group members were very likely not to have been continuously active in employment-related activities throughout their time on welfare.

About 8 percent of Jobs First group members and 5 percent of AFDC group members had their benefits reduced owing to a sanction for failing to comply with employment-related mandates within four years after random assignment.¹⁰ A comprehensive look at sanctions should also include data on sanctions incurred during extensions, when noncompliance results in benefit termination. MDRC did not have complete data on that type of case closure, but it is estimated that about 5 percent of Jobs First group members had their benefits canceled for noncompliance during an extension. Thus, the overall sanctioning rate for the Jobs First group was probably about 13 percent, lower than the rates measured in many similar studies.

The relatively low sanctioning rate for the Jobs First group probably reflects the modest scope of the employment-related requirements (that is, most recipients were not required to participate in many activities) and the fact that participation was not closely monitored (see below). In sum, the welfare-to-work component of Jobs First was different from that in the AFDC program, but not dramatically so.

- **Although the key components of Jobs First were put in place in Manchester and New Haven, start-up problems and specific features of the program design prevented them from being implemented very intensively.**

¹⁰During the study period, in Jobs First a recipient's cash grant was reduced by 20 percent for three months in response to the first instance of noncompliance and by 35 percent for three months in response to the second instance. A third instance resulted in cancellation of the entire grant for three months. Under AFDC, a sanction removed the noncompliant individual from the grant.

As noted earlier, program staff successfully informed most Jobs First group members about the key elements of the new policy and referred most recipients to employment services designed to move them quickly into work. In addition, DSS revised its statewide public assistance computer system to track recipients' time-limit clocks and implement the enhanced earned income disregard and other changes in eligibility rules.

At the same time, Jobs First, like virtually all new programs, experienced implementation problems. For example, the New Haven office in particular faced persistent difficulties monitoring recipients' participation in employment activities, in large part because there were not effective systems in place to obtain attendance reports from contracted service providers. These problems emerged early on, when employment services were mostly provided by private organizations working under contract to DSS. Monitoring problems persisted, however, after responsibility for employment services was shifted in mid-1998 to the Connecticut Department of Labor, Regional Workforce Development Boards, and their subcontractors. The problems persisted further after another statewide shift, in late 1999, when the boards began contracting with community-based organizations to provide case management services. These various shifts in service provision also meant that Jobs First never experienced a stable period of operations.

Start-up problems were particularly likely to arise in Jobs First because the program was implemented in a challenging environment. The program called for radical changes in the mission and activities of Connecticut's welfare system but was put in place statewide from its inception, with little time for planning. In addition, a variety of other major statewide initiatives consumed the time and energy of the staff and managers responsible for Jobs First, and the program itself was revised in significant ways.

Other implementation issues were related to the program design. For example, unlike some other state welfare reforms, Jobs First was implemented with virtually no increases in staffing, despite a large increase in the number of recipients who were expected to move toward self-sufficiency. To facilitate serving larger numbers of people, Jobs First was designed so that staff and recipients did not necessarily interact frequently. Most recipients were initially informed about the time limit and the enhanced earnings disregard and were strongly urged to seek work, but contact between recipients and staff in the subsequent months was limited, and thus staff had relatively few opportunities to reinforce these messages. Large caseloads also contributed to the monitoring problems described above. Finally, the key tasks — tracking participants' activities, assisting individuals with serious problems, and transmitting a clear, consistent program message — all became more challenging as an increasingly complex organizational structure developed to implement the various aspects of Jobs First. Because of all these factors, the results from this evaluation probably represent a conservative estimate of the Jobs First model's potential.

B. The Jobs First Time Limit

MDRC examined the implementation of the Jobs First time limit in detail. Key findings include:

- **Just over half the Jobs First group reached the time limit within the evaluation's follow-up period.**

MDRC examined the Jobs First group's patterns of receipt of Temporary Family Assistance (TFA) during the four years following study entry. The analysis found that 29 percent of the group reached the time limit 21 months after their random assignment date; that is, they received TFA benefits continuously and were never exempt. Fifty-three percent of the Jobs First group reached the time limit within four years after enrollment; thus, just under half still had months remaining on their time-limit clock. Most of these individuals had left welfare; others were exempt from the time limit for at least part of the period they received benefits.

As discussed below, many of those who reached the time limit received an extension and were allowed to continue receiving benefits. Thus, overall, roughly one-third of Jobs First group members' cases were closed because of the time limit within the four-year follow-up period, and most were working at that point.

- **Among Jobs First group members who reached the time limit, about two-thirds received an extension of their benefits at that point or later. Few of them, however, were still on the rolls three years after reaching the time limit.**

MDRC examined a randomly selected group of 100 cases that reached the time limit by the middle of the follow-up period for this report. (Analysis not shown found that the proportion of Jobs First group members who received an extension when they reached the time limit was relatively constant over time. Using a sample who reached the time limit by the middle of the follow-up allows the analysis to track subsequent TFA receipt for an extended period, which sheds some light on multiple benefit extensions.) Figure 2 shows the outcomes for these cases during the 36 months after they reached the limit.

Recipients were called in for an "exit interview" during their twentieth month of cash assistance in order to determine whether they would receive an extension or have their case closed. Figure 2 shows that 55 of the 100 recipients studied were granted a six-month extension when they reached the time limit (two other cases were granted an exemption at that point). All 55 were granted an extension because they had income below the payment standard and were deemed to have made a good-faith effort to find work. Interviews with program staff indicated that many of the people who were granted an extension had not been closely monitored during the pre-time-limit period; in accordance with the program rules, however, they were assumed to have made a good-faith effort because there was no evidence to the contrary. (In general, a good-faith effort was assumed as long as the recipient was not sanctioned more than once and did not quit a job without "good cause" in the final six months of assistance.)

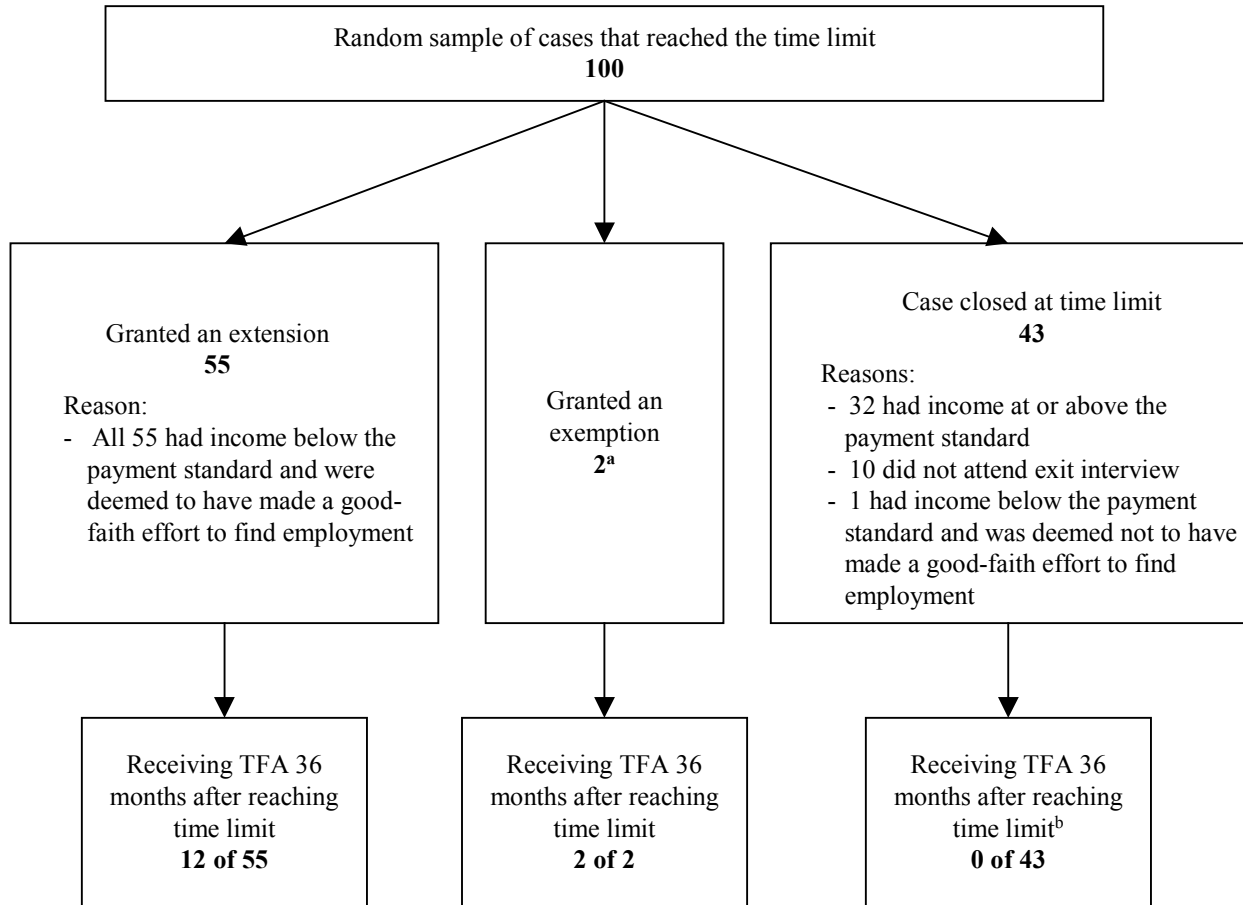
During the study period, there was no limit on the number of six-month extensions a family could receive. Nevertheless, 43 of the 55 recipients who initially received an extension were no longer receiving TFA benefits 36 months later. Although recipients in extensions are subject to the one-strike noncompliance policy described earlier, only 5 of the 43 cases were closed because they failed to comply with employment requirements. Most of the others left because they found a job (others moved out of the state or left welfare for other reasons).

As shown in Figure 2, the cases of 43 of the 100 recipients whom MDRC studied were closed at the time limit, and 32 of the 43 were denied an extension because they had income

Connecticut's Jobs First Program

Figure 2

Outcomes of 100 Cases That Reached the Jobs First Time Limit



NOTES: This figure is based on a random subset of 100 of the 353 Jobs First group members who reached the time limit by March 1998.

^aTwo cases became exempt immediately following month 21 of TFA receipt. Both were receiving TFA 36 months later.

^bSix of the 43 cases returned to TFA at some point after their case was closed at the time limit, but none was receiving benefits 36 months after the time limit.

above the welfare payment standard. Many of these people would have become ineligible for welfare earlier had it not been for the enhanced earnings disregard. Another 10 had their case closed because they failed to attend their exit interview; it appears that most of these individuals were employed at that point, although not necessarily earning above the payment standard. Nevertheless, their cash assistance and Food Stamp cases were closed because they did not attend the interview (their Medicaid coverage continued if they were reporting earnings to DSS).

Only one of the recipients whose cases were closed had income below the payment standard and was deemed not to have made a good-faith effort. Thus, in all, 57 of the 58 individuals who attended their exit interview and had income below the payment standard were initially granted an extension or exemption.

Recipients whose cases are closed because their income is over the payment standard (as well as those who fail to attend the exit interviews) may be granted an extension later if their income drops below the payment standard and they have made a good-faith effort to find employment (both before reaching the time limit and after). However, of the 43 people in this study whose cases were closed at the time limit, only six ever returned to TFA in the subsequent 36 months. (Thirteen others applied for TFA at some point but did not start to receive benefits; most were found to be financially ineligible or did not complete the necessary paperwork, and two were found to have left a job without good cause.) None of the six Jobs First group members who returned to the rolls at some point were receiving TFA at the end of the 36-month follow-up period for this analysis.

These results show that, in all, 63 of the 100 people who reached the time limit were granted an extension or exemption, either on reaching the limit or at a later point. (A less detailed analysis using administrative records found similar results for the full Jobs First group.)

- **Only a small number of people who reached the time limit had their cases closed despite having income below the welfare payment standard; thus, the number of referrals to the Safety Net program was relatively small.**

Jobs First recipients whose grants are discontinued despite having income below the payment standard (because they are deemed not to have made a good-faith effort to find employment) are referred to the Safety Net program for further assistance. They generally are not eligible for further extensions but can receive assistance again if they become exempt or encounter circumstances beyond their control that prevent them from working. Of the 100 recipients discussed above, 11 had their cases closed despite having income below the payment standard within 36 months of reaching the time limit.¹¹ Since about half the Jobs First group reached the time limit within the study's follow-up period, this indicates that about 5 percent of the entire group were referred to Safety Net. Data collected from the organizations operating the Safety Net program confirm that, indeed, about 5 percent of the Jobs First group were referred for Safety Net services by the end of the study.

¹¹One case was closed for lack of good-faith effort upon reaching the time limit; six were closed for noncompliance during an extension; and four were denied an extension for lack of good-faith effort when reapplying for benefits.

C. Jobs First Impacts on Employment, Public Assistance Receipt, and Other Outcomes

This summary presents the impacts of the Jobs First program over the four years following each sample member's entry into the study. Administrative records of cash assistance receipt (referred to as AFDC/TFA), Food Stamp receipt, and quarterly earnings in UI-covered jobs were available for all 4,803 sample members. Outcomes such as job characteristics, material hardship, and health coverage were examined using survey data, which were available for 2,424 sample members who responded to the Three-Year Client Survey (the survey achieved an 80 percent response rate). Key findings on economic outcomes include the following:

- **On average, over the four-year follow-up period, Jobs First increased employment and earnings and did not affect welfare receipt or payments; thus, the program raised sample members' income.**

As Table 2 shows, over four years, Jobs First increased the average quarterly employment rate by 7 percentage points and increased earnings by about \$1,800 (7 percent). Both of these impacts are statistically significant, as indicated by the asterisks in Table 2. This means it is very likely that Jobs First really affected these outcomes. The program also increased Food Stamp payments but did not change average cash assistance receipt or payments. Over four years, Jobs First increased average total income from earnings, cash assistance, and Food Stamps by \$2,364, or 6 percent.

- **The pattern of results changed over time. During the first part of the follow-up period, before any Jobs First group members reached the time limit, the program increased employment rates, earnings, public assistance receipt, and income.**

Figure 3 illustrates Jobs First's impacts on employment, cash assistance receipt, and average total income from earnings, cash assistance, and Food Stamps. The figure tracks each outcome for both groups, and the distance between graph lines represents the program's impact on each measure.

Employment and earnings. The top panel of Figure 3 shows that Jobs First quickly increased employment and that the impact remained relatively constant throughout the follow-up period. As Table 3 shows, over the first two years of follow-up, 53 percent of the Jobs First group were employed in an average quarter, compared with 45 percent of the AFDC group. This increase in employment was accompanied by an increase in earnings. Jobs First increased average annual earnings by \$419, or 9 percent, over the first two years following random assignment. It is important to note that the earnings figures are overall averages, including both sample members who worked and those who did not. Employed Jobs First group members earned \$9,595 per year, on average, during the first two years of the follow-up period (not shown).

Welfare receipt. The middle panel of Figure 3 shows that Jobs First increased the proportion of sample members receiving cash assistance (AFDC or TFA) during the period before anyone reached the time limit. This is attributable to the enhanced earned income disregard, which allowed many employed Jobs First group members to retain their TFA grant in months in which their income would otherwise have made them ineligible for assistance (that is, if they had

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Table 2

Summary of Impacts on Economic Outcomes over Four Years

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
Average quarterly employment rate (%)	56.3	49.1	7.2 ***	14.7
Average number of months receiving AFDC/TFA	22.6	23.2	-0.6	-2.7
Average total earnings (\$)	26,673	24,861	1,813 **	7.3
Average total AFDC/TFA payments (\$)	11,064	10,827	237	2.2
Average total Food Stamp payments (\$)	6,133	5,819	314 **	5.4
Average total income from earnings, AFDC/TFA, and Food Stamps (\$)	43,870	41,506	2,364 ***	5.7
Sample size (total = 4,773)	2,381	2,392		

SOURCES: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps.

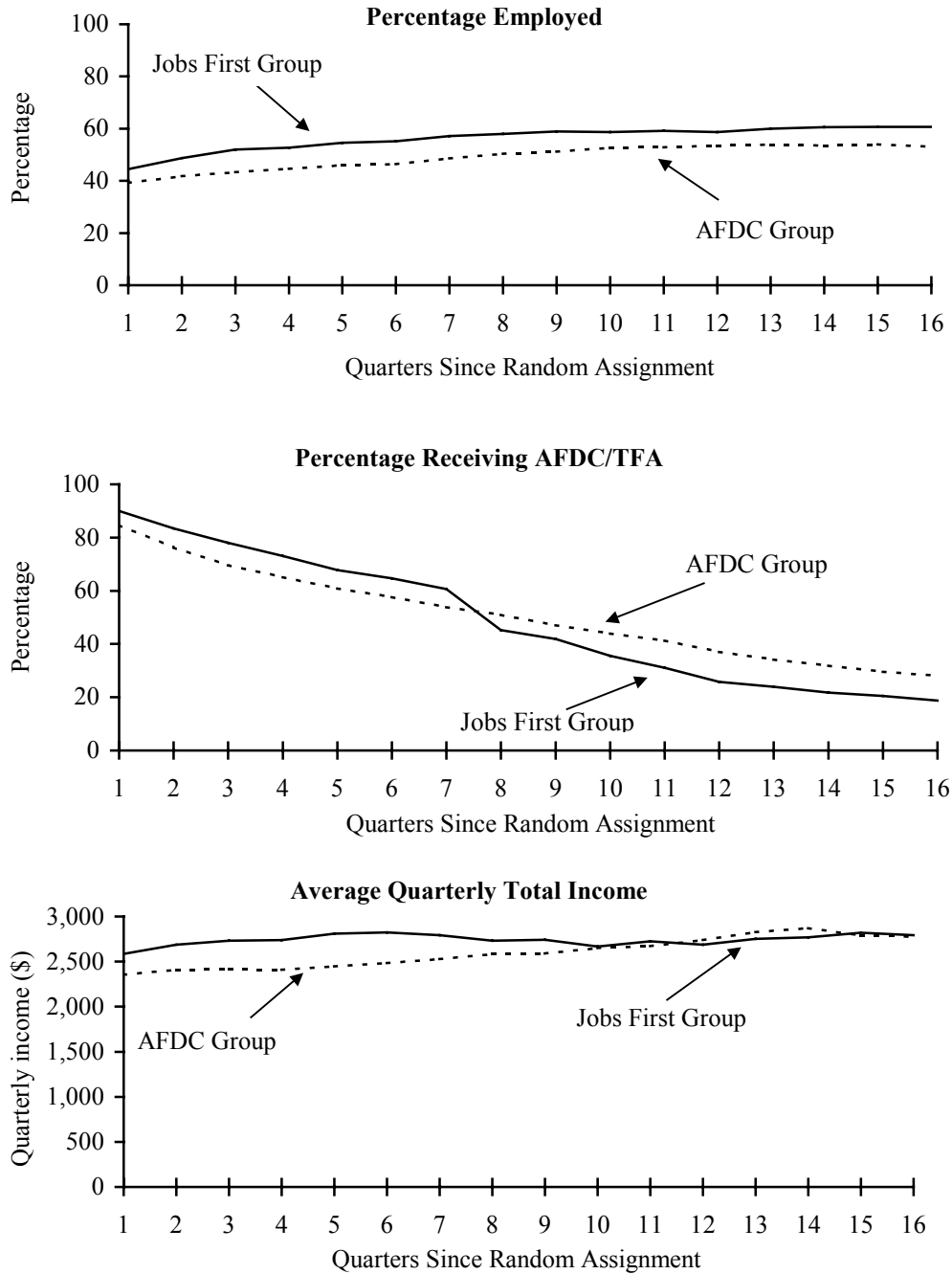
A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent; **=5 percent; and *=10 percent.

A total of 30 sample members were excluded from the analysis presented in this table because four full years of UI earnings data were not available for them.

Connecticut's Jobs First Program

Figure 3

Quarterly Employment Rates, AFDC/TFA Receipt Rates, and Income



SOURCES: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

Connecticut's Jobs First Program

Table 3

Impacts on Economic Outcomes in the Pre- and Post-Time-Limit Periods

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
Years 1-2				
Average quarterly employment (%)	52.8	45.0	7.8 ***	17.3
Average annual earnings (\$)	5,066	4,648	419 ***	9.0
Average quarterly percentage receiving AFDC/TFA (%)	70.4	64.9	5.5 ***	8.4
Average annual AFDC/TFA payments (\$)	4,028	3,470	558 ***	16.1
Average quarterly percentage receiving Food Stamps (%)	72.9	70.6	2.3 **	3.2
Average annual Food Stamp payments (\$)	1,856	1,692	164 ***	9.7
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,952	9,811	1,140 ***	11.6
Tax-adjusted income estimate ^a (\$)	11,310	10,071	1,239 ***	12.3
Years 3-4				
Average quarterly employment (%)	59.7	53.1	6.6 ***	12.4
Average annual earnings (\$)	8,273	7,783	490 *	6.3
Average quarterly percentage receiving AFDC/TFA (%)	27.4	36.6	-9.2 ***	-25.0
Average annual AFDC/TFA payments (\$)	1,502	1,949	-447 ***	-22.9
Average quarterly percentage receiving Food Stamps (%)	46.6	49.1	-2.6 **	-5.3
Average annual Food Stamp payments (\$)	1,210	1,220	-9	-0.8
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,986	10,952	34	0.3
Tax-adjusted income estimate ^a (\$)	10,978	10,828	150	1.4
Sample size (total = 4,803)	2,396	2,407		

SOURCES: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps.

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

A total of 30 sample members were excluded from the analysis for Years 3-4 because four full years of UI earnings data were not available for them.

^aThis measure includes average income from earnings, AFDC/TFA, and Food Stamps; and estimates of federal, state, and payroll taxes; and an estimate of the federal Earned Income Credit.

been subject to AFDC policies). Table 3 shows that, as a result, Jobs First increased average annual cash assistance payments during the first two years of the follow-up period by 16 percent (\$558). The enhanced earned income disregard, which applied as well to the calculation of Food Stamp benefits, also yielded an increase in Food Stamp payments during the early part of the follow-up period.

Income. Because Jobs First group members had both higher earnings *and* higher public assistance payments in the period before anyone reached the time limit, their average combined income from these sources was substantially higher than the AFDC group average (illustrated in the bottom panel of Figure 3). Table 3 shows that Jobs First group members had 12 percent more income from earnings, cash assistance, and Food Stamps per year, on average, during the two years following study entry. When estimates of tax payments and the Earned Income Credit (EIC) — a refundable credit against federal income taxes for low-income taxpayers — are included in the income calculation, the income level for both research groups increases, but the impact remains about the same. (This is not a complete measure of family income because it does not include other income sources, such as child support; does not count income of other household members; and does not include income that was derived outside Connecticut. Data from the Interim Client Survey, which was administered 18 months after random assignment and measured a wide variety of income sources, including those just mentioned, shows a similar pre-time-limit income increase.)

- **After families began reaching the time limit, Jobs First began to reduce cash assistance receipt and payments. The program continued to increase employment and earnings, but because of the cash assistance reductions, the program no longer increased income.**

Jobs First group members began to reach the time limit in quarter 7 of the follow-up period. The cases of about 13 percent of the Jobs First group were closed on reaching the time limit in that quarter. As noted earlier, by the end of the follow-up period (quarter 16), the cases of about one-third of the Jobs First group were closed because of the time limit.

Welfare receipt. Figure 3 shows that the pattern of impacts on public assistance receipt changed abruptly when members of the Jobs First group began to reach the time limit. As noted earlier, before anyone reached the time limit, Jobs First group members were more likely than AFDC group members to receive cash assistance. Beginning in quarter 8, however, after some people had reached the time limit, Jobs First group members were *less* likely to receive cash assistance. The lower panel of Table 3 shows that 27 percent of the Jobs First group received AFDC/TFA in an average quarter during the third and fourth years of follow-up, compared with 37 percent of the AFDC group, and that the Jobs First group received 23 percent less cash assistance per year. The program affected Food Stamp receipt in a similar, though less dramatic manner: In the pre-time-limit period, a higher percentage of Jobs First group members than AFDC group members received Food Stamps, but, in the later part of the follow-up, a lower percentage received benefits.

Employment and earnings. Jobs First's impact on employment rates did not change much when families began reaching the time limit. This is not surprising, because most of those whose grants were discontinued at the time limit were already working; essentially, the program

allowed many working families to retain their welfare grant temporarily and then discontinued their benefits at the time limit.

Income. As a product of the impacts on earnings and public assistance, the impact on total income also changed once people began reaching the time limit. Although Jobs First group members continued to have slightly higher average income just after people began reaching the time limit, this impact disappeared a few quarters later. The lower panel of Table 3 shows that, in years 3 and 4 of follow-up, Jobs First group members' higher earnings were offset by their lower public assistance amounts; thus, total income from earnings, AFDC/TFA, and Food Stamps was the same for the two research groups.

Income averages can hide variation in a program's effect on income for different individuals. At the end of year 3, income distribution patterns suggested that Jobs First was making some families worse off financially. By the end of the fourth year of follow-up, however, these negative effects had disappeared: at that point, about the same number of Jobs First families as AFDC families had very low income. However, among a group of very disadvantaged sample members, more Jobs First families than AFDC families had very low income.

To provide a more complete measure of income than that based on administrative records, the Three-Year Client Survey asked sample members about all sources of income for their household in the month before the interview. The survey results show that a substantial portion of household income for both groups was not captured in the administrative records. However, the survey and the records tell a similar story regarding Jobs First's impacts on income. The main difference relates to child support, which was not measured in the administrative data. On the survey, Jobs First group respondents reported receiving more child support than AFDC group respondents, which generated a small overall impact on household income (as noted earlier, the records showed no such impact). The self-reported increase in child support could indicate higher child support payments for the Jobs First group, greater knowledge about the payments, or both. As noted earlier, Jobs First changed some key rules about the interaction between child support payments and welfare benefits in order to make it easier for recipients to see how much support was collected for their children and to provide a greater financial incentive to cooperate with child support enforcement efforts. The survey results show that about half of families in both the Jobs First and the AFDC group had household income below the federal poverty level (this is not an official poverty rate because income is measured differently here than in the census).

- **By the end of the four-year period, Jobs First group members were more likely to be working and less likely to be receiving welfare than their AFDC group counterparts.**

Table 4 shows Jobs First's impacts in the last quarter of the follow-up period. Unlike the effects of most programs that have been studied, Jobs First's increases in employment remained strong at the end of the fourth year: 61 percent of the Jobs First group worked during the last quarter of the follow-up period, compared with 53 percent of the AFDC group. Also, only 19 percent of the Jobs First group received cash assistance, compared with 28 percent of the AFDC group. The table also shows that the program increased the proportion of people who were working and not receiving welfare benefits at the end of the study; replacing welfare with earnings

Connecticut's Jobs First Program

Table 4

Impacts on Economic Outcomes at the End of Four Years

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
Last quarter of year 4				
Ever employed (%)	60.7	53.1	7.6 ***	14.3
Earnings (\$)	2,278	2,149	129 *	6.0
Ever received AFDC/TFA (%)	18.8	28.0	-9.3 ***	-33.1
AFDC/TFA benefits (\$)	255	365	-110 ***	-30.2
Ever received Food Stamps (%)	39.3	42.5	-3.3 **	-7.7
Food Stamp benefits (\$)	260	262	-2	-0.8
Income from earnings, AFDC/TFA, and Food Stamps (\$)	2,793	2,776	17	0.6
Tax-adjusted income estimate ^a (\$)	2,706	2,654	52	2.0
Employed and receiving AFDC/TFA (%)	9.6	10.7	-1.1	-9.9
Not employed and receiving AFDC/TFA (%)	9.1	17.4	-8.2 ***	-47.3
Employed and not receiving AFDC/TFA (%)	51.1	42.4	8.7 ***	20.4
Neither employed nor receiving AFDC/TFA (%)	30.2	29.6	0.6	2.1
Sample size (total = 4,773)	2,381	2,392		

SOURCES: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps.

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

Rounding may cause slight discrepancies in the calculation of sums and differences.

A total of 30 sample members were excluded from the analysis presented in this table because UI earnings data for the last quarter of the follow-up period were not available for them.

^aThis measure includes average income from earnings, AFDC/TFA, and Food Stamps; and estimates of federal, state, and payroll taxes; and an estimate of the federal Earned Income Credit.

was the primary goal of Jobs First. These substantial differences suggest that the program's effects will continue beyond the follow-up period for this study.

- **Most of the employment generated by Jobs First was stable and full time.**

At the time of the Three-Year Client Survey, most of the employed people in both research groups worked full time or close to full time; on average, employed sample members worked 33 hours per week. Their average hourly wage was about \$8.50.

However, it is important to understand how Jobs First affected job characteristics. According to the evaluation's earlier reports, most of the people who went to work because of Jobs First initially obtained fairly low-wage, part-time jobs. A snapshot of jobs taken three years after random assignment is somewhat more encouraging. When the Three-Year Client Survey was administered, 63 percent of Jobs First group members were working, compared with 55 percent of AFDC group members. Most of the 8-percentage-point impact was in full-time jobs (30 hours or more per week).

Results from the Three-Year Client Survey also show that Jobs First increased the proportion of people who worked during the first year of the follow-up period and remained employed during most of the following two years. This suggests that most of the employment generated by Jobs First was stable.

- **The program's impacts on employment and earnings were concentrated among individuals facing greater barriers to employment. Among more job-ready individuals, the main impact of Jobs First was to increase public assistance receipt.**

Table 5 presents Jobs First's impacts for three subgroups of sample members defined by their level of disadvantage when they entered the study. The most disadvantaged subgroup — 12 percent of the full sample — comprises long-term welfare recipients with no recent work history or high school diploma.¹² The least disadvantaged subgroup had none of these barriers to employment, and the moderately disadvantaged subgroup had one or two of the barriers.

Table 5 shows that the most disadvantaged subgroup was, indeed, least likely to work and most likely to rely on welfare. During the first two years of follow-up, for example, 65 percent of the least disadvantaged AFDC group members worked in an average quarter; in contrast, only 19 percent of the most disadvantaged AFDC group members worked in an average quarter. Likewise, 85 percent of the most disadvantaged AFDC group members received cash assistance during an average quarter in the two years, compared with only 50 percent of the least disadvantaged AFDC group members.

Perhaps because the most disadvantaged were so unlikely to work without the program, the effects of Jobs First were concentrated in this subgroup. As Table 5 shows, for example, in the first two years of follow-up, Jobs First substantially increased employment: 34 percent of the

¹²Specifically, the most disadvantaged subgroup comprises sample members who had received cash assistance for at least 22 of the 24 months prior to random assignment, had not worked in the year prior to random assignment, and did not have a high school diploma or GED certificate.

Connecticut's Jobs First Program

Table 5

Summary of Impacts on Economic Outcomes for Subgroups

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged			Subgroup Differences
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	
Years 1-2										
Average quarterly employment (%)	69.5	65.2	4.4 **	50.5	42.6	7.9 ***	34.2	19.2	15.1 ***	***
Average annual earnings (\$)	7,773	7,651	122	4,587	4,115	472 **	2,312	1,373	939 ***	
Average quarterly percentage receiving AFDC/TFA (%)	60.7	50.1	10.6 ***	72.3	66.8	5.4 ***	85.3	85.2	0.1	***
Average annual AFDC/TFA payments (\$)	3,240	2,365	875 ***	4,187	3,594	593 ***	5,161	5,150	12	***
Average quarterly percentage receiving Food Stamps (%)	61.9	57.9	4.0 *	74.7	72.0	2.7 **	88.7	89.9	-1.1	
Average annual Food Stamp payments (\$)	1,427	1,201	226 ***	1,930	1,748	183 ***	2,448	2,481	-33	**
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	12,439	11,216	1,223 ***	10,705	9,457	1,248 ***	9,921	9,003	918 ***	
Tax-adjusted income estimate ^a (\$)	12,692	11,473	1,219 ***	11,119	9,743	1,376 ***	10,318	9,228	1,090 ***	
Years 3-4										
Average quarterly employment (%)	72.4	69.6	2.8	58.3	51.1	7.2 ***	45.5	32.1	13.4 ***	**
Average annual earnings (\$)	11,608	11,695	-87	7,803	6,977	827 ***	4,393	3,527	866 *	
Average quarterly percentage receiving AFDC/TFA (%)	19.4	22.9	-3.5 *	27.9	37.8	-9.8 ***	42.8	58.9	-16.1 ***	***
Average annual AFDC/TFA payments (\$)	993	1,118	-125	1,543	2,016	-473 ***	2,423	3,364	-941 ***	***
Average quarterly percentage receiving Food Stamps (%)	32.8	34.1	-1.3	47.7	50.6	-2.9 *	68.9	72.6	-3.7	
Average annual Food Stamp payments (\$)	763	731	32	1,261	1,271	-10	1,895	1,983	-88	
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	13,363	13,544	-181	10,607	10,264	344	8,712	8,875	-163	
Tax-adjusted income estimate ^a (\$)	12,806	12,955	-149	10,742	10,269	473 *	9,243	9,206	37	
Sample size	473	560		1,488	1,445		299	250		

(continued)

Table 5 (continued)

SOURCES: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

NOTES: The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Sample members in the "Most Disadvantaged" subgroup were on welfare for 22 out of 24 months, did not work in the prior year, and had no high school diploma or GED. Those in the "Least Disadvantaged" subgroup were not long-term welfare recipients, had recent prior work experience, and had a high school diploma or GED. Those in the "Moderately Disadvantaged" subgroup had some, but not all, of the accumulation risk factors.

A total of 288 sample members were excluded from the subgroup analysis because their high school diploma/GED status was unknown. A total of 30 sample members were excluded from the analysis for Years 3-4 because four full years of UI earnings data were not available for them.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

^aThis measure includes average income from earnings, AFDC/TFA, and Food Stamps; estimates of federal, state, and payroll taxes; and an estimate of the federal Earned Income Credit.

Jobs First group worked in an average quarter — an increase of 15 percentage points above the AFDC group employment rate. The earnings increase was also very large: During the first two years of follow-up, Jobs First group members earned an average of \$2,312 per year, a \$939 increase above the AFDC group average. The program did not increase cash assistance receipt during the pre-time-limit period among the most disadvantaged sample members. During the third and fourth years of the study period, the program continued to increase employment and earnings and generated large decreases in cash assistance receipt among this subgroup.

Among the least disadvantaged sample members, who were quite likely to find a job without the program (that is, the employment rate was high for the least disadvantaged AFDC group members), Jobs First had little effect on employment and no effect on earnings. The program's primary impact for this subgroup in the pre-time-limit period was to allow those who would have worked anyway to continue receiving public assistance, thereby raising their income. After sample members began reaching the time limit, Jobs First began to reduce welfare receipt for this subgroup, and therefore the program no longer increased income for this subgroup.

- **Jobs First had no consistent impact on a wide range of measures of material well-being, indicating that, overall, the program did not substantially increase or decrease levels of hardship. However, levels were high for both groups.**

Table 6 presents Jobs First's impacts on some of the many indicators of material well-being from the Three-Year Client Survey. Like most similar programs, Jobs First produced few effects on such measures. However, as shown in the table, survey responses indicate an ambiguous effect on living conditions. During the year before they were surveyed, Jobs First group respondents reported fewer neighborhood problems (such as drug dealers or users), indicating that they may have moved to better neighborhoods.

Jobs First group members also, however, were less likely to have paid the full amount of their rent or mortgage in the month before their survey interview and were more likely to have been homeless in the prior year. Although the level of homelessness in each of the research groups was low (2 percent of the AFDC group and 3 percent of the Jobs First group), the increase is of concern. Analysis (not shown) found that some of the Jobs First group members who became homeless had rather steep drops in income during the third year of follow-up. Additional analysis of case narratives for these individuals suggests that some of them may have lost income as a result of Jobs First policies, such as sanctions and the time limit.

The indicators of housing instability discussed above suggest that there may be a small group of sample members who were adversely affected by Jobs First. However, analysis for the three subgroups defined by level of disadvantage shows that none of those groups experienced clear improvements or reductions in material well-being due to Jobs First. Perhaps the people who were adversely affected are not clustered in any one subgroup, at least as defined here.

Overall, Jobs First produced few impacts in the levels of material hardship, but the rates of hardship were high for both groups of sample members. About three-fifths of each group reported that they had experienced some serious material hardships in the past year — for example,

Connecticut's Jobs First Program

Table 6

Summary of Impacts on Noneconomic Outcomes at the Three-Year Point

Measure	Jobs First Group	AFDC Group	Difference (Impact)
Average number living in household	3.5	3.4	0.1
Average number of children in household	1.8	1.8	0.0
Respondent lives with at least one other adult (%)	44.9	42.4	2.5
Respondent is currently married and living with spouse (%)	9.1	10.8	-1.6
Respondent gave birth since random assignment (%)	20.7	20.7	0.1
Respondent owns a car, van, or truck (%)	40.9	36.7	4.2 **
Average amount of respondent's savings (\$)	152	182	-31
Respondent has debt (%)	64.6	60.1	4.6 **
Respondent lives with family/friends and pays part of rent or mortgage (%)	9.9	6.4	3.5 ***
Respondent did not pay full amount of rent or mortgage in year prior to interview (%)	35.5	31.2	4.2 **
Respondent was ever homeless and living on street in year prior to interview (%)	2.6	1.5	1.1 *
Respondent has no health insurance (%)	13.9	18.4	-4.4 ***
Children have no health insurance (%)	4.0	4.6	-0.7
Respondent reported one or more neighborhood problems ^a	39.8	45.8	-6.0 ***
Respondent reported food insecurity with hunger ^b (%)	21.6	21.8	0.0
Sample size (total = 2,424)	1,249	1,175	

SOURCE: MDRC calculations from the Three-Year Client Survey data.

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

Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aNeighborhood problems include the following: unemployment; drug users or pushers; crime, assault, or burglaries; run-down buildings and yards; and noise, odors, or heavy traffic.

^bThe six-item Food Security Scale recommended by the U. S. Department of Agriculture was used to measure food security. The items in the scale include questions about food consumed and the kind of things people resort to when money allocated for food is exhausted. The scale ranges from 1 to 6; two or more affirmatives indicate food insecurity, and five or more affirmatives indicate food insecurity with hunger.

having their telephone disconnected, using a food bank or soup kitchen, or living in a neighborhood with such problems as unemployment and drug users and pushers (not shown on a table).

- **Jobs First significantly increased health care coverage for adults.**

Jobs First group members were somewhat more likely than AFDC group members to be covered by health insurance at the three-year point. This is likely attributable to the additional year of transitional Medicaid coverage available in Jobs First (the Jobs First group was *less* likely to be covered by private health insurance). The program did not, however, affect the proportion of children covered by health insurance: Most children in both research groups had health care coverage. (Connecticut, like most other states, offers coverage to children more broadly than to adults.)

- **Jobs First did not affect marital status or childbearing.**

Table 6 presents a few of the indicators of marital status and childbearing from the Three-Year Client Survey. As noted earlier, Jobs First included a partial family cap; that is, when a recipient gave birth to a child who was conceived while she was receiving welfare, her cash assistance grant was increased by only about half as much as it would have been under prior rules. Survey results indicate that Jobs First did not affect the proportion of women who gave birth during the follow-up period, but it is impossible to conclude with certainty that the cap itself did not. The partial family cap was one of many components of the Jobs First program, and it was not a central part of the program message.

D. Jobs First Impacts on Outcomes for Children and Families

The Three-Year Client Survey asked parents some questions about recent child care arrangements, school achievement, and police involvement for each of their children. In addition, respondents who had at least one child between 5 and 12 years old at the time of the survey answered a set of detailed questions about child care use, father's involvement, parenting, school performance, and other outcomes for one "focal" child in that age range.¹³ Teachers were also surveyed about a subsample of focal children's academic performance and behavior in school. Key findings for children and families include:

- **Jobs First increased the use of child care for children of all ages.**

Table 7 shows the current child care arrangements, at the time the Three-Year Client Survey was administered, for all children ages 0 to 4, 5 to 12, and 13 to 17. The table shows that Jobs First increased the percentage of children in each age group who were in child care (owing to the increases in employment). It is unusual for a program like Jobs First to affect child care use for older children, given their limited needs for care; however, the impact for 13- to 17-year-olds is concentrated in arrangements involving relative care. Jobs First group members were more likely to be living with their *own* parents; perhaps survey respondents considered their children in "child care"

¹³To be eligible for the more detailed study, a family had to have at least one child between the ages of 2 and 9 at the time of random assignment (who would be between 5 and 12 at the time of the survey interview). For families with only one child in this age range, that child was the "focal" child; for families with more than one child in that age range, one of those children was selected randomly to be the focal child.

Connecticut's Jobs First Program

Table 7

Summary of Impacts on Child Care at the Three-Year Point, by Child Age at the Time of Interview

Outcome	Ages 0-4			Ages 5-12			Ages 13-17		
	Jobs First Group	AFDC Group	Difference (Impact)	Jobs First Group	AFDC Group	Difference (Impact)	Jobs First Group	AFDC Group	Difference (Impact)
Currently in child care (%)	66.1	57.5	8.6 ***	55.0	45.1	9.9 ***	15.7	8.2	7.5 ***
Informal care	56.0	49.1	6.9 **	50.3	41.7	8.6 ***	15.1	8.0	7.1 ***
Relative care	45.3	41.2	4.2	43.5	35.3	8.2 ***	13.8	6.8	7.0 ***
Nonrelative care	13.3	10.6	2.7	10.2	8.3	1.9	1.4	1.4	0.0
Formal care ^a	16.8	12.7	4.1 **	8.3	4.6	3.7 ***	0.7	0.1	0.6
Hours in child care in a typical week (%)									
0 hours	32.7	40.3	-7.6 ***	42.6	52.0	-9.5 ***	84.7	91.7	-7.0 ***
Less than 20 hours	10.6	12.9	-2.3	26.8	20.0	6.8 ***	7.9	4.0	3.9 **
20 or more hours	56.7	46.8	9.9 ***	30.7	28.0	2.7	7.3	4.3	3.0 *
Sample size (total = 4,969)	616	588	1,204	1,356	1,339	2,695	578	492	1,070

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

NOTES: A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aFormal care includes center or group care, summer daycare, and extended day programs.

when they came home from school and were supervised by relatives in the home, such as grandparents. Table 7 also shows that Jobs First increased the number of hours that children in each age group spent in child care. A more detailed analysis of the 5- to 12-year-old focal children (not shown) shows some indication, based on parents' perceptions, that Jobs First increased the use of high-quality, stable child care.

Jobs First increased the proportion of all families who received child care subsidies from the state and also increased the number of months of subsidy receipt (results not shown). Among parents using child care at the time of the Three-Year Client Survey, Jobs First parents were slightly more likely than AFDC parents to be receiving subsidies; more than one-third of Jobs First parents with a child in care were receiving a subsidy.

- **Jobs First had few effects across a range of indicators of children's home environment, family functioning, and parenting practices, but the effects found were generally positive.**

Ratings of children's home environment, parental well-being, and parenting were generally similar for the Jobs First and AFDC groups, except that parents in Jobs First reported having more cognitively stimulating learning materials available to their children in their homes and being less harsh toward their children. Jobs First had virtually no effect on children's involvement with their noncustodial biological fathers.

- **Jobs First had no effect on performance in school among elementary school children, but it had small positive effects on their behavior. These positive effects were concentrated among the younger children.**

Table 8 summarizes Jobs First's impacts on school outcomes and behavior. Compared with 5- to 12-year-old children in the AFDC group, children in Jobs First were rated by their parents (but not their teachers) as exhibiting fewer behavioral problems (such as aggression toward other children and depression) and more positive behaviors (such as helping and cooperating with peers). (See Table 8 for more detail about such measures.) These positive effects were concentrated among the younger elementary school children (who were 2 to 5 years old at random assignment and 5 to 8 years old at the time of the survey). Neither parents nor teachers reported any differences between the groups in children's performance or engagement in school.

- **Jobs First had mixed effects for adolescents: It negatively affected their school performance but also reduced their involvement with the police.**

As shown in Table 8, parents reported that adolescents in the Jobs First group (who were between ages 13 and 17 at the time of the survey interview) had lower school achievement than adolescents in the AFDC group and were more likely to be performing below average, compared with their peers, in school. They were no more likely, however, to have been in special education or to have been suspended, according to their parents. Parents in the Jobs First group also reported that their adolescent children were less likely to have been convicted of a crime during the follow-up period.

Connecticut's Jobs First Program

Table 8

Summary of Impacts on Child Outcomes at the Three-Year Point, by Child Age at the Time of Interview

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
Focal children, ages 5-12				
<u>School outcomes</u>				
Average achievement ^a	4.2	4.2	0.0	-0.3
Below average (%)	4.9	6.2	-1.4	-22.1
Since random assignment, child:				
Ever in special education (%)	15.3	14.0	1.2	8.9
Ever suspended (%)	7.8	9.1	-1.2	-13.5
<u>Behavior</u>				
Behavioral Problems Index total score ^b	8.3	9.2	-0.9 **	-9.4
Positive Behavior Scale total score ^c	61.9	60.8	1.0 *	1.7
Sample size (total = 1,469)	748	721		
Adolescents, ages 13-17				
<u>School outcomes</u>				
Average achievement ^a	3.7	3.9	-0.3 ***	-6.6
Below average (%)	12.7	7.9	4.8 **	60.5
Since random assignment, child:				
Ever in special education (%)	19.7	15.5	4.2	27.0
Ever suspended (%)	27.3	27.4	-0.1	-0.4
<u>Behavior</u>				
Ever arrested (%)	8.9	11.9	-3.0	-25.4
Ever found guilty (%)	4.2	8.1	-3.9 **	-48.0
Sample size (total = 1,070)	578	492		

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

NOTES: A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aMothers were asked to rate their child's overall performance in school from 1 (doing "not well at all") to 5 (doing "very well").

^bMothers responded to 28 items designed to assess problem behavior of the focal child, including items such as "My child is disobedient at home" and "My child is too fearful or anxious." Responses varied from 0 ("not true") to 2 ("often true"). A score was created by summing responses to all 28 items.

^cMothers were asked a series of questions designed to measure positive aspects of the focal child's behavior. This seven-item scale includes items such as "My child is helpful and cooperative" and "My child is warm and loving," and responses ranged from 0 ("not at all like my child") to 10 ("completely like my child"). A total score was created as the sum of responses to the seven items.

- **Generally, Jobs First produced similar effects on children and families across the three subgroups defined by level of disadvantage but produced larger increases in child care use among the most disadvantaged subgroup.**

As discussed earlier, Jobs First's employment increases were concentrated among sample members who were long-term welfare recipients with no recent work history or high school diploma. Corresponding to this employment increase, Jobs First increased use of child care more for this subgroup than for the others.

E. Financial Costs and Benefits of Jobs First

- **The net cost of employment services and related support services in Jobs First — that is, the cost over and above what was spent on the AFDC program — was only about \$2,250 per person over five years; this is relatively low, compared with similar programs that have been studied.**

MDRC estimated the costs of providing employment services (such as job search classes and education and training) and related support services (such as child care and transportation assistance) to sample members, as well as the cost of the Safety Net program. Costs as well as benefits were projected to five full years. The gross cost per Jobs First group member for these services was about \$8,050 over five years; the gross cost per AFDC group member for the corresponding services (excluding Safety Net) was about \$5,800, yielding a difference of \$2,250.¹⁴ Jobs First's employment services were relatively inexpensive, which is not surprising, given that most participants attended short-term job search activities. The support service cost, however, was quite high compared with other programs; many of the dollars spent were for child care subsidies for Jobs First group members who were working (both while on cash assistance and off it).

- **Over five years, Jobs First participants' gains exceeded program costs.**

As noted, the government spent a net of about \$2,250 per person on Jobs First employment and support services. At the five-year point, the government also had paid about \$300 more per person in Food Stamps, about \$1,200 more in Medicaid benefits, and \$100 more to administer these benefits. The government also lost about \$350 in tax payments, because the Jobs First group paid less overall in income tax because of the EIC's tax reductions and refunds for low-income workers. Over five years, the Jobs First and AFDC groups received about the same amount in cash assistance, so there were no welfare savings to offset these expenditures. In sum, relative to the AFDC program, Jobs First cost the government about \$4,150 per person over five years.

The government's investment generated substantial gains for participants in both income and services. Jobs First group members gained income from increased earnings and Food Stamp payments and lower tax payments. They also received more child care assistance, Medicaid benefits, and employment-related fringe benefits. Adding the estimated dollar value of the services to the income increases shows that Jobs First group members gained about \$5,700 per person. The net gain per person was about \$1.30 for every net dollar invested in the program.

¹⁴Figures in this section do not sum precisely because they have been rounded to the nearest \$50 increment.

Among long-term welfare recipients with no recent work history and no high school diploma, the net gain per Jobs First group member in income and services was approximately \$7.00 for every net dollar the government spent on the program. Among the most job-ready sample members (the least disadvantaged subgroup) the net gain per person was only about \$0.85 for each net dollar invested.

III. Conclusions and Policy Implications

The Jobs First evaluation provides some of the first information on the implementation and impacts of a welfare reform strategy that included a time limit on benefit receipt. Judged against its own goals — reducing cash assistance receipt and increasing employment — Jobs First was reasonably successful. It increased employment levels throughout the period studied, and after people began reaching the time limit, it decreased cash assistance receipt. As a result, the program increased the proportion of people who worked and did not receive welfare. Jobs First also modestly increased participants' income, although this was not an explicit program goal. Further, Jobs First had no consistent impact on overall material hardship, and it produced some small positive effects for children. Some observers, however, hope that programs like Jobs First will substantially improve families' well-being even if such an effect is not an explicit policy goal. Jobs First did not do this; absolute levels of hardship were high for families both in Jobs First and in the AFDC program.

When drawing conclusions about welfare policy based on the Jobs First evaluation, it is important to remember that the program is an unusual hybrid and was implemented in a specific manner. First, Jobs First has one of the shortest time limits in the nation, but, during study period, those who had very low income when they reached the limit typically received benefit extensions. Second, the program includes an unusually generous earned income disregard, which allowed many working parents in the study to retain their entire welfare grant, at least temporarily. Third, Jobs First provides employment-services to help people find jobs, but the program was not implemented very intensively. It only modestly increased participation in employment-related activities beyond that of the AFDC group levels, and sanctioning rates were low. Finally, Jobs First was implemented in a unique context: The evaluation period was characterized by an unusually strong economy and by publicized changes in state and national welfare policy.

That said, the results of the Jobs First evaluation provide some lessons relevant to the current environment:

A. Implementing Time Limits

Federal law gives states substantial flexibility in designing and implementing welfare time-limit policies. In operating Jobs First, Connecticut chose to impose a very short limit but coupled it with generous extension provisions. Generally, during the study period, the state granted benefit extensions to recipients with low income who had been deemed to have followed program rules; most people whose grants were closed because of the time limit were working. Thus, Jobs First provides an example of a “softly implemented” time limit, or, said another way, a time limit with substantial safeguards built in.

It is important to emphasize, however, that states are not prohibited from using federal TANF funds to support families who exceed time limits of fewer than 60 months. Thus, extending benefits prior to the 60-month point has less dramatic fiscal consequences for states. Recent changes in Connecticut's policy suggest that its 60-month limit will be implemented more firmly, with few families receiving benefits beyond 60 months. This may foreshadow how other states will respond to the 60-month limit on federal block grant funds.

By the end of the four-year study period, about one-fifth (19 percent) of the Jobs First group were receiving cash assistance. This is lower than the percentage of the AFDC group receiving assistance (about 28 percent), but some may wonder, given the program's 21-month time limit, why any Jobs First group members are still on the rolls. The explanation mainly lies in the program's exemption and extension policies. First, Jobs First allowed some recipients to be exempted from the time limit (those with children under age 1 and those with serious medical problems); many individuals who received exemptions never even reached the time limit during the study. Second, as discussed, many recipients who did reach the time limit received benefit extensions.

B. The Impact of Benefit Termination

Jobs First shows that it is possible to operate a program with a time limit on welfare and to close many cases because of the limit without causing widespread harm to participants and their children, at least in the short term. In fact, on average, families in the Jobs First group were a little better off as a result of the program. However, two key facets of Jobs First must be emphasized. First, as noted above, many families with very low income received extensions during the study period and thus continued to receive financial support. Without that support, these very low-income families might have experienced additional hardships. Not all states have such generous extension rules. Second, the Jobs First time limit was coupled with an uncommonly generous financial incentive that substantially increased participants' income during the pre-time-limit period. Furthermore, during the study period, the economy was very strong; it is not clear how program participants would have fared in an economy with higher unemployment rates and fewer job opportunities.

C. The Interaction of Time Limits and Earnings Disregards

Like Connecticut, most states have imposed time limits while simultaneously expanding earnings disregards. Connecticut's generous work incentive initially increased recipients' income and the state's welfare spending. Because of the time limit, the increases were temporary; the cases of many working parents were closed on reaching the time limit. Connecticut's approach increased income and made families a little better off without increasing overall welfare payments. Nonetheless, Jobs First did not substantially improve the well-being of participants' children — as have other programs, in which generous incentives but no time limit have produced sustained income increases.¹⁵

¹⁵See Lisa Gennetian, and Cynthia Miller, *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program Volume 2: Effects on Children* (New York: MDRC, 2000); and Pamela Morris

(continued)

Studies have shown that earnings disregards, when combined with employment-related mandates, can raise employment and income. Jobs First's disregard is certainly at least partly responsible for the program group's income increase. But the earnings disregard also caused Jobs First recipients to use up their months of benefits faster, because they remained on welfare when they otherwise would have become ineligible. The combination of these policies complicates the program message: It is difficult to urge recipients both to leave welfare quickly in order to save their limited months of benefits and also to take advantage of an earnings disregard by combining welfare and work.

Jobs First also shows that these two policies can interact in different ways for different groups of people. For the most disadvantaged sample members, who were unlikely to work on their own (as indicated by the AFDC group employment levels), the program substantially increased employment and earnings throughout the four years studied. It also increased their income and, after the time limit, substantially reduced welfare receipt. For the more job-ready recipients, however, who were quite likely to work on their own, Jobs First had no effect on employment or earnings; but because the earnings disregard allowed many of those who worked to continue receiving welfare benefits, the program substantially increased income (and welfare spending) in the pre-time-limit period. This suggests that it may be more efficient to target financial incentives to those who are less likely to work on their own.

D. Effects on Children

Recent research on welfare policies has found that programs requiring parents to work that increase employment but not income have few effects on elementary-school-age children. However, programs that increase both employment and income (by supplementing earnings) over a two- or three-year period have positive effects for children. Jobs First increased families' income during the early part of the follow-up period, but the gains did not continue to accrue. Not surprisingly, then, Jobs First's effects on children fell in between the two extremes: By the end of three years, the program had made elementary school children (5- to 12-year-olds) slightly better off. Perhaps income gains need to be sustained in order to benefit children substantially.

Some observers have expressed concern that a time-limited welfare program might increase stress or depression for parents and thus potentially affect children negatively, but there is no evidence of this in Jobs First. Another study of a welfare program with a time limit, conducted in Florida, found few effects for children.¹⁶ It is reassuring that two programs with time limits on welfare benefits have been found not to harm elementary school children, at least in the short term.

Some previously studied welfare and employment programs have been found to produce negative effects on adolescents.¹⁷ Overall, Jobs First had mixed effects for adolescents. Like

and Charles Michalopoulos, *The Self-Sufficiency Project at 36 Months: Effects on Children of a Program That Increased Parental Employment and Income* (Ottawa: Social Research and Demonstration Corporation, 2000).

¹⁶Dan Bloom, James J. Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, and Richard Hendra, *The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program* (New York: MDRC, 2000).

¹⁷Lisa Gennetian, Greg Duncan, Virginia Knox, Wanda Vargas, and Elizabeth Clark-Kauffman, *How Welfare and Work Policies Affect Adolescents: Key Findings from a Synthesis of Eight Experimental Studies*, Working Paper (New York: MDRC, forthcoming).

other programs studied, Jobs First decreased adolescents' academic achievement; unlike other programs, it decreased their involvement with the police. Explanations of the negative effects found in earlier studies have centered on the lack of supervision when adolescents' single parents go to work. Interestingly, in contrast, Jobs First increased the use of child care for adolescents, especially by relatives, making it less likely that adolescents were left unsupervised in the afternoon, after school. While informal child care arrangements may not provide all the benefits of structured arrangements for adolescents, they may help prevent teenagers from interacting with peers who may engage in delinquent behavior.

E. Welfare-to-Work Strategies

Welfare and employment programs have adopted various strategies to assist welfare recipients. Jobs First's primary goal was to move welfare recipients into jobs quickly and replace welfare with work. To this end, the program emphasized short-term job search activities, rather than education and training (which is typically more expensive). Also, owing to a combination of factors — including the time limit, the enhanced earned income disregard, and the strong economy — Jobs First planners anticipated that many participants would find jobs on their own. Thus, they designed the program so that intensive contact between staff and recipients occurred only after a recipient was unable to find a job, which allowed staff to carry large caseloads.

The Jobs First model succeeded in increasing employment, earnings, and income without investing a lot of resources in either employment-related activities or case management. Yet the program provided considerable support services in the form of child care assistance and Medicaid, especially for working parents.

F. Supports for Working Families

Most families in the Jobs First group were working but still struggling at the end of the study. As noted, overall, Jobs First did not increase hardship, but the outcome levels for both research groups highlight the importance of additional supports for low-income working families, particularly if such families will be expected to stay off welfare for long periods.

Chapter 1

Introduction

This is the final report in a large-scale evaluation of Connecticut's Jobs First program, a statewide welfare reform initiative that began operating in January 1996. Connecticut was one of the first states to impose a statewide time limit on welfare receipt: Under Jobs First, families are limited to 21 months of cash assistance unless they are granted an exemption or an extension.¹ The program also includes generous financial work incentives and requires recipients to participate in employment-related services targeted toward quick job placement. Jobs First was initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law, but the program includes all the features that form the core of most states' current welfare programs. Thus, the Jobs First evaluation is one of the first rigorous assessments of a statewide program that incorporates the key welfare reforms of the 1990s.

The evaluation, which began in 1996, was conducted by the Manpower Demonstration Research Corporation (MDRC) under a contract with the Connecticut Department of Social Services (DSS) — the agency that administers Jobs First — and with support from the U.S. Department of Health and Human Services (HHS), the Ford Foundation, the Smith Richardson Foundation, and other funders listed at the front of the report. MDRC is a nonprofit, nonpartisan organization with a quarter-century's experience designing and evaluating programs and policies for low-income individuals, families, and communities.

The Jobs First evaluation focused on two of Connecticut's welfare offices, Manchester and New Haven, and used an unusually rigorous research design to provide reliable evidence about Jobs First's *impacts* — that is, the difference that Jobs First has made relative to the outcomes generated by the welfare system that preceded it. To facilitate this assessment, between January 1996 and February 1997, several thousand welfare applicants and recipients were assigned, at random, to one of two groups: the *Jobs First group*, whose members were subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members remained subject to the prior welfare rules. Because people were assigned to the groups through a random process, there were no systematic differences between the groups' members when people entered the study. Also, the two groups experienced the same general economic and social conditions during the study period. Thus, any differences that emerged between the two groups over time — for example, in employment rates or family income — can reliably be attributed to Jobs First.

The evaluation followed the two groups for four years, far beyond the point when members of the Jobs First group began reaching the time limit. The study also collected detailed information about Jobs First's impacts on participants' children, and it includes an analysis comparing the financial benefits and costs of Jobs First for participants and for the government budget.

¹Several important changes to the Jobs First time-limit policy took effect in October 2001. Because these changes occurred after the follow-up period for the evaluation ended, this report does not assess their effects. The new policies are discussed further below.

I. The Policy Context of Jobs First

Time limits are among the most dramatic and controversial features of the 1990s welfare reforms. The concept of limits first emerged in the 1992 presidential campaign, when candidate Bill Clinton promised to “end welfare as we know it” by placing a two-year limit on welfare benefits and, after that point, providing subsidized jobs to recipients who could not find employment.

Although President Clinton’s plan was not passed by Congress, it helped to spur a flurry of welfare reform activity in the states. By mid-1996, HHS had granted waivers to more than 40 states, allowing them to make a wide variety of changes in AFDC rules. More than 30 states were granted waivers to impose some form of time limit in at least part of the state. Then, in August 1996, Congress passed and the president signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The law abolished AFDC, created the Temporary Assistance for Needy Families (TANF) block grant, and prohibited states from using federal TANF funds to support most families for more than 60 cumulative months (although states may exempt up to 20 percent of the caseload from this provision). States are free to establish time limits of fewer than 60 months and also may use state funds to support families who pass the federal 60-month limit and exceed the cap on exemptions.

As of late 2001, 17 states had imposed time limits that could result in cancellation of a family’s entire welfare grant after fewer than 60 months of assistance, and only six of these states had imposed *lifetime* time limits of fewer than 60 months.² Connecticut’s 21-month limit is the shortest of these. Twenty-six states have imposed a 60-month time limit, and another eight states (including California and Michigan) either have no time limit or a time limit that will reduce, rather than eliminate, families’ benefits.

Because families did not begin to reach the federal 60-month time limit until fall 2001, as of this writing, substantial numbers of families had reached time limits in only a few states.³ One analysis estimated that, as of early 2001, about 85,000 families nationwide had had their welfare benefits canceled owing to a time limit, and nearly half of them were in Connecticut (although, as discussed below, most of these families in Connecticut were already employed when they reached the time limit).⁴ The experiences of states with short time limits may provide some hints as to what will happen when larger numbers of families begin to reach the federal limit, although it is important to note that states are not prohibited from using federal funds to support families

²The states with lifetime limits of fewer than 60 months are Connecticut (21 months), Arkansas (24 months), Idaho (24 months), Utah (36 months), Florida (48 months), and Georgia (48 months). Other states have “fixed-period” time limits of fewer than 60 months — for example, a limit of 24 months within any 60-month period. This discussion does not include “reduction” time limits, which reduce but do not eliminate a family’s welfare grant at the time limit. (Based on data from the State Policy Documentation Project, administered by the Center on Budget and Policy Priorities and the Center on Law and Social Policy [www.spdp.org].)

³The federal 60-month clock began when each state implemented its TANF program. States implemented TANF between October 1996 and July 1997.

⁴Based on unpublished data from the Center on Budget and Policy Priorities (CBPP). The Connecticut figures were given to CBPP by DSS, but they do not represent an unduplicated count (that is, some families may have had more than one time-limit-related case closure). Also, the data reflect closure events, not the net number closed each month; as such, they may overstate net closures.

who exceed time limits of fewer than 60 months. Indeed, a number of states have been fairly liberal in granting extensions to the shorter limits.

Several states, including Connecticut, have conducted surveys of families whose benefits were canceled owing to time limits. In general, these surveys, which were conducted 6 to 18 months after benefit termination, have found that many of the respondents were struggling financially but were not necessarily worse off than families who left welfare on their own. Few families appear to be experiencing the most severe hardships, such as homelessness, although it is too soon to draw any final conclusions.⁵

The nature of the federal 60-month time limit will likely be a key topic in the debate over the reauthorization of PRWORA in 2002. Some will likely argue that the 20 percent exemption should be increased or replaced with specific criteria (for example, exemptions for recipients who have medical problems or are caring for disabled children). Others will contend that the federal time limit should not apply to months in which the household head works. Supporters of the current policy are likely to maintain that there is insufficient evidence of a problem at this point to justify changing the policy.

As the federal time limit approached, it triggered some changes in Connecticut's time-limit policy. In mid-2001, the legislature enacted new provisions that limit the circumstances under which recipients can be granted more than three 6-month extensions to the 21-month time limit and also imposed a new 60-month time limit.⁶ Because these changes occurred after the follow-up period for the evaluation, they are not reflected in the study results.

Although Connecticut's time limit is unusually short, in other respects Connecticut's welfare policies are unusually generous. Most important, Jobs First includes a financial work incentive that is both liberal and distinctive in its design: *All* earned income is disregarded — that is, not counted — when calculating recipients' monthly welfare grants as long as their earnings are below the federal poverty level. This means that most recipients who find a job can continue receiving their entire welfare grant. Although most states have earned income disregards, few policies, if any, are as generous as Connecticut's.

⁵See Pavetti and Bloom (2001) for a discussion of post-time-limit surveys conducted in Connecticut, Florida, Massachusetts, North Carolina, South Carolina, and Virginia.

⁶The only exception to the state's new 60-month time limit is for victims of domestic violence (although individuals who are exempt from the 21-month time limit are also exempt from the 60-month limit). In addition, effective October 1, 2001, DSS may not grant more than three extensions to the 21-month time limit except for cases in which all adults meet one of more of the following criteria: the adult is precluded from employment activities due to domestic violence or another reason beyond control; the adult has two or more substantiated barriers to employment (for example, substance abuse or addiction, severe mental or physical health problems, or lack of available child care); the adult is working 35 hours per week but earning below the payment standard; the adult is employed but working fewer than 35 hours per week due to a documented medical condition or the need to care for a disabled household member.

II. The Jobs First Program Model

Jobs First replaced Connecticut's AFDC program with Temporary Family Assistance (TFA). Materials produced by the Department of Social Services in 1996 state that Jobs First was intended to "begin a transformation of [Connecticut's] welfare program from a system of dependency to one of personal responsibility and self-support. . . . [The] underlying philosophy is that employment, whether full time or part time, high skilled or low, offers clients the dignity that no AFDC check can."

Table 1.1 describes the key features of Jobs First, along with the corresponding AFDC policies. The Jobs First column reflects the policies in place in early 2001, when the study period ended. The key features of Jobs First are:

- **A time limit.** Jobs First limits families to a cumulative total of 21 months of cash assistance receipt. Certain families, such as those in which the parent is incapacitated, are exempt from the time limit. (As long as the exemption applies, months of benefit receipt do not count toward the time limit.) In addition, during the study period, recipients could receive renewable six-month extensions of the time limit under certain circumstances.
- **An enhanced earned income disregard.** To encourage and reward work, all earned income is disregarded — that is, not counted — when calculating recipients' cash grants (and Food Stamp benefits) as long as their earned income is below the federal poverty level. (Unearned income, such as child support, is counted against the grant.) In other words, working families may keep their entire welfare grant, in addition to their earnings, as long as their earnings are below the poverty level. Recipients become ineligible for cash assistance if their earnings are at or above the poverty level.
- **Mandatory "work first" employment services.** Jobs First recipients are required to participate in employment services targeted toward quick job placement.

Jobs First policies also called for other changes in traditional welfare rules. For example, the program imposed a partial "family cap": When a recipient gives birth to a child who was conceived while she was receiving welfare, her benefits are increased by about half as much as they would have been under prior rules. In addition, Jobs First participants receive two years of transitional Medicaid coverage after leaving welfare while employed (as opposed to one year of coverage provided under prior law).⁷

Finally, under Jobs First, all child support collected on behalf of children receiving assistance is given directly to the custodial parent, and all but the first \$100 collected per month is

⁷The 1996 welfare law "delinked" Medicaid eligibility from welfare eligibility. Now states must provide Medicaid coverage to families who meet the AFDC eligibility criteria in place in July 1996. Because Connecticut's welfare rules at the time included the poverty-level earnings disregard, this disregard also applies to Medicaid eligibility for both the Jobs First and the AFDC groups. If earnings rise above the poverty line, making a family ineligible for Medicaid under this rule, the two-year transition period (one year, for the AFDC group) begins.

Connecticut's Jobs First Program

Table 1.1

Comparison of Jobs First and AFDC Policies During the Study Period

Characteristic	Jobs First Policy	AFDC Policy
Time limit	21 months, with possibility of extensions	None
Benefit increase for children conceived while mother receives welfare	\$50 per month	Approximately \$100 per month
Earned income disregard for cash assistance	All earned income disregarded (not counted) in calculating recipient's grants as long as earnings are below federal poverty level	First 4 months of work: \$120 plus 33 percent of earnings disregarded; months 4-12: \$120 disregarded; after month 12: \$90 disregarded; fill-the-gap budgeting
Earned income disregard for Food Stamps	Federal poverty level disregard while family receives cash assistance	20 percent of gross earnings disregarded, in accordance with regular Food Stamp rules
Cash assistance eligibility for two-parent families	Similar nonfinancial eligibility rules for single- and two-parent families	Two-parent families subject to special nonfinancial eligibility criteria (e.g., that principal wage-earner work fewer than 100 hours per month)
Asset limit for cash assistance eligibility ^a	\$3,000	\$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility ^a	Up to \$9,500 in equity value of one vehicle excluded	Up to \$1,500 in equity value of one vehicle excluded
Medical assistance for families leaving welfare for work	Two years of transitional Medicaid; coverage beyond that point depends on eligibility for other programs	One year of transitional Medicaid; coverage beyond that point depends on eligibility for other programs
Child care assistance for families leaving welfare for work	Assistance provided as long as income is below 75 percent of state median	One year of transitional child care; assistance beyond that point depends on eligibility for other programs
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for child under age 1 who was not conceived while mother received welfare	Parent exempt if caring for child under age 2
Child support rules	All child support passed through to custodial parent; first \$100 a month disregarded in grant calculation	First \$50 in child support passed through to custodial parent and disregarded in grant calculation
Sanctions for failure to comply with employment-related mandates	1 st instance: grant reduced by 20 percent for 3 months; 2 nd instance: grant reduced by 35 percent for 3 months; 3 rd instance: grant canceled for 3 months	1 st instance: adult removed from grant until compliance; 2 nd instance: adult removed from grant for at least 3 months; 3 rd instance: adult removed from grant for at least 6 months

SOURCE: Connecticut Department of Social Services policy materials.

NOTES: This table reflects Jobs First policies in early 2001, when the study period ended.

^aBecause cash assistance recipients are categorically eligible for Food Stamps, these asset rules effectively apply to Food Stamp eligibility while a family receives Temporary Family Assistance (TFA).

counted as income in determining the TFA grant amount. Under prior rules, which applied to the AFDC group, recipients received only the first \$50 in child support that was collected each month, and the state retained the rest as reimbursement for the welfare grant; thus, recipients may not have known how much support had been paid. These changes were designed to make it easier for recipients to see how much support is collected for their children and to provide a greater financial incentive to cooperate with child support enforcement efforts. Electronic Benefit Transfer (EBT) replaced check issuance in 1997, making the support component less visible, although parents who receive child support payments do receive a notice each month telling them the amount of such payments.

In addition to these rule changes, the state reduced basic cash assistance benefit levels by 6.5 percent when it implemented Jobs First. This grant reduction occurred in July 1995 and thus applied to both research groups.

The three main features of Jobs First are discussed in more detail below.

A. The Time Limit

The basic design of the Jobs First time limit is straightforward: Subject to exceptions (noted below), each full month that a family receives cash assistance after entering the program counts toward the 21-month limit. (Months of assistance that the family may have received before entering Jobs First do not count.)⁸ Once the 21-month limit is reached, the family's cash grant is discontinued unless an extension is granted; eligibility for Food Stamps and Medicaid is not directly affected by the time limit.

The time-limit policy includes two types of exceptions:

- **Exemptions.** Families in which all adults are exempt from mandatory participation in employment-related activities are also exempt from the time limit;⁹ months of assistance received while an exemption applies do not count toward the limit. Exemptions, which are often temporary, may be granted at any point after families enter Jobs First. The percentage of the statewide TFA caseload exempt from the time limit increased from about 26 percent in the spring of 1998 to 49 percent in March 2001.¹⁰
- **Extensions.** Recipients who reach the time limit may receive six-month extensions of their benefits if they have made a good-faith effort to find em-

⁸The time-limit clock starts with the first full month of benefit receipt following enrollment.

⁹An adult recipient is exempt from mandatory participation if she or he is age 60 or over; caring for a child under age 1, if the child was not conceived while the parent was receiving welfare; incapacitated or caring full time for an incapacitated household member; pregnant or postpartum if a physician determines that she is unable to work; a caretaker relative who is not included in the welfare grant; or unemployable. (Recipients are considered to be unemployable if they are age 40 or over, unemployed, have not completed grade 6, and have not worked for more than six consecutive months in the past five years.) Exemptions for unemployability are not determined until the participant has received benefits for 20 months.

¹⁰The percentage of cases exempt from the time limit has grown as the overall TFA caseload has declined and nonexempt cases have left the rolls in large numbers. In March 2001, about 60 percent of the exempt cases were child-only cases. Another 23 percent were exempt because the recipient was caring for a child under age 1.

ployment but have family income below the welfare payment standard (the maximum monthly grant for their family size).¹¹ (Table 1.2 shows the payment standard for three family sizes.) This type of extension may be granted when a recipient first reaches the time limit, at the end of an extension period, or when a recipient is initially denied an extension but later experiences an involuntary drop in income and seeks to return to TFA. Extensions can also be granted if there are circumstances beyond recipients' control that prevent them from working (even if they have not made a good-faith effort to find employment).¹² During the study period, there was no limit on the number of extensions families could receive. As discussed in Chapter 3, a substantial number of recipients have received at least one extension. As of March 2001, about 20 percent of the statewide TFA caseload (and nearly 40 percent of the cases subject to the time limit) were in an extension. About 8 percent of the state caseload was in a fourth (or higher) extension.

Connecticut's Jobs First Program

Table 1.2

Temporary Family Assistance (TFA) Payment Standard and Federal Poverty Level, by Family Size (1998)

Monthly Income Level	Family Unit Size		
	2	3	4
TFA payment standard	\$443	\$543	\$639
Federal poverty level	\$905	\$1,138	\$1,371

SOURCES: TFA payment standard information from Connecticut Department of Social Services; federal poverty level from 1998 U.S. Department of Health and Human Services poverty guidelines.

NOTES: These payment standards apply in both Manchester and New Haven. The standards differ in some other areas of the state.

The monthly federal poverty level for the year 2000 were as follows: for a family of two persons, the amount was \$938; for a family of three persons, the amount was \$1,180; and for a family of four persons, the federal poverty amount was \$1,421.

¹¹A \$90 work expense allowance is disregarded for each working person in calculating the monthly income of families reaching the time limit.

¹²“Circumstances beyond one’s control” are defined as “events that happen to the family which are of such magnitude that they reasonably prevent a mandatory recipient from working or working more hours when an extension is requested. Events include, but are not limited to: prolonged illness, disaster such as flood or fire, loss of housing, and domestic violence.”

Specific services are targeted to families whose cases are closed when the time limit is reached. Recipients whose cases are closed and whose income is above the payment standard may receive up to one year of rental assistance.¹³ Families whose income is *below* the payment standard but whose cases are closed (because it is determined that the parent did not make a good-faith effort to find employment) are eligible for Safety Net services: Nonprofit organizations have been contracted to help these families find employment and to link them with existing community services to prevent harm to children; if community resources are not available, the contracted agencies may provide vouchers to help the family pay for food, clothing, or shelter. The Safety Net program is discussed further in Chapter 3.

B. The Enhanced Earned Income Disregard

The Jobs First earned income disregard may be the most generous policy of its type implemented in any state. Table 1.2 shows the federal poverty level for three family sizes for 1998, about midway through the study period. As the table indicates, a single parent with two children could earn up to \$1,137 per month (one dollar below the poverty level) without losing any of her cash assistance or Food Stamps (assuming she had no other income). Figure 1.1 shows how many hours per week this parent could work at various hourly wage rates without losing her grant. For example, it shows that a parent who earned \$6.25 per hour could work 40 hours per week and have all of her earnings disregarded.¹⁴

Figure 1.2 illustrates how the disregard affects working recipients' total income in two ways, again focusing on rules in effect in 1998. First, it compares working recipients' total income under Jobs First with their income under the rules that apply to the AFDC group. For example, a parent with two children who works 20 hours per week at \$6.25 per hour has dramatically higher total income — \$364 more per month — under Jobs First than under AFDC. A parent who works 40 hours per week at the same wage has \$688 more in total monthly income than under AFDC. (This difference is particularly significant because the AFDC group is subject to “fill-the-gap” budgeting rules, which provide a stronger work incentive than the standard AFDC rules that were in place in most other states.)¹⁵

Second, Figure 1.2 shows that parents have much more income if they work than if they do not work. As shown in the figure, a nonworking parent with two children would receive \$790 per month in combined TFA and Food Stamp benefits. If she worked 20 hours per week at \$6.25 per hour, her total monthly income would rise by \$716, counting the monthly value of the federal Earned Income Credit (EIC). (In reality, most families receive the EIC in a lump sum at tax time.) If she worked 40 hours per week at this wage, her income would rise by \$1,300 per month compared with not working. (These figures do not account for any expenses incurred by going to work.)

Of course, the disregard helps parents only while they receive TFA. Parents who reach the time limit and have income over the payment standard will lose all of their cash assistance and

¹³Funding for this program is limited; thus, rental assistance is not guaranteed to all eligible families.

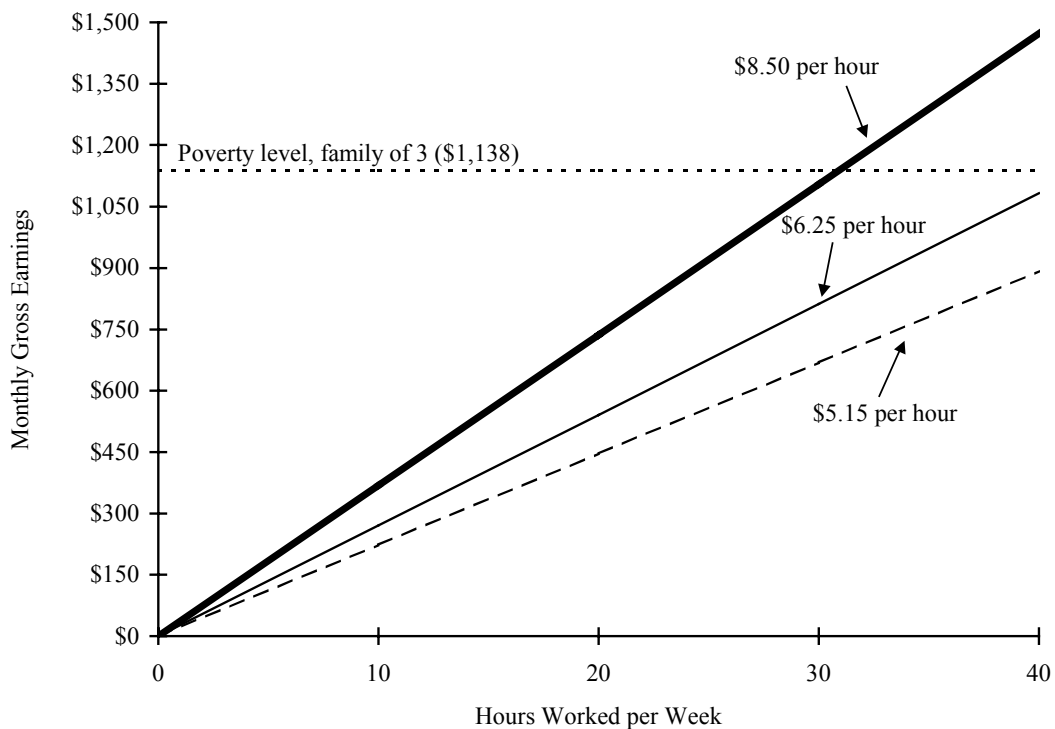
¹⁴This report uses feminine pronouns because a large majority of parents receiving TFA/AFDC are women.

¹⁵Connecticut began using fill-the-gap budgeting in 1994. When calculating benefit amounts under these rules, recipients' countable income is deducted from the need standard, which is higher than the payment standard.

Connecticut's Jobs First Program

Figure 1.1

Monthly Gross Earnings at Various Hourly Wage Rates in Relation to the Federal Poverty Level (1998), by Hours Worked per Week

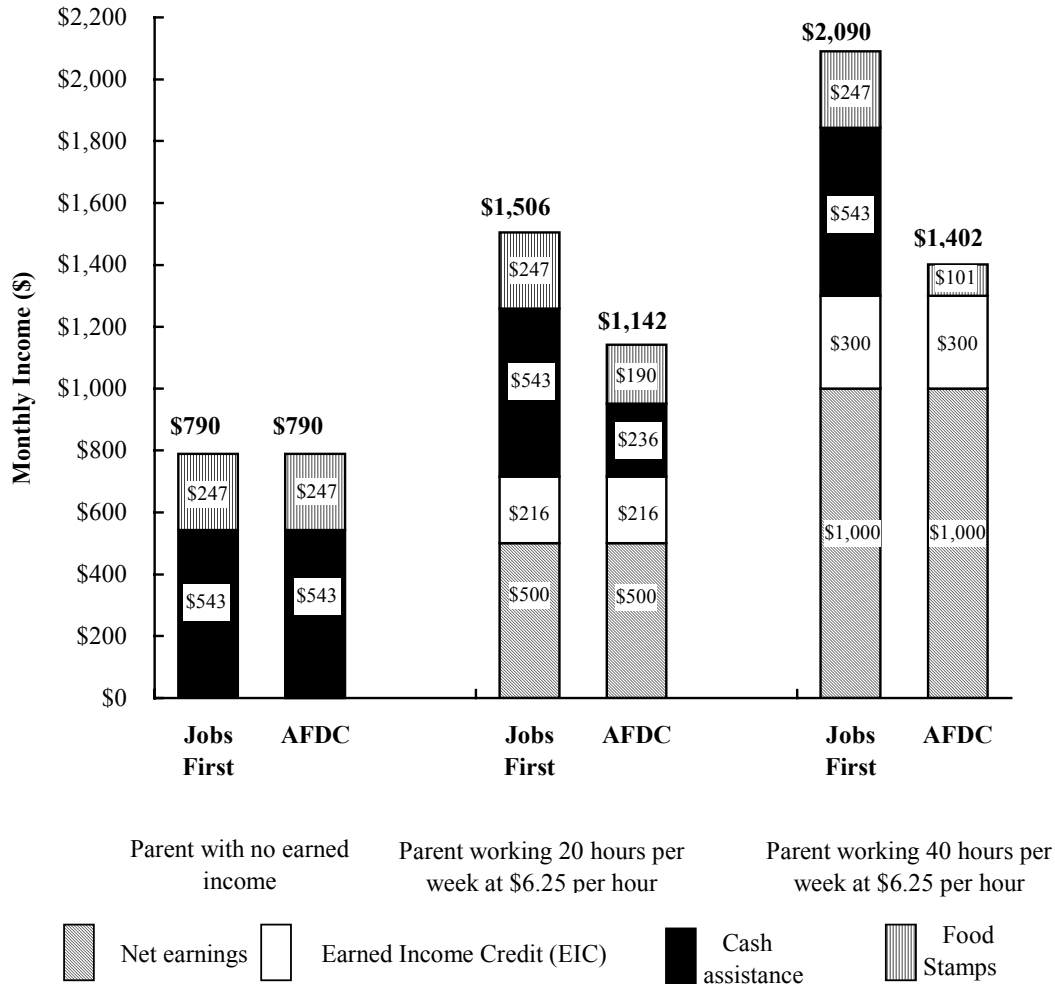


SOURCES: MDRC calculations using standard hourly wage data; federal poverty level from 1998 U.S. Department of Health and Human Services poverty guidelines.

Connecticut's Jobs First Program

Figure 1.2

Monthly Family Income at Selected Levels of Employment for a Parent with Two Children, Under Jobs First and AFDC



SOURCES: MDRC calculations based on AFDC/TFA, Food Stamp, and federal and State of Connecticut income tax rules for June 1998.

NOTES: Calculations do not account for work-related expenses and assume the parent has no income from sources not shown (e.g., child support, Supplemental Security Income).

The Food Stamp calculation assumes a monthly rental expense of \$366. This calculation disregards 70 percent of net income, which includes the TFA grant but excludes a \$134 standard deduction and up to \$250 of excess shelter costs. For clients in the Jobs First group, all earned income is disregarded. For clients in the AFDC group, 20 percent of earned income is disregarded.

The Jobs First cash assistance calculation disregards all earned income. The AFDC group cash assistance calculation disregards \$120 in earned income (in accordance with rules for the 5th through 12th months of employment), and applies fill-the-gap budgeting rules.

The EIC amount reflects one-twelfth of the total annual credit, although most families receive the credit in an annual lump sum.

Monthly net earnings are calculated by subtracting applicable payroll taxes from gross earnings. Federal and state income taxes do not apply at these income levels.

Rounding may cause slight discrepancies in the calculation of sums.

probably some of their Food Stamp grant as well (this is discussed further in Chapter 3). Nevertheless, the disregard provides recipients with a substantial incentive to enter the workforce. Once working, they may be able to gain experience that will allow them to increase their hours and wages by the time they reach the time limit. Moreover, the large income supplement made possible by the disregard provides a cushion that might allow them to save some money or buy a more reliable car. Indeed, as shown in Table 1.1, Jobs First also allows recipients to accumulate more assets and to own a more valuable car (relative to prior welfare rules) without losing eligibility for assistance.

In addition to its generosity, the Jobs First earned income disregard is also notable for its distinctive design. Most other states' disregards are structured so that recipients' benefits phase out gradually as their income rises. One common formula disregards a flat amount of monthly earnings and a percentage of any income above that amount (for example, \$200 plus 50 percent of any remaining earnings). This more common approach avoids the "cliff" that exists in the Jobs First policy — that is, a Jobs First recipient may retain her entire welfare grant if she earns one dollar below the poverty level but will lose her entire grant if she earns one dollar more — but its formula may be considerably more difficult for recipients to understand. This is a critical point, because a financial incentive is less likely to induce recipients to work if they do not understand it. The Jobs First disregard policy was selected in large part because it is simple and straightforward to explain and administer.

C. Employment Services

As noted earlier, Jobs First employment services are designed to move recipients quickly into jobs. Until July 1998, employment services were administered by DSS and operated by subcontracted service providers. Nearly all participants were required to begin by looking for a job, either on their own or through Job Search Skills Training (JSST), a group activity that teaches job-seeking and job-holding skills. Education and training were generally reserved for recipients who were unable to find a job despite lengthy up-front job search activities. In July 1998, the Connecticut Department of Labor (DOL) took over lead responsibility for providing employment services to cash assistance recipients; this transition is discussed further in Chapter 2. In addition, over time, there has been a shift toward a "balanced work first" approach that allows for somewhat greater use of education or training.

The AFDC group is subject to Connecticut's preexisting welfare-to-work program, which had broader exemption criteria and a somewhat stronger focus on education and training.

Jobs First group members who do not comply with employment services requirements and are found not to have "good cause" can be sanctioned by having their welfare grant reduced or temporarily canceled. During the study period, the first instance of noncompliance reduced a recipient's cash grant by 20 percent for three months, and the second instance reduced it by 35 percent for three months. A third instance resulted in cancellation of the entire grant for three

months. (The same penalties applied to recipients who quit their job without good cause or were fired for willful misconduct.)¹⁶

The penalty structure becomes much more severe after recipients reach the time limit and receive an extension. The first instance of noncompliance without good cause during an extension may result in permanent discontinuance of all cash assistance benefits. This is a critical point because, in March 2001, nearly 40 percent of the recipients subject to the time limit statewide were in an extension and thus subject to the stricter rules.

Under AFDC, sanctions involve removing the noncompliant individual — generally the adult — from the grant calculation, rather than closing the entire case. This results in a grant reduction of about \$100 (the percentage reduction is larger for smaller families).

III. The Jobs First Evaluation

The Jobs First evaluation was initially required as a condition of the federal waivers that allowed Connecticut to operate the program. Then, in 1997, Connecticut received enhanced federal funding from the U.S. Department of Health and Human Services to support continuation of the study. The state later received a second federal grant to expand the study to examine Jobs First's impacts for children.

The evaluation has three major components:

- **Implementation analysis.** This component of the study examines how Jobs First operated in the research sites. It assesses whether Jobs First policies have translated into concrete changes in the day-to-day operations of the welfare system, and it identifies obstacles that have been encountered. This information is needed in order to understand the impact results, and it may also help DSS identify ways to improve program performance.
- **Impact analysis.** This part of the study provides estimates of the changes that Jobs First has generated in employment rates and earnings, rates and amounts of welfare receipt, family income, the extent of welfare dependency, child well-being, and other outcomes, relative to outcomes under the welfare system that preceded it (as represented by the AFDC group).
- **Benefit-cost analysis.** This analysis uses data from the impact study, along with fiscal data, to compare the financial benefits and costs generated by Jobs First for both taxpayers and eligible families.

Several key features of the study design are worth mentioning. First, almost all results in this report are drawn from the two research sites. While these offices include a substantial share

¹⁶Until mid-1997, the length of the penalty for the second instance of noncompliance was six months. This same system of percentage sanctions also applied to noncooperation with child support enforcement mandates until mid-1997. Since that time, families who do not cooperate with child support requirements are ineligible for assistance until they do comply.

of the state caseload (28 percent as of early 2001) and represent two quite different environments, Jobs First may operate differently or have different impacts in other areas that were not studied. Moreover, because roughly three-fourths of the research sample are from the New Haven office, the overall results mostly reflect the implementation and impacts of Jobs First in that office.

Second, it is critical to note that, unlike some earlier studies of welfare-to-work programs, this one does not compare the Jobs First group with a control group that receives no services. Rather, it compares Jobs First policies with the AFDC policies that were in place just before the program began. These policies already included some emphasis on employment and self-sufficiency and some employment-related services for welfare recipients. Thus, the study's impact analysis is measuring the effects of Jobs First over and above what was already achieved by earlier policies.

Third, as discussed in Chapter 3, although the study design has been well implemented, it seems likely that the behavior of the AFDC group has been influenced to some extent by the intense focus on welfare reform at the state and federal levels over the past few years. This suggests that the study may not capture the full impact of Jobs First.¹⁷

IV. The State of Connecticut, the Research Sites, and the Jobs First Target Population

A The State of Connecticut

Table 1.3 provides some basic information about the state of Connecticut and the research sites. Connecticut is a midsize state with among the highest per capita income levels of any state. Jobs First has been implemented in a very healthy economic climate: When the program began in 1996, Connecticut's unemployment rate was 5.7 percent, about equal to the national rate, but it later dropped substantially below the national average. By 2000, the last year of the study period, the state's average unemployment rate was a remarkably low 2.3 percent.

Connecticut's basic cash assistance grant level — currently \$543 a month for a family of three with no other income — is among the highest in the United States but slightly lower than the grant levels in most nearby states.¹⁸ The state's cash assistance caseload was just under 60,000 when Jobs First began, but it dropped sharply during the study period. As shown in Figure 1.3, the caseload declined modestly from January 1995 through late 1997. During this period, the national caseload fell by nearly a third; the slower decline in Connecticut partly reflects the fact that its Jobs First earned income disregard allowed many families to continue receiving assistance after they found a job. Connecticut's caseload began to drop sharply when families

¹⁷In addition, the study was not designed to measure whether Jobs First has affected the number of people who applied for welfare — a potentially important impact of any welfare reform policy.

¹⁸The maximum grant for a family of three is \$543 in both New Haven and Manchester, but it ranges from \$536 to \$636 in other parts of the state. Other states with maximum grant levels above \$500 for a family of three include Alaska (\$923), Wisconsin (\$673), California (\$645), Massachusetts (\$633), Vermont (\$631), New Hampshire (\$600), New York (\$577), Hawaii (\$570), Rhode Island (\$554), Washington (\$546), and Minnesota (\$801, including Food Stamps).

Connecticut's Jobs First Program

Table 1.3

Selected Demographic and Economic Characteristics of the Two Jobs First Evaluation Research Sites and the State of Connecticut

Characteristic	Manchester ^a	New Haven ^b	State of Connecticut
Total population ^c (1998)	299,057	474,377	3,271,239
<u>Demographic information on largest city/town in district^d</u>			
Population (1998)	51,297	123,069	n/a
Race/ethnicity (1998) (%)			
White, non-Hispanic	89.0	42.2	81.0
Black, non-Hispanic	4.7	37.1	8.4
Hispanic ^e	3.5	16.8	8.1
Other	0.1	0.3	0.2
<u>Economic information on largest city/town in district^d</u>			
Median household income (1990) (\$)	40,290	25,811	41,721
Annual unemployment rate (%)			
1996	5.9	6.8	5.7
1997	5.0	6.4	5.1
1998	3.1	4.1	3.4
1999	2.9	4.0	3.2
2000	2.1	3.3	2.3
Poverty rate ^f (1990) (%)	3.9	21.3	6.0
<u>Welfare caseload information for district</u>			
Total active cash assistance cases			
January 1996	3,664	10,628	57,753
June 2001	1,423	5,722	25,132
Percentage of state TFA caseload (%)			
January 1996	6.3	18.4	n/a
June 2001	5.7	22.8	n/a

(continued)

Table 1.3 (continued)

SOURCES: City/town and state-level demographic information, income data, and poverty rates from State of Connecticut, Department of Economic and Community Development Web site (www.state.ct.us/ecd/research); U.S. Department of Commerce, Bureau of the Census Web site (www.census.gov); and U.S. Department of Commerce, Bureau of Economic Analysis Web site (www.bea.gov). Unemployment rates from the U.S. Department of Labor, Bureau of Labor Statistics Web site (www.stats.bls.gov). Welfare caseload data from Connecticut Department of Social Services.

NOTES: n/a = not applicable.

^aThe Manchester district office serves the municipalities of Andover, Bolton, East Hartford, East Windsor, Ellington, Enfield, Glastonbury, Hebron, Manchester, Marlborough, Somers, South Windsor, Stafford, Tolland, and Vernon.

^bThe New Haven district office serves the municipalities of Ansonia, Bethany, Branford, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Seymour, Shelton, West Haven, and Woodbridge.

^c"Total population" of the research sites is the population of those municipalities served by the corresponding Department of Social Services (DSS) offices.

^dManchester town is the largest municipality in the area served by the Manchester DSS office. New Haven city is the largest municipality in the area served by the New Haven office. East Hartford and Enfield, in the district of Manchester, have populations only slightly smaller than the population of Manchester; populations (1998): East Hartford = 47,394 and Enfield = 42,488. The second-largest city/town in the New Haven district is Hamden; population (1998) = 53,468.

The demographic and economic information on East Hartford differs considerably from that for Manchester in the following ways: race/ethnicity distribution (1990): white, non-Hispanic = 83.4%; black, non-Hispanic = 8.1%; Hispanic = 6.0%; other = 2.5%; per capita income (1996) = \$25,416; unemployment rates: December 1995 = 6.9%, December 1996 = 7.0%, December 1997 = 5.2%; poverty rate (1990) = 5.4%. Enfield's demographic and economic information is comparable to that for Manchester.

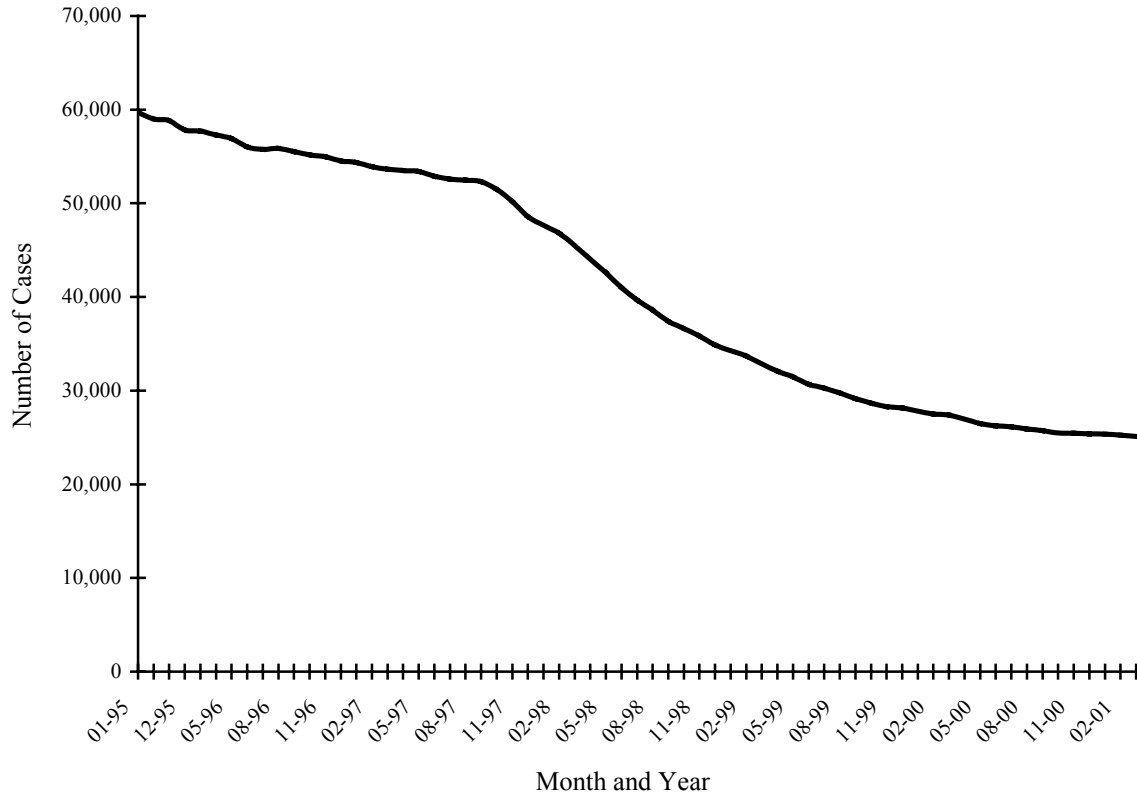
^eHispanic persons may be of any race.

^fPoverty rate is defined as the total percentage of persons below the federal poverty level, based on 1989 reported income.

Connecticut's Jobs First Program

Figure 1.3

Total AFDC/TFA Caseload for the State of Connecticut, by Month, from January 1995 to March 2001



SOURCE: Connecticut Department of Social Services, "Temporary Family Assistance Program Summary Report," August 2001.

started to reach the 21-month time limit in late 1997, and then it stabilized in late 2000 at fewer than 25,500 cases.

B. The Research Sites

DSS operates its programs through 15 regional offices, each serving a number of the state's 169 towns and cities. As noted earlier, the Jobs First evaluation focuses on two of these DSS offices: Manchester and New Haven. Table 1.3 provides some basic information about the two research sites, which were selected in part because they represent two quite different environments.

The New Haven regional office serves nearly 23 percent of the statewide TFA caseload — just over 5,700 cases in June 2001 (down from about 10,600 cases in January 1996). The office covers 15 municipalities, but its caseload is heavily concentrated in the city of New Haven, the third-largest city in the state and one of the poorest cities in the United States. Although New Haven's unemployment rate has declined substantially over the past few years, it has remained above the statewide average.

The Manchester office (officially called a suboffice) serves a more suburban area near Hartford. The 15 towns served by the office accounted for about 1,400 TFA cases in June 2001 (down from about 3,600 in January 1996), about 6 percent of the statewide caseload. Each of the three largest towns served by the office — Manchester, East Hartford, and Enfield — has a population of about 50,000, although about 40 percent of the office's TFA caseload are concentrated in East Hartford. While Manchester's economic statistics have largely mirrored those of the state as a whole for the past three years, East Hartford has experienced less favorable conditions.

C. The Jobs First Target Population

As discussed earlier, the Jobs First evaluation is estimating the program's impact by comparing the experiences of two groups of people: the Jobs First group and the AFDC group. Applicants for cash assistance between January 1996 and February 1997 in either of the research sites were assigned to one or the other group when they submitted an application at the DSS office. Individuals who were already receiving welfare when Jobs First began were randomly assigned when they came to the office for their annual eligibility redetermination. For individuals assigned to the Jobs First group and not exempt, the 21-month time limit started with the first full month of benefits received after random assignment.

Just before individuals were assigned to the groups, staff completed a one-page Background Information Form (BIF) through a brief interview with each client. Table 1.4 shows selected information obtained from the BIFs for the 4,642 individuals who are part of this report's analysis and for whom a BIF was completed (the figures include both the Jobs First and the AFDC groups).¹⁹ These data provide a snapshot of individuals' characteristics at the point they entered the study.

The Jobs First research sample does not include the entire welfare population in Manchester and New Haven. To control the workload for staff, only half of those who applied for

¹⁹The table does not include 161 cases for whom the BIF is missing.

Connecticut's Jobs First Program

Table 1.4

**Selected Characteristics of Sample Members at the Time of
Random Assignment, by Site**

Characteristic	Manchester	New Haven	Full Sample
<u>Demographic characteristics</u>			
Age (%)			
Under 20	9.0	8.5	8.6
20-24	20.6	20.7	20.7
25-34	44.6	40.3	41.3
35 or over	25.9	30.6	29.4
Average age (years)	29.9	30.9	30.7
Race/ethnicity (%)			
White, non-Hispanic	64.9	28.8	37.6
Black, non-Hispanic	20.3	45.1	39.1
Hispanic	13.4	25.3	22.4
Other	1.5	0.7	0.9
<u>Family status</u>			
Marital status (%)			
Never married	57.4	68.4	65.7
Married, living with spouse	1.3	1.3	1.3
Married, living apart	16.4	13.0	13.8
Separated	2.4	6.5	5.5
Divorced	21.7	9.6	12.5
Widowed	0.8	1.2	1.1
Number of children (%)			
None ^a	11.8	9.2	9.8
1	42.6	40.1	40.7
2	27.7	26.8	27.0
3	12.6	14.9	14.3
4 or more	5.3	9.0	8.1
Average number of children	1.6	1.8	1.7
Youngest child's age (%)			
2 or younger	38.0	37.2	37.4
3-5	22.6	23.9	23.6
6 or older	39.5	39.0	39.1
<u>Employment status</u>			
Ever worked (%)	95.8	85.9	88.3
Ever worked full time for six months or more for one employer (%)	64.7	55.0	57.4
Any earnings in past 12 months (%)	62.3	42.6	47.9
Employed at random assignment (%)	28.3	21.1	22.8

(continued)

Table 1.4 (continued)

Characteristic	Manchester	New Haven	Full Sample
<u>Educational status</u>			
Highest degree/diploma earned (%)			
GED ^b	18.4	9.1	11.4
High school diploma	45.0	49.0	48.0
Technical/two-year college degree	5.6	4.2	4.6
Four-year (or more) college degree	1.8	1.9	1.9
None of the above	29.3	35.8	34.2
Highest grade completed in school (average)	11.4	11.2	11.2
Enrolled in education or training during the past 12 months (%)	16.9	22.3	21.0
<u>Public assistance status</u>			
Aid status (%)			
Applicant	47.7	35.4	38.4
Recipient	52.3	64.6	61.6
Total prior AFDC receipt ^c (%)			
None	23.4	17.0	18.5
Less than 2 years	20.9	24.1	23.3
2 years or more but less than 5 years	23.4	21.9	22.3
5 years or more but less than 10 years	20.7	20.3	20.4
10 years or more	11.7	16.7	15.5
Resided as a child in a household receiving AFDC (%)	22.0	26.4	25.3
<u>Housing status</u>			
Current housing status (%)			
Public housing	5.4	12.8	11.0
Subsidized housing	25.4	23.7	24.1
Emergency or temporary housing	1.9	1.0	1.2
None of the above	67.3	62.5	63.7
<u>Level of disadvantage^d</u>			
Participant's level of disadvantage (%)			
Least disadvantaged	29.7	20.7	22.9
Moderately disadvantaged	61.7	66.0	65.0
Most disadvantaged	8.6	13.3	12.2
Sample size	1,129	3,513	4,642

(continued)

Table 1.4 (continued)

SOURCE: MDRC calculations using Background Information Form data.

NOTES: A total of 161 sample members with missing Background Information Forms are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

^aThis category includes sample members who were pregnant with their first child at the time of random assignment.

^bThe General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

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

^dThe levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Those in the "Most Disadvantaged" subgroup were on welfare at least 22 months out of the 24 months prior to random assignment, had no prior work in the year before random assignment, and had no high school diploma or GED. Sample members in the "Least Disadvantaged" subgroup were not long-term welfare recipients, had prior work experience, and had a high school diploma or GED. Those in the "Moderately Disadvantaged" subgroup had some, but not all, of the risk factors.

benefits between January and July 1996 went through the random assignment process; the others were enrolled in Jobs First but are not part of the study.²⁰ In addition, several thousand applicants and recipients who had previously been randomly assigned for an earlier study of Connecticut's prior welfare reform were not assigned again; most of them were enrolled in Jobs First.²¹

It is important to note that the research sample represents a broad range of welfare applicants and recipients. In many other studies, some categories of cases — such as those who are likely to be exempt from the policy being tested — are excluded from the study and do not go through the random assignment process. In Connecticut, decisions about exemptions were made after people had been assigned to the Jobs First group, which means that some members of the Jobs First group were not subject to the time limit or employment services mandates for at least part of their time on welfare (see Chapter 2).²² In addition, because random assignment of applicants took place fairly early in the TFA application process — before staff knew whether the application would be approved — some members of each research group never received cash assistance during the follow-up period.

The last column of Table 1.4, which presents figures for both research sites combined, shows that the average age of single-parent sample members was just over 30 when they entered the study; more than one-fourth of the clients were under 25. The sample members are overwhelmingly female (not shown in the table).

Most of the sample members had small families when they entered the study — more than three-fourths had two children or fewer — but more than half had at least one preschool child at that point.

The data in Table 1.4 also provide some evidence about the magnitude of the challenge involved in helping these individuals find and keep a job. On the one hand, a very large proportion of the sample members had at least some work experience. On the other hand, more than 40 percent had never worked full time for a single employer for six months, and less than 20 percent had earned \$5,000 or more in the year prior to entering the study (not shown in the table). More than half the sample members had at least a high school diploma or its equivalent, but very few had earned a two- or four-year college degree.

Most of the sample members had received welfare for a substantial amount of time before entering Jobs First: More than half had received assistance for two years or more. But only about one-fourth grew up in a household that received welfare.

The data also show some important differences in the characteristics of the target group in Manchester and New Haven, the most striking of which is in the racial/ethnic composition: In

²⁰Staff used a random process to select the applicants who would enter the study.

²¹People who had been assigned to the control group for the earlier study remained subject to AFDC policies but are not included in the analysis.

²²One category — so-called child-only cases in which there is no adult who is counted in the grant calculation — has been excluded from the analysis because these cases are likely to be permanently exempt. These include cases in which the children are being cared for by non-needy relatives, cases in which the parent is an illegal immigrant and the children are U.S. citizens, and others.

Manchester, the caseload is about two-thirds white, non-Hispanic; in New Haven, it is about half black, non-Hispanic, and one-fourth Hispanic.

The New Haven clients were also likely to be somewhat less employable: On average, they had less work experience and lower levels of education. This may be related to the fact that a larger proportion of New Haven sample members were already receiving welfare when they entered the study; in Manchester, about half were randomly assigned when they were applying for welfare.

V. About This Report

A. Data Sources

This report summarizes all the results from the Jobs First evaluation and draws data from many sources:

- **Field research.** Throughout the study period, MDRC staff periodically visited the Manchester and New Haven DSS offices to interview line staff, supervisors, and managers and to observe program activities. Researchers also visited the local Department of Labor and Regional Workforce Development Board offices, as well as the agencies that administer the Safety Net program. The final visits took place in late 2000.
- **Baseline data.** As discussed earlier, almost all Jobs First and AFDC group members completed a one-page Background Information Form when they entered the study.
- **Unemployment insurance (UI) records.** These data show each sample members' earnings in jobs covered by Connecticut's UI system for each calendar quarter; the data are reported to the state by employers. The data used in this report cover the period from January 1994 (two years before the first random assignment) through December 2000.²³
- **Public assistance records.** Data from the Connecticut Eligibility Management System (EMS) provide cash assistance and Food Stamp payment amounts for each sample member for each month. These data cover the period from January 1994 through December 2000. EMS also provides information on exemptions, sanctions, and other outcomes for all Jobs First group members. In addition, MDRC reviewed on-line EMS case narratives for a subsample of members to obtain detailed information for the analysis of time-limit outcomes presented in Chapter 3.
- **Three-Year Client Survey.** Just over 2,400 Jobs First and AFDC group

²³There is a lag of roughly six months in employers' reporting to the UI system. Thus, the fourth quarter of 2000 was the last quarter for which complete data were available when this analysis was conducted.

members were interviewed by a survey subcontractor in 1999 and 2000, approximately three years after each person's random assignment date. The survey achieved an 80 percent response rate (that is, 80 percent of those targeted for the survey were located and interviewed).²⁴ All respondents answered a core set of questions about employment, job characteristics, income, participation in employment-related activities, and other issues. Those with a child between 5 and 12 years old answered an additional set of questions about parenting practices, child care, the home environment, and child well-being.²⁵

- **Teacher Survey.** A survey was administered by mail to the teachers of a subset of the children whose parents answered the Three-Year Client Survey. A total of 478 teachers completed surveys, representing 70 percent.
- **Child care subsidy data.** The state and its child care subcontractor provided automated data on monthly child care subsidy payments issued to members of both research groups. These data cover the period from 1996 to 2000.
- **Safety Net data.** The agency that administers the Safety Net program (described in Chapter 3) provided data that allowed MDRC to determine which members of the research sample were referred to the program.
- **Fiscal records.** A variety of fiscal records were used to help estimate the net cost of Jobs First.
- **Interim Client Survey.** Just under 800 Jobs First and AFDC group members were interviewed by a survey subcontractor in mid to late 1998, approximately 18 months after each respondent's date of random assignment. The survey achieved an 80 percent response rate. The results of that survey are discussed briefly here but were described in detail in earlier reports by MDRC and by a team of researchers from Yale University and the University of California.²⁶
- **Staff surveys.** In mid-1997, MDRC administered written surveys to nearly all DSS staff who worked extensively with Jobs First and AFDC group members in the research sites. In all, 123 workers completed surveys.²⁷ The results of these surveys are discussed in detail in MDRC's 1998 report and are mentioned briefly here.
- **Post-time-limit surveys.** In a separate but related study, a subcontractor to

²⁴See Appendix D for a comparison of respondents and nonrespondents and other analysis issues related to the survey.

²⁵In addition, some respondents with a preschool child answered an additional set of questions designed by researchers from Yale University and the University of California. Those results will be discussed in a separate report.

²⁶Fuller, Kagan, and Caspary, 1999.

²⁷The response rates and numbers of completed interviews are as follows: Manchester case maintenance workers, 74 percent (n = 17); Manchester intake workers, 100 percent (n = 10); Manchester employment services workers, 100 percent (n = 6); New Haven case maintenance workers, 98 percent (n = 60); New Haven intake workers, 75 percent (n = 15); New Haven employment services workers, 100 percent (n = 15).

MDRC administered two brief surveys to roughly 450 people in six districts (including Manchester and New Haven) whose benefits were discontinued at the time limit. The surveys were administered three and six months after the cases closed. The results are described in two reports previously issued by MDRC and are discussed briefly in this report.²⁸ In addition, approximately 30 members of the Jobs First group whose benefits were discontinued at the time limit were interviewed in depth about 12 months after that point.

B. Samples and Time Frame for the Analysis

This report describes the implementation of Jobs First through late 2000, when the final site visits were conducted. Thus, it covers roughly five years of program operations. However, the follow-up period for the main impact analysis is four years, for reasons discussed below.

As shown in Figure 1.4, the *full sample* for this evaluation includes 4,803 single parents who were randomly assigned between January 1996 and February 1997.²⁹ For the impact analysis, it is important to follow each sample member for the same length of time, starting with the individual's date of random assignment. This means that the follow-up period includes different calendar months for each sample member and that the length of follow-up is determined by the amount of data available for latest-enrolling sample members — in this case, four years, or 16 quarters (see sample member #2 in Figure 1.5).³⁰ Some parts of the impact analysis focus on subgroups of the full sample.

Figure 1.4 also illustrates the derivation of the *fielded sample* (n = 3,017) for the Three-Year Client Survey, which was selected from among the Jobs First and AFDC group members who were randomly assigned between April 1996 and February 1997. Specifically, the fielded sample includes all Jobs First and AFDC group members randomly assigned during that period who had at least one child between 2 and 9 years old at the time of random assignment (these children were between 5 and 12 when the interview took place) plus a random subset of all other people randomly assigned during the period.³¹

A total of 2,424 members of the fielded sample were located and interviewed, for a response rate of 80 percent; these individuals are known as the *survey respondent sample* (or, for brevity's sake, the *survey sample*). Because the fielded sample includes a disproportionate number of people with young children, analyses based on the full survey respondent sample are

²⁸See Hunter-Manns, Bloom, Hendra, and Walter, 1998; Hunter-Manns and Bloom, 1999.

²⁹A total of 6,115 people were randomly assigned. However, four categories of people are excluded from the analysis: 387 two-parent cases; 677 cases that did not include an adult recipient at the point of random assignment; 240 cases that were randomly assigned in error; and 8 cases for which no Social Security number was collected at random assignment.

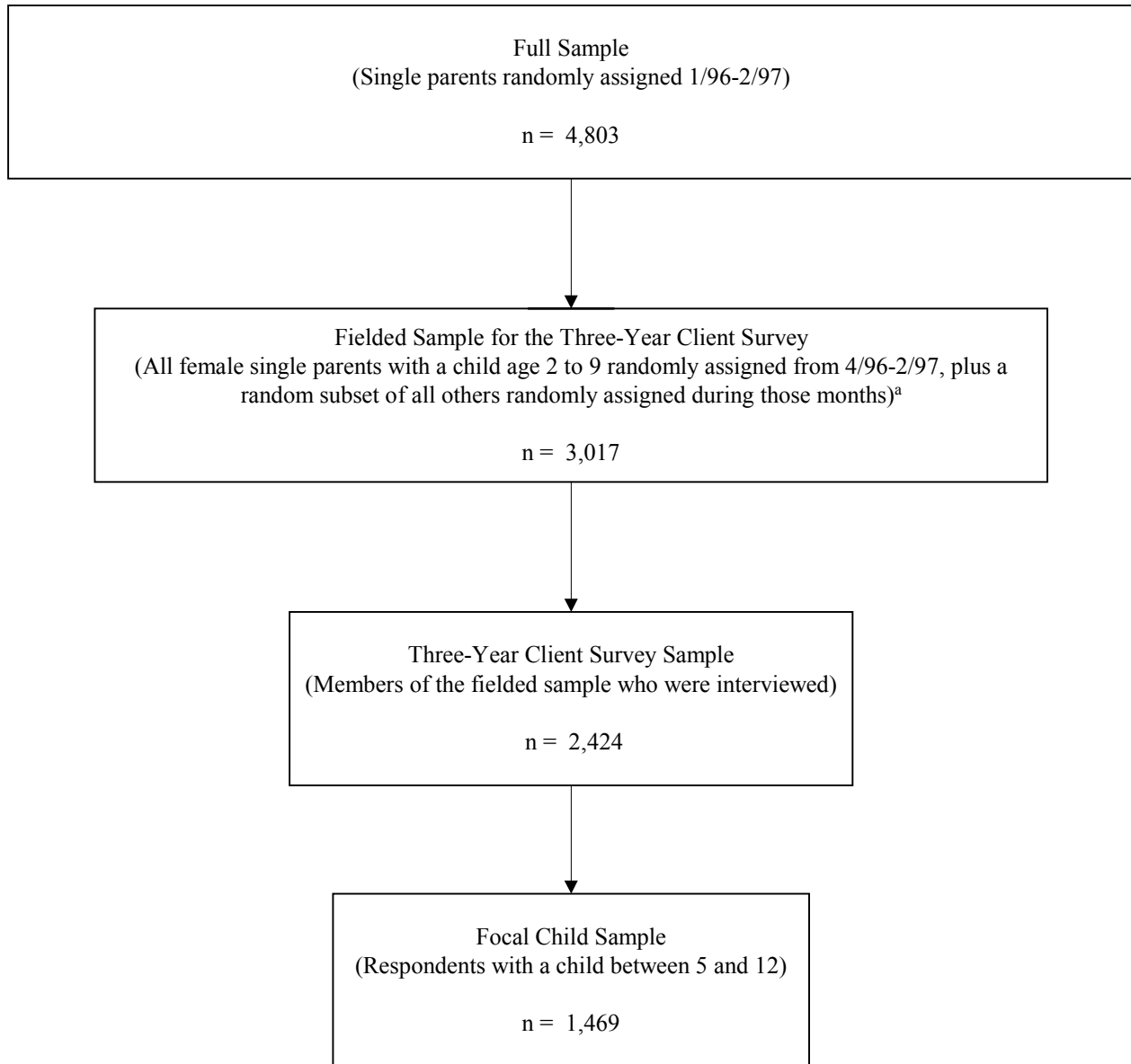
³⁰Cash assistance and Food Stamp payment data are available beyond December 2000. However, the data are generally reported only through December 2000 in order to match the follow-up period for the UI wage records. In addition, for analyses involving the full sample, the follow-up period is one quarter shorter for the very small number of people randomly assigned in 1997.

³¹In addition, 305 individuals who had responded to the special Interim Client Survey module designed by researchers from Yale and Berkeley (discussed above) were selected for the Three-Year Client Survey.

Connecticut's Jobs First Program

Figure 1.4

Key Samples and Subsamples Used in This Report

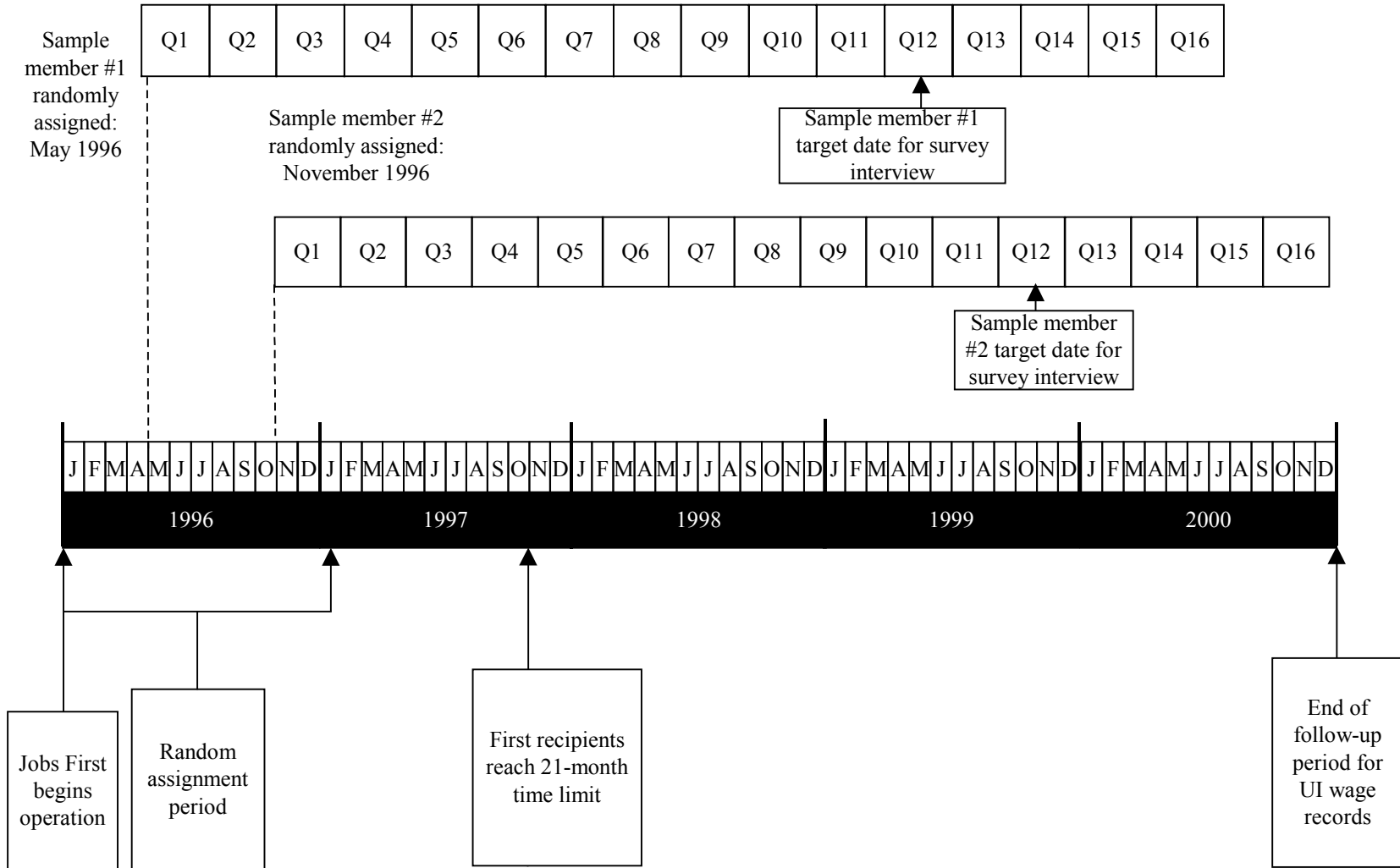


NOTE: ^aIn addition, all individuals who responded to a special survey module targeted to parents of very young children — administered as part of the Jobs First Interim Client Survey — were selected for the Three-Year Client Survey. The module was developed by researchers at Yale University and the University of California.

Connecticut's Jobs First Program

Figure 1.5

Random Assignment Periods and Follow-Up for the Impact Analysis



weighted so that they represent average outcomes for all sample members randomly assigned during the target period.

The full survey respondent sample includes two groups of people. The first group, including respondents who had a child between 2 and 9 at the time of random assignment, were interviewed in their homes and answered both the core questions and the child-focused questions. Known as the *focal child sample*, this group includes 1,469 respondents — 71 percent of the people in the fielded sample who had a child between 2 and 9 at the time of random assignment.³² The focal child sample is used for much of the analysis of Jobs First’s impacts on children.

The other 955 respondents answered only the core questions; they were interviewed either by phone or in person (if they could not be reached by phone).³³ This group mainly consists of people who had no children between 2 and 9 at the time of random assignment — a group that was not targeted for the child questions.³⁴

C. The Organization of This Report

After this introductory chapter, Chapters 2 and 3 describe the implementation of Jobs First. Chapter 2 discusses employment services, mandates, and the program message, and Chapter 3 focuses on the time limit. Chapters 4, 5, and 6 examine the impacts of Jobs First by comparing outcomes for the Jobs First and AFDC groups. Chapter 4 focuses on economic outcomes for adults, such as employment and welfare receipt; Chapter 5 focuses on noneconomic outcomes, such as material hardship and family structure; and Chapter 6 examines child and family outcomes. Chapter 7 describes the results of the benefit-cost analysis.

³²The fielded sample for the focal child module was 2,069. Of this group 1,696 people (about 82 percent) were interviewed. However, 227 of these respondents did not complete the full set of child questions, usually because they were no longer living in Connecticut and had to be interviewed by phone. They are not included in the focal child sample.

³³This discussion does not focus on the respondents who completed the special module designed by researchers from Yale and Berkeley, discussed earlier. The results from that module will be discussed in a separate report.

³⁴As discussed earlier, some of these people had a child between 2 and 9 at the time of random assignment, but they were interviewed by phone and could not complete the full set of child questions.

Chapter 2

The Implementation of Jobs First: Services, Mandates, and Message

Chapter 1 described the key differences between the rules and policies of Jobs First and those of AFDC — in other words, how the two programs differed *on paper* during the study period. In order to interpret Jobs First's impacts (presented in Chapters 4 through 6), however, it is also important to understand how the program actually operated in the research sites and how it differed from AFDC *in practice*.

Thus, Chapters 2 and 3 examine the implementation of Jobs First. This chapter focuses on three key areas in which Jobs First differed from AFDC: the employment and other services that sample members received, the mandates to which they were subject, and the message they heard from staff. Chapter 3 focuses on the other major aspect of the treatment difference: the Jobs First time limit.

Although the final field visits were conducted in late 2000, MDRC studied Jobs First's implementation most intensively during the first four years of program operations (from 1996 through 1999). This is because the majority of sample members had their most extensive contact with the program during that period; for example, only about 20 percent of the Jobs First group were still receiving Temporary Family Assistance (TFA) benefits in December 1999. Thus, most of the information presented in Chapters 2 and 3 was covered in more detail in MDRC's interim report, which was completed in early 2000.¹

I. Summary

Since January 1996, when Connecticut's Jobs First program was launched, both research sites have made substantial progress in moving from the small-scale, largely voluntary, education-focused welfare-to-work program that preceded Jobs First to a mandatory program emphasizing rapid job placement. Data from the Three-Year Client Survey show that Jobs First group members were significantly more likely than their AFDC group counterparts to participate in job search activities during the study period.

Nevertheless, the implementation of the Jobs First employment component has been problematic, particularly in the New Haven office, where there have been persistent difficulties monitoring recipients' participation in required employment activities. These problems emerged just after Jobs First began, as local staff sought to dramatically expand the number of clients in activities without a corresponding increase in staffing. The monitoring difficulties were then exacerbated by two statewide shifts in the institutional structure used to deliver employment services. First, in 1998, responsibility for such services was transferred from the Connecticut Department of Social Services (DSS) to the Connecticut Department of Labor (DOL); second, in late 1999, nonprofit organizations were contracted to provide case management services. Each shift caused many recipients to fall through the cracks, at least temporarily. In surveys, relatively few recipients in either the Jobs First group or the AFDC group reported that they had received

¹Bloom et al., 2000b.

services that enhanced their long-term employability. There was no difference between the research groups in this respect.

Survey data also show that the Jobs First group heard a substantially different message from the welfare system than did the AFDC group — a message more strongly focused on employment and moving to self-sufficiency. At the time same, owing to several features of the Jobs First design, there was relatively limited contact between clients and staff — and thus relatively few opportunities to reinforce the program message.

II. Background and Context

This section describes the organizational structure and staffing of Jobs First and AFDC in the research sites and discusses some of the key challenges that DSS and its partners faced in implementing Jobs First.

A. Institutional Structure

DSS is the key organizational player for both the Jobs First and the AFDC groups. The department is responsible for administering AFDC/TFA, Food Stamps, Medicaid, social services, and child support enforcement. Although Connecticut's welfare system is state-administered — meaning that key policies are generally the same across the state — local managers exercise some discretion over the specifics of program implementation.

There have been two changes in the administration of key programs since Jobs First began. First, in mid-1998, responsibility for providing employment-related services to cash assistance recipients (including both Jobs First and AFDC group members) was shifted from DSS to DOL.² Up to that point, employment services had been provided by various organizations (including DOL) working under contract to DSS, and designated DSS staff served as employment services case managers. After the shift, employment services were provided by DOL, Regional Workforce Development Boards (RWDBs), and their contractors — a network of agencies known as the CTWorks system.³ In late 1999, in another statewide shift, the RWDBs began subcontracting with outside agencies to perform the case management function for cash assistance recipients in employment services. Community-based organizations were awarded the contracts in both of the research sites: the New Haven Family Alliance in New Haven and the Community Renewal Team (CRT), Inc., in Manchester.

Second, in September 1997, DSS subcontracted administration of the Child Care Assistance Program (CCAP) to Maximus, a private, for-profit company. CCAP serves both families

²In 1997, the state legislature required DSS and DOL to establish a memorandum of understanding under which DSS retained overall responsibility for meeting federal work participation rates but employment services were delivered by DOL or the Regional Workforce Development Boards. The new structure took effect on July 1, 1998.

³Eight RWDBs were established by the Connecticut legislature in 1992, one in each of the state's service delivery areas. The boards (and their precursors, which were known as Private Industry Councils) were responsible for coordinating and delivering employment and training services funded under the federal Job Training Partnership Act (JTPA), and they now play this role under the Workforce Investment Act (WIA), which replaced JTPA in 1998. Business members must constitute over one-half of the membership of each board. Under JTPA, the RWDBs provided some services directly and contracted for others. Under WIA, they are generally unable to provide direct services.

who receive public assistance and low-income families who do not receive assistance. Maximus verified parents' eligibility for child care assistance and issued subsidy payments. (In 2001, the CCAP contract was awarded to a different provider.) Child Care Infoline, a toll-free telephone information service, assists parents in finding a child care provider.

In addition to these agencies, a partnership of the United Way of Connecticut and the Connecticut Council of Family Service Agencies (CCFSA, an association of 29 private, non-profit agencies) has been contracted by DSS to administer the Safety Net and Individual Performance Contract (IPC) programs, and CCFSA was contracted by DOL to administer Project SOAR (Services, Outreach, Assessment, and Retention). These programs, all of which aim to assist clients who fail to comply with DSS employment-related requirements, are discussed further below and in Chapter 3.

B. Staffing

Within DSS, the key staff who interact with Jobs First and AFDC group members are welfare eligibility workers, who are responsible for verifying families' eligibility for assistance, calculating benefit amounts, and transmitting the Jobs First message. In both Manchester and New Haven, there are two different types of eligibility workers. Specialized intake staff process applications for public assistance and describe Jobs First to applicants. Once cases are approved, they are assigned to a separate group of workers, previously called case maintenance workers and now called Family Independence Representatives (FI-Reps); each FI-Rep works with roughly 150 to 200 cases.

In Manchester, each case maintenance worker's or FI-Rep's caseload during the study period included both Jobs First and AFDC members. In New Haven, a group of case maintenance workers was designated to handle AFDC group cases beginning in 1997 in order to help maintain the distinction between the groups. However, this practice ended in mid-1998, when the FI-Rep position was created; after that time, recipients in both groups were represented in each FI-Rep's caseload.

As noted earlier, until mid-1998, a separate group of DSS staff members in each office — known as employment services case managers — was responsible for assigning recipients to employment activities, monitoring their compliance, and administering the “conciliation” process when they failed to comply with program requirements. This position was phased out when responsibility for employment-related services was transferred to DOL and the RWDBs, and the case management functions were divided among the FI-Reps and DOL/RWDB staff. FI-Reps conducted a brief initial assessment, referred recipients to DOL/RWDB, and handled the conciliation process when there was noncompliance. Initially, DOL/RWDB staff handled the other case management functions (for example, assigning participants to activities and monitoring and facilitating their attendance) but, as noted earlier, beginning in late 1999, this role was subcontracted to community-based organizations.

A separate group of DSS staff members — known as investigators — handle the initial stages of the child support enforcement process: locating noncustodial parents and establishing paternity and support orders. The support enforcement unit of the Superior Court is responsible for enforcing existing orders.

Finally, both DSS offices have units of social workers who provide crisis intervention assistance for recipients facing homelessness or other serious problems, including those who are sanctioned.

C. Challenges in Implementing Jobs First

As noted earlier, to a large extent this evaluation assessed the implementation and impacts of Jobs First during its start-up period. While all new programs can expect to experience start-up problems, such issues arise especially with a program like Jobs First, which requires profound changes in the mission and operations of an existing welfare system. In this case, DSS needed to shift from a relatively small-scale, largely voluntary welfare-to-work program focused on education and training to a much larger, mandatory program with a strong focus on rapid employment. Similarly, welfare eligibility staff were expected to explain and encourage acceptance of the new policies and, more generally, to shift their main emphasis from income maintenance to helping recipients move toward self-sufficiency.

Adding to the challenge was the implementation schedule: Unlike many other early state welfare reforms, Jobs First was implemented statewide from its inception, and with little time for planning. Only about six months elapsed between the date that the program was approved by the legislature and the date that it was implemented throughout the state. Moreover, Jobs First was the second major welfare reform program implemented in Connecticut in a two-year period, which meant that managers and staff needed to master two major sets of policy changes in a short time.⁴

Finally, as described above, there have been major changes in the way employment services — a central element of the program — have been delivered. In addition to disrupting program operations, these changes accompanied a host of other new initiatives in the state's social welfare programs (for example, a Medicaid managed care initiative, a new children's health insurance program, an Electronic Benefits Transfer [EBT] issuance system, and an "up-front diversion" program for welfare applicants). All these changes have consumed the time and energy of the same managers and staff who are responsible for Jobs First.

III. Employment Services and Mandates

This section discusses the employment-related services that members of the two research groups received and the way that mandates to participate in those services were monitored and enforced. It begins by describing the intended program flow for each research group, then discusses implementation issues that emerged in the research sites, and finally provides some data on the patterns of participation in employment activities.

A. Intended Program Flow

Before 1996, Connecticut, like many other states, did not strongly enforce the existing requirements for AFDC recipients to participate in employment-related activities. Job Connection, the state's Job Opportunities and Basic Skills Training (JOBS) program, served a small proportion of the total welfare caseload in any month, and a large proportion of those who par-

⁴The earlier initiative, A Fair Chance, was implemented in late 1994.

ticipated were in education and training activities.⁵ Thus, Jobs First entailed a radical shift in the scope and emphasis of Connecticut's welfare-to-work programs.

1. Program flow for the Jobs First group. Beginning in January 1996, virtually all TFA applicants and recipients entering Jobs First who were not exempt from work-related mandates were required to engage in up-front job search activities. Regional offices were given some discretion in designing these activities, but it was originally envisioned that many recipients would begin by looking for a job on their own through Self-Directed Job Search (SDJS). Eligibility staff would explain this requirement and give recipients forms to document their job search, but they would not monitor the search on an ongoing basis. Instead, after three or six months, recipients who had not reported employment would be called in for a "work test," essentially a checklist designed to verify that they had actually been searching for a job. Those who passed the work test could then be referred to Job Search Skills Training (JSST), a more structured group activity operated by contracted providers. JSST involved roughly two weeks of classroom instruction in job-seeking and job-holding skills, followed by several more weeks of monitored job search. There was no sanction for failing the work test.

Eventually, recipients who failed to find a job through the lengthy up-front job search activities would be called in for an assessment and potentially would be referred to education or training activities. Only recipients who reached that point would need to work directly with DSS employment services case managers. Given the generous earned income disregard, the time limit, and the strong labor market, DSS hoped that relatively few recipients would reach that point.

The flow changed somewhat when responsibility for employment services was shifted to DOL in mid-1998. Since that time, FI-Reps have been responsible for completing an initial assessment (known as Part A of the Independence Plan) and for referring recipients to an employment services orientation. Initially, the orientation was conducted by DOL and RWDB staff.⁶ As part of the session, DOL or RWDB staff met individually with each recipient to determine her initial activity assignment. Generally, the most job-ready recipients were served by DOL directly; agency staff helped them look for a job. Those facing more barriers to employment were referred to the RWDB or one of its contracted providers. Some of the contracted providers operated job readiness activities designed to lead relatively quickly to employment, while others provided some training and/or education. As noted earlier, by this point, the program emphasis had shifted toward a "balanced work first" approach that allowed for somewhat greater use of education and training.

The flow shifted again in 2000, when the contracted case management providers took over responsibility for Jobs First cases. As of the final field visits, the case management agencies were conducting the orientation (with assistance from DSS, DOL, and RWDB staff), and the case managers were meeting individually with clients to determine their activity assignments. DOL remained as a service provider, focusing on job search assistance for the most job-ready

⁵The JOBS program was created in the federal Family Support Act of 1988 to fund state welfare-to-work programs.

⁶About 46 percent of Jobs First group members were still receiving TFA in July 1998; these recipients were supposed to be called in to DSS to complete the Independence Plan and then would be referred to DOL/RWDB in the manner described.

clients. The other service providers continued to be contracted by the RWDB, which no longer provided services directly.

The case managers monitor participation in required work activities. Recipients who fail to comply may be referred to Project SOAR for special outreach (including home visits) and assistance to facilitate their compliance. Ultimately, however, the case managers must report non-compliance to DSS, and the recipient is placed in “conciliation” — that is, contacted by her FI-Rep and asked to explain the reasons for noncompliance. Recipients who do not have good cause are supposed to be sanctioned, as described in Chapter 1. Those who are sanctioned twice — making themselves ineligible for a time-limit extension based on good-faith effort — are offered an Individual Performance Contract (IPC), which provides an opportunity for them to restore their eligibility for an extension. (IPCs are discussed later in this chapter.)⁷

2. Program flow for the AFDC group. Employment services policy for the AFDC group differed from policy for the Jobs First group in three key respects. First, the AFDC group was subject to the broader exemption rules that were in place before Jobs First began. Notably, AFDC group members with a child under age 2 were not considered mandatory participants. Second, although the AFDC group was subject to a more employment-oriented welfare-to-work program than the one that existed prior to Jobs First (because Connecticut began to reorient its welfare-to-work program in late 1995, just before Jobs First began), the group was not required to follow the Jobs First sequence described above; the mix of activity assignments could be somewhat more individualized.⁸ Third, the AFDC group was subject to the pre-Jobs First sanctioning policies, which involved removing the noncompliant individual (usually the parent) from the grant calculation, resulting in a somewhat lower grant. Moreover, the first instance of non-compliance could be “cured” as soon as the recipient cooperated.

B. Implementation Issues

1. Shifting to a work first focus. When Jobs First began, both the Manchester and the New Haven sites dramatically shifted the emphasis of their welfare-to-work programs relative to the pre-Jobs First period. They contracted with JSST providers and generally followed the activity sequence described above. In the 1997 staff survey, almost all employment services workers in both sites reported that they were placing a heavier emphasis on employment, were more likely to urge participants to go to work than to school, and were referring more participants to job search activities than they were referring before Jobs First.

Data from field research and the staff survey suggest that the transformation to a work first focus was more dramatic in Manchester than in New Haven. The New Haven office maintained contracts with several education and training programs, and staff reported that participants were occasionally referred to these programs before they had completed their up-front job search activities. In fact, in the early implementation period, some employment services workers in New Haven reported that they disagreed with the work first philosophy.

⁷Recipients are also referred for an IPC if they incur one sanction and fail the work test or if they quit a job or reduce their hours without good cause in the final six months of time-limited benefits. (These actions also make recipients ineligible for an extension based on good-faith effort.)

⁸Under federal JOBS rules, which applied to the AFDC group, recipients could not participate in more than eight weeks of job search in any 12-month period.

Both sites used Self-Directed Job Search (SDJS) less than originally planned. After a few months of implementation, both began to refer new participants directly to Job Search Skills Training (JSST), bypassing the up-front SDJS. Thus, in practice, the work test was not a critical part of the program flow for most recipients. Staff reported several reasons for deemphasizing SDJS: Many recipients were not taking the job search requirement seriously (there was no sanction for failing the work test); staff felt uncomfortable about leaving recipients essentially unmonitored for such a long period with the time-limit clock ticking; and JSST contractors needed more referrals in order to generate sufficient revenue to keep their programs going.

The work first focus has apparently become somewhat muted over time, as the system has shifted toward a “balanced work first” approach. However, it is difficult to determine whether this has translated into significant changes in the pattern of activity assignments (for example, many more people in education or training activities). The Jobs First participants had their most intensive contact with the program long before the shift occurred, so data on their patterns of participation in employment activities (presented later in this chapter) do not address this question. As late as mid-2000, statewide data from DOL were still showing a large proportion of Jobs First participants in job search activities. In interviews with case managers conducted in late 2000, it was difficult to identify a clear philosophy regarding activity assignments.

2. Determining exemptions. Exemption determinations are generally made by eligibility staff (case maintenance workers, or FI-Reps), and exemptions can be granted at any point following enrollment. Some of the exemption reasons — for example, having a child under age 1 — are easy for staff to verify. Others are more complex. For example, exemptions for incapacitation require approval from a centralized medical review team if the recipient is not already receiving Supplemental Security Income (SSI) or Social Security Disability benefits. Also, staff reported that supervisors are required to sign off on exemptions granted for recipients who are required in the home to care for a disabled relative.

Table 2.1 shows that nearly 30 percent of Jobs First group members were exempt from work requirements and the time limit for at least one month within four years after their random assignment date.⁹ Most of the exemptions were relatively short-term; only about 8 percent of Jobs First group members were exempt for more than one year. Other data (not shown) indicate that the majority of exemptions were granted shortly after recipients were randomly assigned to the Jobs First group; all sample members met with an eligibility worker at that point. Most of these early exemptions were granted because recipients had a child under age 1.¹⁰

Thus, during the early months of the follow-up period, a substantial proportion of the Jobs First group members receiving TFA — nearly 20 percent — were exempt in any given month. This percentage dropped below 10 percent in the second year of the follow-up period,

⁹As noted in Chapter 1, a key exempt group, child-only cases, is not included in the research sample.

¹⁰The exemption based on child age only applies in situations where the child is not subject to the family cap provision. Because the cap provision only applied to children born after October 1996 who were conceived while the mother received benefits (children born before that point were likely conceived before Jobs First began), virtually all of the sample members who had a child under age 1 at the point of random assignment qualified for this exemption.

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Table 2.1

Proportion of Jobs First Group Members Granted an Exemption Within 48 Months of Random Assignment

Measure	Percentage of Sample
Ever exempt within 48 months of random assignment	29.8
Exempt 1-6 months	11.3
Exempt 7-12 months	10.3
Exempt 13-18 months	4.5
Exempt 19-24 months	1.7
Exempt 25 or more months	2.0
Sample size	2,396

SOURCE: MDRC calculations using Connecticut Eligibility Management System (EMS) data.

presumably because temporary exemptions based on child age or other factors began to expire.¹¹ This is discussed further below.

3. Monitoring recipients' compliance with participation mandates. As noted earlier, prior to Jobs First, a large proportion of AFDC recipients were exempt from employment-related mandates, and DSS did not strongly enforce the requirements for those who were mandatory (in fact, there were waiting lists for services). Under Jobs First, the number of mandatory recipients grew substantially (because exemptions were narrowed), and DSS simultaneously sought to enforce the mandates. Narrowing exemptions and enforcing mandates greatly increased the number of recipients who were expected to participate. Nevertheless, DSS did not increase the number of employment services staff when it implemented Jobs First; the activity sequence described above was intended to reduce the number of recipients who needed direct assistance from staff.

The earlier reports noted that the New Haven office in particular faced persistent difficulties monitoring recipients' participation in employment activities. During 1996 and 1997, the problem stemmed mostly from inadequate reporting by a large contracted JSST provider that received more than 4,000 referrals from DSS. DSS often received no information about whether recipients who were referred to this provider attended the activity, and those who completed JSST without finding a job were often not promptly referred back to DSS. The fact that DSS employment services staff had caseloads of 500 to 600 per worker made follow-up difficult. As a

¹¹These figures are different from the statewide data on exemptions, cited in Chapter 1, which show that the percentage of the caseload exempt from the time limit has increased over time. The statewide data refer to the entire caseload at a point in time, while the data cited here are derived by following a specific group over time. Also, the statewide figures include child-only cases, which were excluded from the research.

result of these monitoring problems, staff reported that many of the recipients who were referred to this JSST provider were not contacted again for many months.¹²

During site visits conducted in 1999, New Haven DSS staff reported that monitoring problems persisted in the period after responsibility for employment services shifted to DOL and the RWDB (views among Manchester DSS staff were more mixed). Staff reported that many recipients had been “lost” in the first months after the switch, in part because they were required to attend three separate meetings (one at DSS and two at DOL) before being assigned to an activity.¹³ Although the intake process was later streamlined, most New Haven FI-Reps reported that they still had little information about the activities of recipients, particularly those who had been referred to the RWDB for services. They believed that RWDB did not have enough staff to effectively monitor these participants. In fact, it appeared that no one entity or individual had responsibility for monitoring participants’ attendance. Contracted providers, RWDB staff, and DOL staff all played this role for certain groups of participants.

The new case management system implemented in early 2000 was designed to address these issues. However, in late 2000, staff reported that, as with the earlier transition from DSS to DOL, the transition to the contracted case management providers was not smooth. Once again, many cases fell through the cracks initially. The issue again appeared to most serious in New Haven, where many DSS staff felt that the contracted case management provider had initially underestimated the magnitude of the task. Also, the case management agency apparently experienced substantial staff turnover in the early months, which made it harder to track cases and forge linkages with DSS staff. A sophisticated case management computer system has been developed to facilitate client monitoring, but it was not fully operational during the final site visits in late 2000 (at that point, case management staff in New Haven also did not have direct access to EMS).

Although the DSS FI-Rep position was initially designed to integrate the eligibility and employment services functions, the simultaneous shift of employment services to DOL made this impossible. In fact, most FI-Reps see their role vis-à-vis employment services as being quite limited: They are expected to refer recipients to orientation and to administer the conciliation and (if appropriate) sanctioning processes when the case manager informs them that a recipient is not cooperating. Many FI-Reps fall back on “no news is good news” to explain their limited role in monitoring recipients’ activities; they do not believe that it is their responsibility to proactively seek out information about clients’ employment services activities.

In essence, during the first four to five years of program operations, the Jobs First employment component never experienced a “steady state” period. In 1996, DSS staff were struggling to make dramatic changes in the scope and nature of the program without additional staff resources. In mid-1998, cases were transferred to DOL, and many apparently fell through the cracks during the transition, particularly since there was no clearly defined case management structure. Yet another difficult transition occurred in early 2000, when the case management

¹²Managers may have been hampered in responding to this issue by the statewide payment rate for JSST — a maximum of \$600 per participant. Local managers reported that few agencies were interested in providing JSST at that price; thus, managers may have had little choice but to continue working with the providers that had been selected.

¹³Many members of the research sample were likely to have been among this early group of referrals, since many of them were receiving benefits when the shift to DOL was implemented.

providers started work. Perhaps the system will operate more smoothly after the case management providers have adjusted to their role and the new computerized case management system is fully operational.

4. Conciliation and sanctioning. Jobs First recipients who fail to comply with employment-related mandates enter the conciliation process: They are contacted by DSS staff and asked to explain the reasons for their noncompliance. Staff then decide whether to grant “good cause,” in which case the recipients would not be sanctioned. Initially, DSS employment services staff administered the conciliation process and requested that case maintenance workers impose sanctions when necessary. Since July 1998, FI-Reps have had responsibility for both conciliation and sanctioning.

Throughout the follow-up period, staff reported that sanctions were relatively rare, in large part because recipients’ activities were not being closely monitored. Staff in New Haven reported at various points that they felt some pressure to increase sanctioning. As discussed below, New Haven typically has had a lower sanctioning rate than other DSS offices.

As discussed further in Chapter 3, staff reported that difficult judgments are often involved in determining good cause, particularly when recipients leave their job and staff must determine whether they did so voluntarily. The stakes are particularly high during extensions, when a single instance of noncompliance can result in permanent ineligibility for assistance.

5. Working with employed recipients. Given the very generous earned income disregard, it is not surprising that a large proportion of TFA recipients are working at any given point. In this study, the proportion of Jobs First group members who were receiving TFA and reported employment to DSS ranged from about one-fourth to more than one-half, depending on the specific point in the follow-up period.

In both sites, staff reported that employed recipients were given low priority for employment services attention, particularly during the early operational period; as intended, employment services staff focused their energy primarily on people who were unable to find a job. In practice, this meant that if a recipient found a job and reported it to her case maintenance worker, and if the worker entered the earnings information into the Eligibility Management System (EMS), the client would be unlikely to be contacted by employment services staff.

This prioritization, while generally consistent with the program model, had two important side effects. First, staff reported that relatively little attention was focused on recipients working for only a few hours per week or at very low wages — even if these recipients were not earning enough to be considered self-sufficient. (In 1997, some underemployed recipients were referred to the CCFSA Employment Success Program for help in increasing their hours or wages.)

Second, because Jobs First group members’ TFA grants are generally not affected when they lose a job (and because there is no required monthly income reporting and eligibility redeterminations are infrequent), staff report that recipients have few incentives to inform DSS when they stop working. This, in turn, means that the earnings information recorded in EMS — which partly determines how recipients are prioritized for employment services — may be out of date. In other words, recipients in this study who had stopped working may not have been contacted by employment services staff because EMS indicated that they had earnings. As discussed in Chapter 3, when recipients began to appear for 20-month exit interviews, staff discovered that

some people who were assumed to be working were no longer employed or were earning a different amount than EMS showed.¹⁴ (Of course, inaccuracies can go in both directions: Some working recipients may not report their earnings to DSS.)

6. Employment services for the AFDC group. Before mid-1998, neither site made a concerted effort to enforce participation mandates for AFDC group members. Both reported that scarce resources were targeted to recipients facing time limits. After the shift to DOL, nonexempt AFDC group recipients were more routinely referred for employment services orientations, and DOL, RWDB, and the case management contractors held some orientation sessions for this group only. However, relatively few of these sessions were held, and DSS staff reported that, in practice, AFDC group members were never strongly required to participate in employment activities.

C. Participation Patterns

1. Overall participation rates. Table 2.2 shows the rates of participation in employment-related activities for Jobs First and AFDC group members in the first 36 months after each person's date of random assignment. These self-reported data are drawn from the Three-Year Client Survey. They include both activities arranged by DSS and those not arranged by DSS (for example, activities that people participated in after they left welfare).¹⁵

The far-right column (Years 1-3) show results for the entire three-year follow-up period. The top row shows that members of both groups were quite likely to report that they had participated in at least one employment-related activity. However, as expected, Jobs First group members had a significantly higher participation rate: 61.4 percent versus 48.8 percent for the AFDC group. This likely reflects both the narrower exemption criteria for the Jobs First group and the somewhat stronger enforcement of the participation mandates.¹⁶ (As discussed further in Chapter 4, the asterisks on the table indicate whether differences between the groups are statistically significant — that is, quite unlikely to have arisen by chance.) The first three sets of columns, which examine the results by year, show that the increases in participation were largest early in the follow-up period, when substantial proportions of both groups were still receiving welfare — and thus were more likely to be in activities. (In fact, as discussed in Chapter 4, the Jobs First group had a higher rate of welfare receipt than the AFDC group during this period.)

Consistent with the program model, the overall difference in participation rates was driven mainly by an increase in participation in group job search activities (JSST, for the Jobs First group). With the exception of a small increase in college attendance, Jobs First did not increase participation in education or training activities such as Adult Basic Education (ABE), General Educational Development (GED) preparation, and vocational training.

¹⁴MDRC conducted a detailed analysis of all sample members who received AFDC or TFA benefits in all three months of quarter 6 of the follow-up period (just before families began reaching the time limit). Among the AFDC group, 31 percent had earnings reported in the UI system in quarter 6, but only 21 percent reported any earnings to DSS during those months. In contrast, among the Jobs First group, the percentage reporting earnings to DSS was slightly higher than the percentage with earnings reported in the UI system (58 percent versus 56 percent).

¹⁵MDRC was unable to obtain reliable data from EMS or from DSS employment services case files to determine which sample members participated in activities arranged by DSS.

¹⁶On another survey question (not shown in the figures and tables), AFDC group members were somewhat more likely to agree or agree a lot with the statement "It was easy to stay on welfare without taking part in any activities to prepare for employment."

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Table 2.2

Self-Reported Rates of Participation in Employment-Related Activities Within 36 Months of Random Assignment

Activity	Year 1			Year 2			Year 3			Years 1-3		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
Ever participated in:												
Any employment-related activity (%)	30.1	21.4	8.7 ***	19.6	13.5	6.1 ***	20.4	15.7	4.7 ***	61.4	48.8	12.5 ***
Any job search activity (%)	17.1	6.9	10.2 ***	10.1	4.3	5.9 ***	8.5	5.2	3.4 ***	39.2	22.0	17.2 ***
Job club (%)	15.6	6.5	9.1 ***	8.5	3.8	4.7 ***	7.4	4.6	2.8 ***	32.0	16.3	15.7 ***
Independent Job Search (%)	3.8	1.0	2.8 ***	2.8	0.8	2.0 ***	2.2	1.6	0.6	8.6	3.5	5.1 ***
Any education or training activity (%)	15.4	15.6	-0.2	10.8	9.4	1.4	13.5	11.5	2.0	33.9	32.7	1.3
Basic education (%)	3.8	5.7	-1.9 **	3.0	2.8	0.2	4.7	4.1	0.6	11.2	12.6	-1.5
ABE or GED classes (%)	3.2	4.9	-1.7 **	2.4	2.3	0.1	3.6	2.8	0.9	8.9	10.2	-1.2
ESL classes (%)	0.7	1.0	-0.3	0.7	0.4	0.3	1.2	1.3	-0.1	2.7	2.7	0.0
College (%)	5.7	4.0	1.7 **	3.0	2.5	0.5	4.7	2.5	2.2 ***	11.1	8.1	3.1 **
Vocational training (%)	7.2	7.2	0.0	5.6	4.7	0.9	4.7	5.3	-0.5	17.1	16.8	0.3
Work experience (%)	0.7	0.5	0.2	0.7	0.5	0.2	0.8	0.4	0.4	2.1	1.3	0.8
On-the-job training (%)	0.6	0.5	0.1	0.6	0.7	-0.1	1.2	0.7	0.5	2.3	1.8	0.5
Average months of participation in any employment-related activity	n/a	n/a		n/a	n/a		n/a	n/a		3.1	2.6	0.5 *
Ever employed or ever participated in any employment-related activity (%)	65.3	55.7	9.6 ***	73.6	64.5	9.1 ***	81.4	72.7	8.7 ***	87.6	79.2	8.4 ***
Sample size	1,249	1,175										
<i>Among those who participated, percentage who participated in:</i>												
Any job search activity (%)	56.1	33.2	22.9	52.0	31.0	21.0	41.7	33.1	8.6	63.7	45.4	18.3
Any education or training activity (%)	52.2	71.5	-19.3	55.1	69.4	-14.3	66.2	73.4	-7.2	55.6	66.6	-11.1
Both job search and education or training (%)	10.3	7.8	2.6	9.8	6.3	3.5	12.8	11.0	1.9	25.1	20.4	4.7

(continued)

Table 2.2 (continued)

Activity	Year 1			Year 2			Year 3			Years 1-3		
	Jobs First	AFDC	Difference	Jobs First	AFDC	Difference	Jobs First	AFDC	Difference	Jobs First	AFDC	Difference
	Group	Group		Group	Group		Group	Group		Group		
<i>Average months of participation in any employment-related activity</i>	<i>n/a</i>	<i>n/a</i>		<i>n/a</i>	<i>n/a</i>		<i>n/a</i>	<i>n/a</i>		<i>5.1</i>	<i>5.3</i>	<i>-0.2</i>
<i>Sample size</i>	<i>391</i>	<i>261</i>		<i>253</i>	<i>164</i>		<i>276</i>	<i>199</i>		<i>790</i>	<i>595</i>	

SOURCE: MDRC calculations using the Three-Year Client Survey data.

NOTES: Items in the upper panel were asked of all 2,424 survey respondents. Items in the lower panel were asked only of those survey respondents who took part in any employment-related activity.

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

A two tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** =1 percent, ** =5 percent, * =10 percent.

Rounding may cause slight discrepancies in the calculation of differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Italicized results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics. Thus, significance tests were not conducted.

Although most people in the Jobs First group reported participating in at least one employment activity — and, as shown in Table 2.2, a very large proportion of the group *either* participated *or* worked during the follow-up period — these data do not imply that Jobs First group members were continuously active in employment activities throughout their time on welfare. In fact, because job search activities are fairly brief, this was probably not the case (and would seem unlikely, given the problems with client monitoring discussed earlier). As Table 2.2 shows, the average number of months of participation in employment activities for the Jobs First group (including participation in activities while off welfare) was 3.1, compared with an average of 23 months of benefit receipt (not shown).

However, in interpreting these figures, it is important to consider what fraction of the Jobs First group was actually expected to be in employment activities. Figure 2.1 examines this issue by showing the percentage of the Jobs First group that fell into each of four statuses during each month of the follow-up period: (1) off welfare; (2) on welfare and exempt from employment mandates; (3) on welfare, not exempt, and reporting employment; and (4) on welfare, not exempt, and not reporting employment. Only people in the latter two categories were officially expected to participate in employment activities, and, as discussed earlier, those who were reporting employment were not targeted in practice. Thus, program staff focused most of their attention on the group shown in the bottom section of the graph. Initially, this group constituted almost 60 percent of the Jobs First group, but the proportion dropped rapidly over time; by month 8, only about one-third of the Jobs First group were receiving benefits, nonexempt, and not reporting employment. During the follow-up period, the average Jobs First group member spent fewer than 10 months in this status. In other words, during most of the follow-up period, most of the Jobs First group were not actually expected to be participating in activities.

Finally, it is important to note that, despite their higher participation rates, Jobs First group respondents were only slightly more likely than AFDC group respondents to agree a little or agree a lot with the statement “I received help that improved my long-term chances of getting and keeping a job.” In fact, relatively few respondents in either group agreed with that statement (36 percent of the Jobs First group and 32 percent of the AFDC group agreed a little or agreed a lot).

2. Participation rates by site. The participation patterns by site (see Appendix A) show that the overall figures mask differences in the pattern of impacts across sites.¹⁷ These differences are largely consistent with the implementation data described above. Manchester, which implemented a fairly strict work first approach, generated substantial increases in job search participation rates and corresponding decreases in participation in education and training activities. This pattern suggests that Jobs First group members who might have participated in education or training under the old rules were steered toward job search activities (there was little or no net increase in participation).

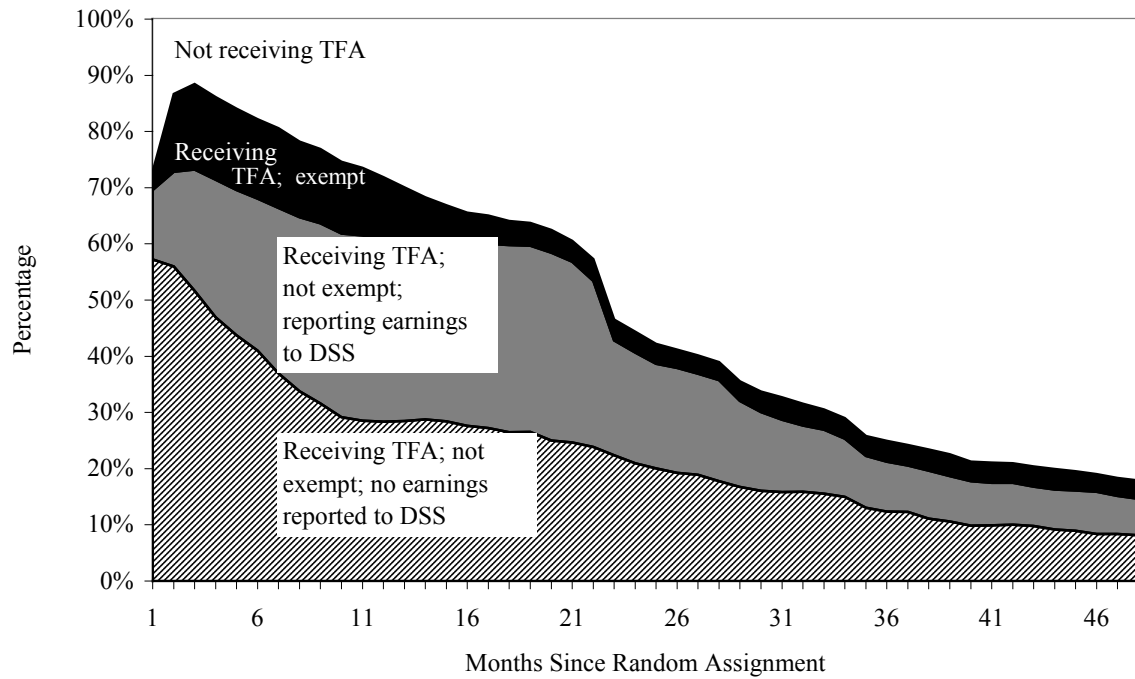
In New Haven, Jobs First generated a substantial increase in job search participation and a modest but statistically significant increase in education and training participation. This may reflect the continued emphasis on education and training discussed above. In addition, data from

¹⁷Appendix A shows results from the Interim Client Survey, rather than the Three-Year Client Survey, because, in characterizing implementation practices, it is more appropriate to focus on the period when most sample members were receiving benefits.

Connecticut's Jobs First Program

Figure 2.1

Status of the Jobs First Group During the Four-Year Follow-Up Period



SOURCE: MDRC calculations using Connecticut Eligibility Management System (EMS) data.

in-depth interviews with a small group of sample members suggest that at least some people participated in education and training activities while on welfare, but the activities were not arranged by DSS.

3. Sanctioning and Individual Performance Contracts (IPCs). Administrative data from EMS show that only about 8 percent of the Jobs First group and 5 percent of the AFDC group ever had their benefits reduced owing to a sanction for noncompliance with work-related mandates. However, an overall look at employment-related sanctioning should also include data on sanctions incurred during extensions — when noncompliance results in complete benefit termination. MDRC did not have complete data on that type of case closure but was able to estimate that about 5 percent of Jobs First group members ever had their benefits canceled for noncompliance during an extension. Thus, the overall sanctioning rate for the Jobs First group — including both types of sanctions — is probably close to 13 percent. (Some of those who were terminated during an extension had also been sanctioned earlier.)

Compared with sanctioning rates in other welfare-to-work programs examined by MDRC, these rates are low. This is likely due to the relatively modest scope of the employment-related requirements (that is, most recipients were not required to participate in many activities) and the monitoring problems discussed earlier. In addition, it is worth noting that, according to DSS statistics, the New Haven office consistently has lower sanctioning rates than the other regional offices in the state. The low sanctioning rates for the AFDC group are not surprising, given that these recipients have generally not been required to participate in employment-related activities.

As mentioned earlier, recipients who are at risk of being denied an extension because they have not met the good-faith-effort criteria (for example, they have been sanctioned twice) can restore eligibility for an extension based on good-faith effort by successfully completing an Individual Performance Contract (IPC). An IPC — which can be offered only during the first 21 months of time-limited TFA — typically entails complying with an employability plan that prescribes work-related activities that conform with the Jobs First program. IPC services are provided through WorkSteps, a partnership between the United Way of Connecticut-Infoline and the CCFSA Employment Success Program.¹⁸ The United Way manages Infoline, a statewide social service information and referral program. Services are provided by the various local CCFSA agencies. WorkSteps provides two sets of services: IPC and Safety Net services. (Safety Net services are described in Chapter 3.)

When DSS staff identify a recipient who is in danger of losing her benefits because of lack of a good-faith effort, they send her name to Infoline, which attempts to contact the recipient by telephone or through the mail and then refers the case to CCFSA. Local CCFSA case managers must attempt to contact each person who is referred for an IPC — through phone calls, letters, and at least three home visits. If they are unsuccessful after three weeks, they inform DSS, and the individual is considered not to have restored good faith. Although individuals can refuse IPC services, staff report that most agree to participate, because they understand that refusal may result in ineligibility for extensions.

¹⁸The United Way has a contract with DSS to provide the WorkSteps program, and CCFSA subcontracts with the United Way.

CCFSA case managers usually meet with recipients in their home. During the first visit, they conduct an assessment and help the recipients complete an IPC service plan that reflects their employment plan. CCFSA staff report that sometimes, if the employment plan seems inappropriate to them based on the recipient's barriers, they will try to negotiate with DSS staff to alter the plan and that usually DSS agrees. Staff say that they try to help people remove or work around any barriers that may have prevented them from complying with the Jobs First program in the past.

CCFSA typically works with IPC participants for 30 to 60 days. If an IPC is offered near the recipients' time limit (during month 20 or 21), they may be granted an extension until the IPC results are available. CCFSA sends weekly progress reports to DSS for each IPC participant and, at the end of the period, sends a final report that indicates whether the individual successfully completed the IPC.

Owing to the low rate of sanctioning, particularly in New Haven, there have been relatively few referrals for IPCs. Statewide data from CCFSA for the year 2000 show that about 68 percent of those referred for an IPC accepted services and that about 56 percent of those referred (83 percent of those who accepted services) succeeded in restoring their eligibility for an extension.¹⁹

IV. Other Services

This section discusses other key areas in which the experiences of Jobs First and AFDC group members differ.

A. Child Support Enforcement

Table 2.3 illustrates the two Jobs First policy changes that relate directly to child support. Under AFDC rules, when child support was collected for a recipient's child, she received a check for the first \$50 that was collected each month (or for less than \$50 if less was collected) in addition to her regular welfare check; the remaining child support (if any) was retained by the state as reimbursement for welfare costs. The \$50 "pass-through" was disregarded in calculating her welfare grant.

Under Jobs First, the child support disregard was raised from \$50 to \$100 per month.²⁰ In addition, recipients receive a check for the *full amount* of child support collected each month, but this amount (less the \$100 disregard) is counted as income in calculating their monthly welfare check. Thus, in months when more than \$50 is collected, recipients receive up to \$50 more in total income under Jobs First. In addition, because they receive a check for the full amount of support, recipients can clearly see how much child support has been collected on their behalf. If support is being collected steadily, this new awareness might make recipients more willing to leave welfare and rely on their earnings and child support. Moreover, it might make them more willing to provide information about the whereabouts of noncustodial parents that would assist the child support enforcement (CSE) program in establishing or enforcing a support order.

¹⁹Connecticut Council of Family Service Agencies, 2000.

²⁰The disregard was lowered to \$50 per month in October 2001.

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Table 2.3

Income from AFDC/TFA and Child Support for a Mother with Two Children, If \$150 in Child Support Is Collected

Program	Child Support Check	AFDC/TFA Check ^a	Total
AFDC (\$)	50	543	593
Jobs First (\$)	150	493	643

SOURCE: MDRC calculations based on Connecticut TFA policies.

NOTE: ^aThe maximum monthly TFA grant for a mother with two children and no other income is \$543.

MDRC interviewed child support supervisors and investigators in both the Manchester and the New Haven DSS offices to ascertain whether staff believe that these changes, or other features of Jobs First, affect the behavior of custodial parents vis-à-vis child support enforcement.

Several of the staff who were interviewed believe that the Jobs First time limit induces some custodial parents to provide additional information about noncustodial parents. Staff reported that they had seen custodial parents who had previously provided very little information about their children's noncustodial parent suddenly "remember" detailed information (for example, Social Security number, address, place of employment) just before they reached the time limit. This information is vital because child support staff typically need the cooperation of custodial parents in order to locate noncustodial parents who move or change jobs frequently and do not want to be found.

There was less agreement about whether the specific changes described above have much effect on behavior. Some staff thought that the changes would likely affect only the minority of recipients who already had support orders in place. Others pointed out that the switch to Electronic Benefits Transfer (EBT) — which took place in 1997 — had diluted the potential impact of the redirected payment policy, since both child support and cash assistance are deposited into a single account (that is, there are no more paper checks).

Finally, staff noted that, even if Jobs First stimulates additional cooperation, the CSE system cannot necessarily respond quickly to establish or enforce a support order because of investigators' very large caseloads. In addition, as in many other states, the multistep CSE process involves several organizational players, and there are potentially long delays at each stage.

B. Child Care

Both Jobs First and AFDC group members are ensured of child care assistance if they work or participate in activities while receiving cash assistance. In accordance with prior rules, AFDC group members are eligible for one year of transitional child care (TCC) if they leave welfare for work, while Jobs First group members are guaranteed child care indefinitely after

leaving welfare while employed, as long as their income does not exceed 75 percent of the state median income. In reality, however, there is not a large difference between these two policies, because AFDC group members who reach the end of the TCC period can move directly into the child care certificate program that serves low-income working parents.²¹

Prior to September 1997, DSS was responsible for issuing child care subsidy payments. Although each office had specialized child care workers, MDRC's 1997 report noted that case maintenance workers often assumed responsibility for processing reimbursement checks for the recipients in their caseload. At the time, child care subsidy payments were often provided directly to parents using informal arrangements, and there was widespread (though unsubstantiated) speculation among DSS staff that some recipients were receiving more money than they needed to pay for care. (Now payments are generally issued directly to providers.)

As noted earlier, administration of the child care programs was shifted to a private provider, Maximus, in September 1997. Thus, DSS staff now play a limited role vis-à-vis child care. Unlike some other states, Connecticut does not have a system of local child care resource and referral agencies that assist parents in searching for child care providers. Instead, DSS, DOL, and RWDB staff reported that they generally recommend that recipients contact Child Care Infoline, a telephone-based system, to obtain a list of child care providers in their area.²² Applications for financial assistance were submitted to Maximus, which operated exclusively by telephone and mail (that is, parents did not meet with Maximus staff directly). Unlike some other states, Connecticut does not appear to steer parents toward particular types of providers (for example, licensed child care centers).

Just after Maximus took over the child care program, there were extensive and well-publicized delays in issuing subsidy payments and responding to parents' inquiries. Recent state data indicate that the situation has greatly improved, although DSS and DOL staff reported as late as 2000 that many recipients still experienced delays in getting their applications for assistance approved. As noted earlier, another firm took over administration of the child care program in 2001.

On the Three-Year Client Survey, Jobs First group members were somewhat more likely than AFDC group members to report that they had been informed that state-funded child care assistance is available for those who leave welfare for work, although knowledge of this benefit was far from universal — 57 percent of Jobs First group members said they had been informed, compared with 49 percent of AFDC group members. On another set of questions, fewer than half the respondents in each group agreed a little or agreed a lot that they had received useful information about finding and paying for child care. Once again, however, members of the Jobs First group were more likely to agree with both statements, perhaps because they were more likely to be seeking work or participating in employment-related activities.

²¹Perhaps the more significant difference relates to the initial eligibility rules for TCC. Under AFDC, TCC was available only to individuals who lost eligibility for welfare because of earnings and had received benefits in at least three of the previous six months. Under Jobs First, eligibility is streamlined, and TCC is available to any recipient who is employed at the time her case closes (or within the subsequent six months). This means that some AFDC group recipients who leave welfare for work may not be eligible for TCC and may need to turn directly to the certificate program.

²²Child Care Infoline also recruits new child care providers.

Finally, approximately 20 percent of the respondents in each group reported that they had quit a job, school, job search, or training activity because they had problems arranging child care. A similar proportion reported that they had not accepted a job or started an activity for the same reason; however, in that case, members of the Jobs First group were somewhat less likely to report experiencing the problem. Once again, this may be because members of the Jobs First group felt more pressure to become employed.

Data on patterns of child care use, on child care quality (as reported by parents), and on the receipt of child care subsidies are reported in Chapter 6.

C. Medical Coverage

Since 1988, Congress has required states to extend Medicaid coverage for one year to certain families who leave welfare for work. Jobs First extended this transitional medical assistance (TMA) coverage to two years and also expanded the range of families who can qualify for the benefit.

When the transitional Medicaid extension was developed, it potentially provided a significant incentive for Jobs First group members to leave welfare for work, especially when available jobs did not provide health coverage. However, over the past few years, Connecticut (like many other states) has expanded eligibility for medical assistance to a wide range of low-income families not receiving welfare. Currently, families with income under about \$27,000 per year can receive free health insurance for their children through the Health Care for Uninsured Kids and Youth (HUSKY) program. Coverage was recently extended to parents in families with income below about \$22,000 per year. In addition, the 1996 federal welfare law “delinked” eligibility for Medicaid from eligibility for welfare and created a new coverage category for families who are not on welfare but who meet the AFDC eligibility criteria that were in place in July 1996 (in Connecticut, those criteria included the poverty-level disregard).

These statewide expansions in health coverage for children and adults are available to both the Jobs First group and the AFDC group. Because the changes were phased in at various points during the study period, the difference between the groups that relates to subsidized health coverage policy was largest in the first year or two of program implementation and then began to narrow. However, there were delays in implementing some of the new policies (particularly those related to the 1996 “delinking provision”), and it is not clear that all families in the AFDC group were aware of all the medical assistance benefits for which they were newly eligible. In contrast, as noted below, the transitional Medicaid benefit for the Jobs First group was implemented more or less automatically by EMS. Thus, in practice, the Jobs First group probably retained some greater access to medical assistance throughout most of the follow-up period.

Like the time limit and the disregard, the transitional Medicaid policy can be implemented mechanically by EMS; families reporting employment when they exit TFA are automatically shifted into the TMA category. In fact, it appears that this transition works more smoothly in Connecticut than in some other states, in part because the eligibility criteria for TMA have

been simplified and expanded.²³ For example, in some other states, individuals who leave welfare for work but do not contact the welfare office may not receive TMA.

In theory, the expanded and extended TMA benefit could increase employment retention and reduce welfare recidivism, although any differences would not show up immediately. However, in order to affect recipients' initial decisions about whether to go to work, information about TMA must be communicated to recipients by program staff. Two brief telephone surveys of sample members conducted in 1996 and 1997 found that nearly two-thirds of Jobs First group members in New Haven and more than three-fourths in Manchester were aware of TMA coverage, suggesting that staff were relatively successful in communicating information about the benefit.

D. Other Supports for Recipients

In addition to employment-related services and support services such as child care, recipients may receive other types of help in overcoming barriers to employment. Although eligibility staff reported in the 1997 staff survey that they spent more time on "client assistance" when working with members of the Jobs First group than the AFDC group, responses to the Interim and Three-Year Client Surveys found little evidence to support this contention. For example, well under half the respondents in both groups agreed that staff took the time to get to know them and their situation, and there was no difference between the groups (this question was asked only of respondents who reported that they had received cash assistance since their random assignment date). This likely reflects the lack of frequent contact between recipients and staff.

At the same time, field research suggests that Jobs First group members who experience serious problems may be more likely to get attention and help, particularly as they approach and reach the time limit. For example, the IPC program, discussed earlier, is available only to the Jobs First group (although the number of referrals has been relatively small). Although assistance from DSS social work staff is available to recipients in both research groups, eligibility staff may be more likely to identify the need for assistance with Jobs First group members, who are subject to employment-related mandates and the time limit. In fact, particularly in the New Haven office, DSS social workers have systematically reached out to recipients who are having difficulty meeting program requirements (for example, sanctioned clients and those approaching the time limit).

Finally, Project SOAR, which is operated under contract to DOL, provides assistance to recipients who are having difficulty meeting employment services requirements. Recipients are referred to the program by DOL or RWDB staff. Once again, the service is available to both groups, but the fact that Jobs First group members are subject to employment-related mandates probably increases their chances of being referred (although, as noted earlier, the program is relatively small).

There are two potential issues with this set of supports. First, several of the special programs are triggered by noncompliance or sanctions. As noted earlier, however, recipients' par-

²³Under prior rules, transitional Medicaid was provided to families who had received AFDC for at least three of the six months prior to becoming ineligible for aid, and who became ineligible because of earnings or hours of employment. Under Jobs First, transitional Medicaid is provided to families who are employed at the point their benefits are discontinued, become employed within six months after leaving welfare, or lose eligibility because of child support income.

ticipation in employment activities has not been closely monitored, particularly in New Haven, which means that noncompliance may not be discovered for some time. One study noted that the infrequent use of “warning sanctions” before recipients reach the time limit may leave many clients vulnerable when they receive extensions and become subject to much more stringent sanctioning rules.²⁴

Second, recipients who need help may interact with an array of staff from several different agencies — a potential unintended consequence of the complex organizational structure that has developed over the past three years. For example, a recipient failing to comply with employment mandates might interact with the contracted provider of the employment service, her case manager, CCFSA (which operates the IPC program and Project SOAR), DSS social worker staff, and her FI-Rep. Although the new case management structure is intended to address this issue by placing one person in charge of each case, the multiagency structure remains in place.

V. The Message

Jobs First uses several means to try to induce recipients to work and eventually leave welfare. Employment services — and mandates to participate in them — are intended to require and assist clients in finding jobs. The time limit and the earned income disregard are intended to provide additional motivation, although they can only have this effect if they are well explained. Finally, staff are supposed to send a general message that encourages employment and self-sufficiency. This section discusses what messages clients in both research groups heard from the welfare system; Chapter 3 also addresses this topic, focusing more specifically on the transmission of information related to the time limit.

A. The Intended Jobs First Message

The central message that DSS sought to convey to Jobs First group members is straightforward: “Get a job.” This message can be strengthened and reinforced by “marketing” the time limit (to convey a sense of urgency) and the earned income disregard (to convince recipients that work would improve their financial situation) and by mandating participation in work first employment services. In addition, to reinforce the message that income maintenance issues are no longer the most critical concern, Jobs First recipients who are employed are not required to file monthly income reports (these reports are less critical because recipients’ grant amounts are not affected by their earnings unless they have above-poverty-level earnings).

It is important to note that the AFDC group may also receive an employment-focused message to some extent because Connecticut, like most states, operated welfare-to-work programs for many years before Jobs First began. However, as discussed below, participation mandates have not been strongly enforced for the AFDC group in either Manchester or New Haven.

B. Transmitting the Message

As discussed earlier, welfare eligibility workers — intake workers, case maintenance workers, and, later, FI-Reps — are primarily responsible for transmitting the Jobs First message. Several factors have facilitated this effort. For example, the strong labor market has made job-

²⁴Bazon and Watts, 2000.

finding feasible for most recipients. In addition, unlike many other types of financial work incentives, the Jobs First earned income disregard is both generous and straightforward; in other words, it should be fairly easy for staff to persuade recipients that they will be better off working. The structure of the disregard also facilitates a reduced emphasis on income maintenance issues, since recipients' earnings generally do not affect the size of their welfare grant. Finally, DSS has generally succeeded in adapting EMS, the statewide computer system, to track Jobs First group members' time-limit status and to administer the appropriate eligibility rules for recipients in both groups.

Nevertheless, several factors have affected transmission of the new message. First, as noted earlier, Jobs First is structured so that DSS staff and recipients do not necessarily interact very frequently. Virtually all Jobs First group members in the evaluation were given a description of the program and its message when they were first randomly assigned (some also attended voluntary group orientations), but there were only two subsequent eligibility redeterminations (at month 12 and month 20) before recipients reached the time limit.²⁵ Moreover, the initial employment services model described below was designed to minimize the number of recipients who needed to work directly with employment services staff. These features make it more feasible for DSS to implement Jobs First without increasing staff, but they also reduce the opportunities for staff to reinforce the program message. For example, on the 1997 staff survey, most New Haven case maintenance workers reported that they had contact with fewer than half their clients between scheduled redeterminations, and large majorities of workers in both sites reported that most contact with recipients between redeterminations was client-initiated.

Second, particularly under the post-1998 employment services structure, the Jobs First program is dispersed among several agencies (DSS, the case management agencies, employment services providers, CCFSA, and so on), making it more difficult for DSS to control the content of the message given to recipients.

Third, it has been difficult to maintain a sharp distinction between the research groups — that is, to ensure that AFDC group members *do not* hear the Jobs First message. By late 1996, the AFDC group members were the only recipients in the state not subject to Jobs First policies. Jobs First has received extensive media coverage, and it seems likely that many AFDC group members were influenced by the general Jobs First message even if they understood that the specific policies did not apply to them. This is particularly likely because Jobs First has been implemented during a period when federal welfare changes also generated much publicity and community discourse. Finally, as noted earlier, many case maintenance workers and FI-Reps have both Jobs First and AFDC group members in their caseload. Although systems were implemented to ensure that staff could quickly check a recipient's research group before answering questions, errors are always possible in this environment.

C. The Message That Recipients Heard

This section uses data from the Interim Client Survey and other sources to describe the information and messages that sample members heard while on welfare. The section uses data from the Interim Client Survey, rather than the Three-Year Client Survey, because the former

²⁵There was also a redetermination at month 6, but only for those who were not employed and not attending an assigned activity.

survey was administered when most sample members were still receiving welfare and, thus, were better able to remember their experiences with the welfare system. However, many of the same questions were asked at the three-year point, and the results are shown in Appendix A.

Figure 2.2 shows the responses to several questions that asked respondents whether they agreed or disagreed with a series of statements about the messages they heard from the welfare system. These questions were asked of all survey respondents who reported that they had received cash assistance at some point since random assignment. The figure combines the responses of Manchester and New Haven respondents. Table 2.4 shows the responses separately for each site.

In general, these data indicate that Jobs First group members heard a substantially different message than AFDC group members. Roughly two-thirds or more of Jobs First group members agreed a little or agreed a lot that staff urged them to get a job as quickly as possible, told them that working would improve their financial situation, and stressed that they would be allowed to keep part of their welfare grant if they went to work; these responses indicate that staff did a relatively good job of transmitting these central elements of the Jobs First message.²⁶ There are large differences in the percentage of Jobs First and AFDC group members who agreed with each statement, although it is worth noting that a fairly large proportion of AFDC group members reported hearing these self-sufficiency-related messages.

As might be expected, a somewhat smaller proportion of Jobs First group respondents — about half — said that staff urged them to get off welfare quickly. This probably reflects the fact that recipients were urged to take advantage of the earned income disregard by combining work and welfare. Nevertheless, Jobs First group members were still much more likely to hear this message than their counterparts in the AFDC group.

Interestingly, despite the program's strong work first focus, Jobs First group respondents were somewhat more likely than AFDC group members to agree that staff urged them to obtain education or training. Table 2.4 shows that this impact was driven entirely by New Haven respondents and probably reflects the fact that the New Haven office maintained some emphasis on skill-building activities (discussed below). It might also reflect a greater overall emphasis on issues related to employment and self-sufficiency for Jobs First group members.

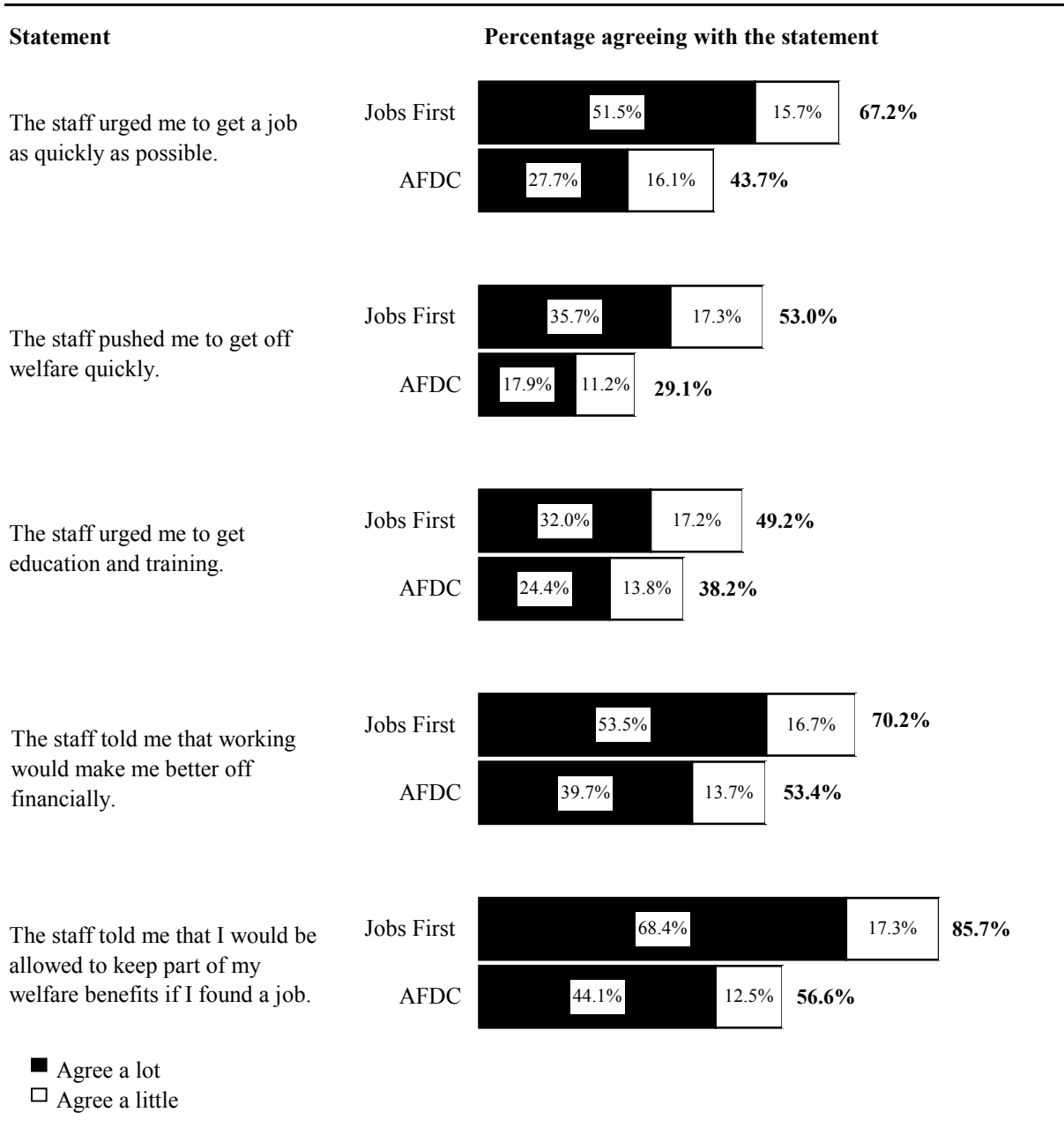
The results in Appendix A show similar results from the Three-Year Client Survey — although the differences between groups were somewhat smaller at the three-year point. It appears that this pattern is due, in part, to the fact that the differences in message were not as great for individuals who were randomly assigned early in 1996 (this group was not included in the Interim Client Survey) as they were for later assignees.

²⁶In another question (not shown), about 88 percent of Jobs First group respondents who had received welfare since random assignment reported that they believed they would be better off financially if they worked 30 hours per week than if they did not work at all. The figure was 76 percent for the AFDC group.

Connecticut's Jobs First Program

Figure 2.2

Messages Heard by Jobs First and AFDC Group Members While on Welfare



(continued)

Figure 2.2 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

The data presented here reflect two of the four possible responses. The other options were whether sample members "disagreed a lot" or "disagreed a little" with the statement.

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

Rounding may cause slight discrepancies in the calculation of sums.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Connecticut's Jobs First Program

Table 2.4

Messages Heard by Jobs First and AFDC Group Members While on Welfare, by Site

Statement	Manchester			New Haven			Full Sample		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
The staff urged me to get a job as quickly as possible (%)									
Agree a lot	58.1	26.7	31.3	47.3	27.0	20.3	51.5	27.7	23.8
Agree a little	11.8	18.0	-6.3	16.3	15.3	0.9	15.7	16.1	-0.3
The staff pushed me to get off welfare quickly (%)									
Agree a lot	40.9	22.0	18.9	31.5	16.2	15.3	35.7	17.9	17.8
Agree a little	14.4	11.6	2.9	17.0	10.9	6.1	17.3	11.2	6.1
The staff urged me to get education or training (%)									
Agree a lot	23.2	23.7	-0.5	33.9	24.0	9.9	32.0	24.4	7.6
Agree a little	18.1	14.7	3.5	16.5	13.5	3.0	17.2	13.8	3.4
The staff told me that working would make me better off financially (%)									
Agree a lot	56.5	39.0	17.5	50.2	38.5	11.7	53.5	39.7	13.8
Agree a little	14.4	16.3	-1.9	17.0	12.2	4.8	16.7	13.7	3.0
The staff told me that I would be allowed to keep part of my welfare benefits if I found a job (%)									
Agree a lot	71.8	52.9	18.9	63.5	39.7	23.8	68.4	44.1	24.3
Agree a little	13.2	10.5	2.7	17.5	12.4	5.1	17.3	12.5	4.8
Sample size	76	65		246	233		322	298	

(continued)

Table 2.4 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

The data presented here reflect two of the four possible responses. The other options were whether sample members "disagreed a lot" or "disagreed a little" with the statement.

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

These results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics because these questions were asked only of respondents who reported that they had received cash assistance. Thus, significance tests were not conducted.

Rounding may cause slight discrepancies in the calculation of differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Chapter 3

The Implementation of Jobs First: The Time Limit

Chapter 2 begins the discussion of the implementation of the Jobs First program, examining the program's services, mandates, and message. This chapter completes the discussion, focusing on the program's 21-month time limit on Temporary Family Assistance (TFA) benefits.¹ Specifically, after summarizing the key findings, the chapter discusses the time-limit message that recipients heard and describes the time-limit review process that occurs during each individual's twentieth month of cash assistance and at the end of each six-month extension of benefits. It presents information on how quickly Jobs First group members reached the time limit and on the outcomes of the time-limit review process, including the proportion of recipients who received six-month extensions. It then provides information on various characteristics of people who received multiple extensions to their benefits and on the status of individuals who left the welfare rolls because of the time limit. Finally, the chapter describes the services that are available after the time limit, including the Safety Net program that serves individuals who are denied extensions.²

As noted in Chapter 2, although MDRC conducted field research visits in Manchester and New Haven in late 2000, Jobs First's implementation was studied most extensively during the first four years of program operations, from 1996 through 1999. Thus, most of the information on the time limit was covered in more detail in MDRC's interim report, published in 2000.³

I. Summary

Just over half of the Jobs First group reached the time limit within the follow-up period for this study. Twenty-nine percent reached the time limit 21 months after their random assignment date; that is, they received TFA benefits continuously and were never exempt from the program. Another 24 percent reached the time limit between 22 and 48 months after random assignment. Thus, 47 percent of the Jobs First group did not reach the time limit in the four-year period. Most of these individuals left welfare, at least temporarily; others were exempt from Jobs First and its time limit for at least part of the period they received benefits.

Fewer than half of those who reached the time limit had their benefits discontinued at that point; most of those whose cases were closed were working and had income above the payment standard (the maximum grant for their family size). Just over half of those who reached the time limit were granted a six-month extension at that point because they had income below the payment standard and were deemed to have made a good-faith effort to find a job.

¹In contrast to Chapter 2, this chapter focuses specifically on the implementation of the Jobs First time limit and thus presents little information on the AFDC program.

²While the policies discussed in this chapter have been implemented statewide, MDRC's observations and data are limited to the two research sites: Manchester and New Haven. The time-limit review process may operate differently in other areas of the state, and the numbers presented do not represent statewide results.

³Bloom et al., 2000b.

During the 36 months following the time limit, very few individuals whose grant was closed at the time limit returned to the rolls, and most of the individuals who received an extension at the time limit left welfare. A small minority, however, received additional six-month extensions and continued to receive benefits throughout the period. Not surprisingly, those who received multiple extensions were more disadvantaged than other sample members when they entered the study. In all, among recipients who reached the time limit, 63 percent were granted an extension at some point, but the vast majority (about 86 percent) were off the rolls 36 months later.

II. The Time-Limit Message

As discussed in Chapter 2, some components of Jobs First rely partly on communication to produce the desired effect. In the case of the program's time limit on cash assistance, it would be possible to track recipients' months of assistance and call them in for exit interviews as they approach the time limit without informing them beforehand about the limit. But the time limit is intended to spur recipients (and the system) to focus on self-sufficiency well before month 21, and its ability to do so depends on whether and how staff describe it to recipients. Overall, results show that the Jobs First group heard the message but did not necessarily change their behavior because of it.

A. Perceptions About the Time Limit

Table 3.1 presents sample members' perceptions about the time limit on cash assistance receipt. It uses data from the Interim Client Survey, rather than the Three-Year Client Survey, because the former was administered 18 months after random assignment, before respondents could have reached the time limit. (Some of the same questions were asked at the three-year point; the results are shown in Appendix A.)

The table shows the percentage of survey respondents in each site who reported that they were (or, if they were not on welfare, that they had been) subject to a time limit on cash assistance. This question was asked of all respondents who reported that they had received cash assistance at some point since random assignment. The results show that staff in both sites successfully informed recipients about this key element of the Jobs First model: Approximately nine-tenths of the Jobs First group respondents reported that they were subject to a time limit (about three-fourths reported being subject to a 21-month time limit).⁴ Further analysis using administrative records showed that one-quarter of those who reported that they were not subject to a time limit were correct; that is, the records show that they were exempt for most of the follow-up period. Another one-third received benefits for only a short time (fewer than six months) and thus had little exposure to the program.

⁴As the table shows, 11 percent of Jobs First group respondents reported that they were subject to a time limit, but gave a response other than 21 months when asked the length of the time limit. The most common incorrect responses were 24 months (the time limit in several other states) and 18 months (these respondents may have misunderstood the question and reported the number of months they had used, rather than the number they were allowed).

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Table 3.1

Perceptions About a Time Limit on Welfare Receipt

Measure	Manchester		New Haven		Full Sample	
	Jobs First Group	AFDC Group	Jobs First Group	AFDC Group	Jobs First Group	AFDC Group
Is/was there a time limit on how long you are/were allowed to receive cash assistance from AFDC/TFA? (%)						
Yes	91.5	32.9	89.1	19.6	89.3	23.0
21 months	69.6	20.9	77.2	8.8	75.2	11.9
Another length	16.3	8.8	9.9	6.4	11.2	7.1
Don't know length	5.6	3.2	2.1	4.4	2.9	4.1
No	8.2	61.3	8.9	75.4	8.8	72.1
Don't know	0.3	5.7	2.0	4.9	1.8	4.9
Sample size	76	65	246	233	322	298

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

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

Distributions may not add to 100 percent because of rounding.

Results in this table were weighted to make them more representative of the full sample.

These results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics because these questions were asked only of respondents who reported that they had received cash assistance. Thus, significance tests were not conducted.

Table 3.1 also shows that a little less than one-fourth of AFDC group members reported that they were or had been subject to a time limit. However, only about half of these people — 12 percent of all AFDC group respondents — reported being subject to a 21-month time limit. Further analysis (not shown in the table) found that almost half of the AFDC group members who reported that they were subject to a 21-month time limit were correct — that is, they *were* subject to Jobs First policies, usually because they had moved and received TFA in another part of Connecticut where the AFDC group did not exist.⁵ It is not possible to say whether the others obtained erroneous information from staff, neighbors, the media, or some other source. It is worth noting that almost a quarter of the AFDC group members who *incorrectly* reported that they had a time limit had received welfare for less than six months during the 18-month follow-up period and thus had little exposure to the AFDC program message (of no time limit on benefit receipt).

This type of “contamination” narrows the treatment difference between the research groups and means that the impact analysis probably understates the impact of the time limit on recipients’ behavior in the period before they reached the limit. However, it is worth noting that the extent of contamination is low relative to other similar studies.⁶ Moreover, despite the contamination, there is a very large treatment difference between the two groups in this area.

B. Content of the Time-Limit Message

There are at least two key issues regarding the content of the time-limit message. First, how staff discussed the extension policy — particularly during the period before any recipients reached the time limit — may have shaped recipients’ views about whether the time limit was “for real.”⁷ In general, written materials produced by DSS explicitly stated that extensions would be possible in some situations. Discussions with staff in 1996 and 1997 suggested that they adopted one of two general approaches in describing the extension policy to recipients. Some workers said that recipients who cooperated with the program’s mandates would likely receive an extension if they could not find a job; they emphasized that recipients should comply with all program rules to ensure that they did not make themselves ineligible for an extension. Other workers were much less definite, saying that they did not know which recipients would receive an extension and that clients thus needed to make every effort to find a job in order to prepare for the possible loss of benefits. The staff survey results indicate that New Haven staff were much more likely to adopt the former approach, while Manchester staff adopted the latter. More generally, staff also reported that many recipients were initially skeptical that the time limit would be implemented (in fact, many staff said that they themselves were skeptical).

In small-scale telephone interviews conducted just a few months after individuals were randomly assigned, only a minority of Jobs First group members in each site said that their grant

⁵Over the four-year study period, about 8 percent of AFDC group members were subject to Jobs First policies for at least one month. The majority of these are people who moved and received welfare in a nonresearch district. The others were erroneously subjected to Jobs First policies.

⁶In MDRC’s evaluation of Florida’s Family Transition Program (Bloom et al., 2000a), 29 percent of AFDC group members reported that they were subject to a time limit. The corresponding figure was 66 percent in the Abt Associates’ study of Delaware’s waiver program (Abt Associates, 1997).

⁷Once recipients began to reach the time limit, the grapevine presumably started to shape the views of those remaining on the rolls: They could learn whether recipients who reached the limit were receiving extensions or not.

would definitely be discontinued if they reached the time limit; a larger proportion mentioned the possibility of receiving an extension. On the Interim Client Survey, administered in mid to late 1998 (people began reaching the time limit in late 1997), only about 32 percent of Jobs First group respondents said they believed that “nearly everyone” who reached the time limit would have her or his grant canceled, 48 percent believed that “some” recipients’ grants would be canceled, and 9 percent said they believed that “almost no one” would have their benefits canceled (not shown in a table).⁸ Thus, it appears that, from the beginning, most recipients understood that the time limit would not necessarily result in cancellation of their welfare grant.

Second, owing to the structure and generosity of the enhanced earned income disregard, DSS staff would be unlikely to urge recipients to leave welfare quickly in order to “save” or “bank” their available months of benefits. In some other states with time limits, this message can be particularly appealing to recipients who are working and receiving a small welfare grant, but there are few such recipients in Connecticut because of the disregard’s flat structure.⁹ In addition, during the study period, there was in theory no reason to bank months, because recipients could receive an extension either when they reached the time limit or at any point thereafter if they experienced an involuntary drop in income. On the 1997 staff survey, most workers — particularly in New Haven — said that they did not stress a banking message; staff were more likely to use the time limit to motivate recipients to cooperate with program rules or find a job.

C. Effect of the Time Limit on Jobs First Group Members’ Behavior

Figure 3.1 shows the responses to a number of questions from the Interim Client Survey that asked whether the time limit affected Jobs First group members’ behavior. (Appendix A presents responses to some similar questions from the Three-Year Client Survey.) Most respondents reported that the time limit had not motivated them to take the specified steps asked about. For example, only about one-third (35 percent) said that because of the time limit they decided not to apply for welfare when they could have. Somewhat surprisingly, respondents were most likely to report that the time limit caused them to enter an education or training program. It is not clear whether these respondents were referring to activities arranged by DSS or others that they entered on their own.

III. The Time-Limit Review Process

Jobs First includes provisions for six-month extensions of TFA benefits under certain circumstances. Extensions may be granted once a recipient reaches the time limit, at the end of an extension period, or if a recipient is initially denied an extension but later experiences an involuntary drop in income and seeks to return to TFA. During the study period, the program did not limit the number of extensions people could receive.¹⁰

⁸This question was asked of respondents who had received welfare since random assignment and believed that they had a time limit.

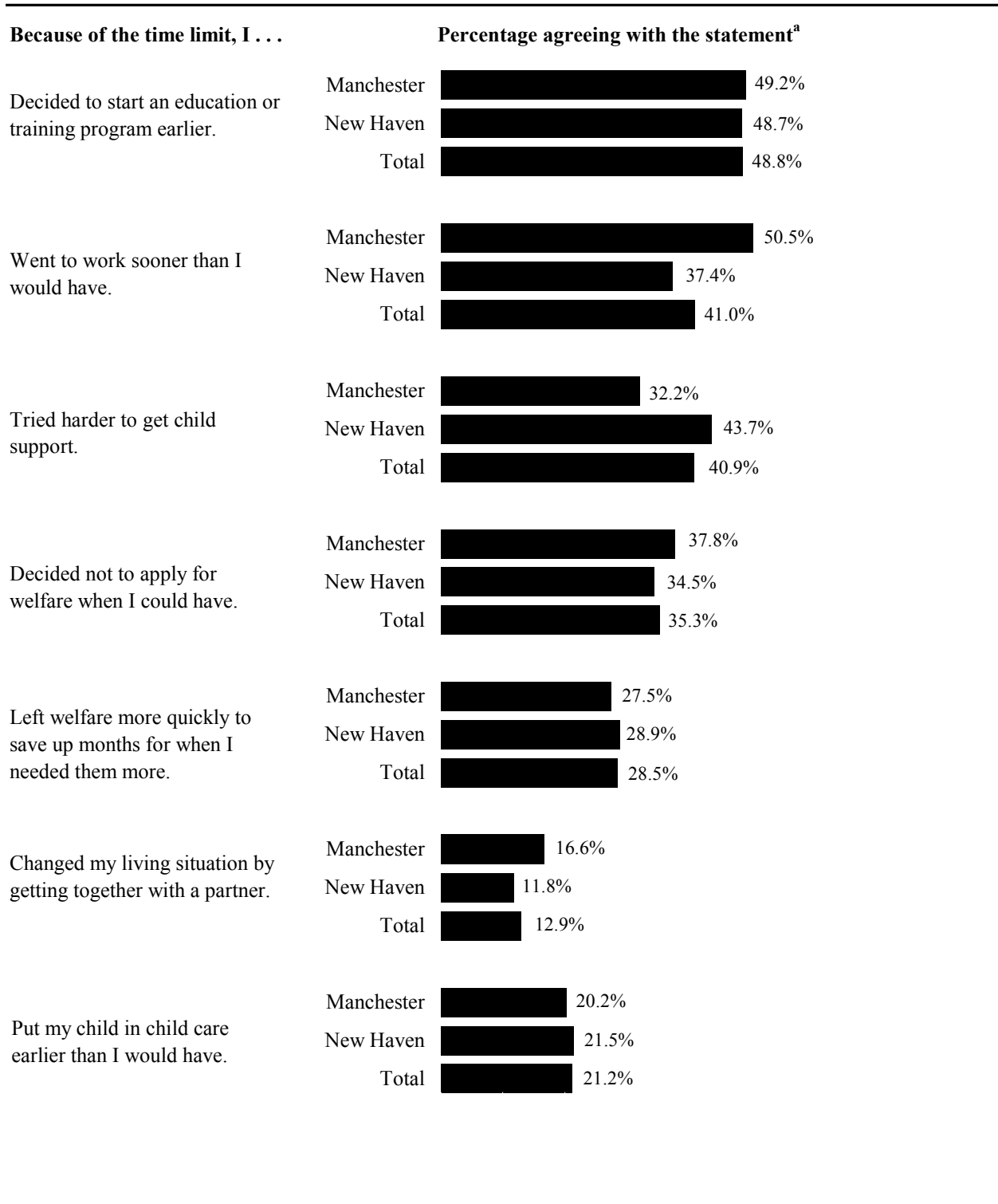
⁹A banking message might make more sense for a recipient who receives a substantial amount of child support, which would be budgeted against her grant (after a \$100 monthly disregard).

¹⁰Beginning in October 2001, most recipients were limited to three extensions.

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Figure 3.1

Effect of the Time Limit on Jobs First Group Members



(continued)

Figure 3.1 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of Jobs First group survey respondents who reported that they had received cash assistance since random assignment and who indicated that they were subject to a time limit. The total sample size is 289 (69 in Manchester and 220 in New Haven).

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

Results in this figure were weighted to make them more representative of the full sample.

^aNumbers represent the percentage of respondents who agreed a little or agreed a lot with the specified statement.

The key step in determining whether recipients will receive an initial extension is the exit interview, which is scheduled to occur during their twentieth countable month of benefit receipt. People who are granted a six-month extension are scheduled for another exit interview during the fifth month of the extension, if they are still receiving cash benefits at that point. These subsequent exit interviews generally follow the same process as the 20-month interviews. Until July 1998, exit interviews were conducted by DSS case maintenance workers; in some instances, employment services workers also participated. Since then, the interviews have been conducted by DSS Family Independence Representatives (FI-Reps). (DSS intake staff use a similar process when someone past the time limit reapplies for benefits.)

After establishing that the recipient still meets TFA eligibility requirements, such as having a child in the home and not exceeding asset limits, staff assess each case by asking four basic questions (see Figure 3.2):

1. *Is the recipient eligible for an exemption?* If she is, her time-limit clock is suspended; she continues to receive benefits, but months of receipt do not count toward the 21-month time limit. If she is not, staff ask the second question.
2. *Is the recipient's family income equal to or greater than the payment standard (the maximum grant amount for her family size)?* If it is, her benefits are discontinued (although she may reapply later if her income drops); if it is not, staff ask the third question.
3. *Has she made a good-faith effort to find and retain employment?* If she has, she is granted an extension. If she has not, staff ask the fourth question.
4. *Are there circumstances beyond the recipient's control that prevent her from working?* If there are, she is granted an extension. If there are not, her benefits are discontinued.

In addition, during the exit interview, staff redetermine eligibility for Food Stamps and Medicaid and refer people to appropriate services. The following sections provide more information on the time-limit review process.

A. Determining Whether an Exemption Applies

After checking the accuracy of recipients' time-limit clock counter, the first step in an exit interview is to determine whether they are eligible for an exemption from the Jobs First program. As noted in Chapter 1, those who are exempt are not required to participate in any employment-related activities, and their time-limit clock is suspended (they continue to receive TFA benefits, but months of receipt do not count toward the 21-month time limit). DSS staff reported that it is rare for someone to receive an exemption during an exit interview.

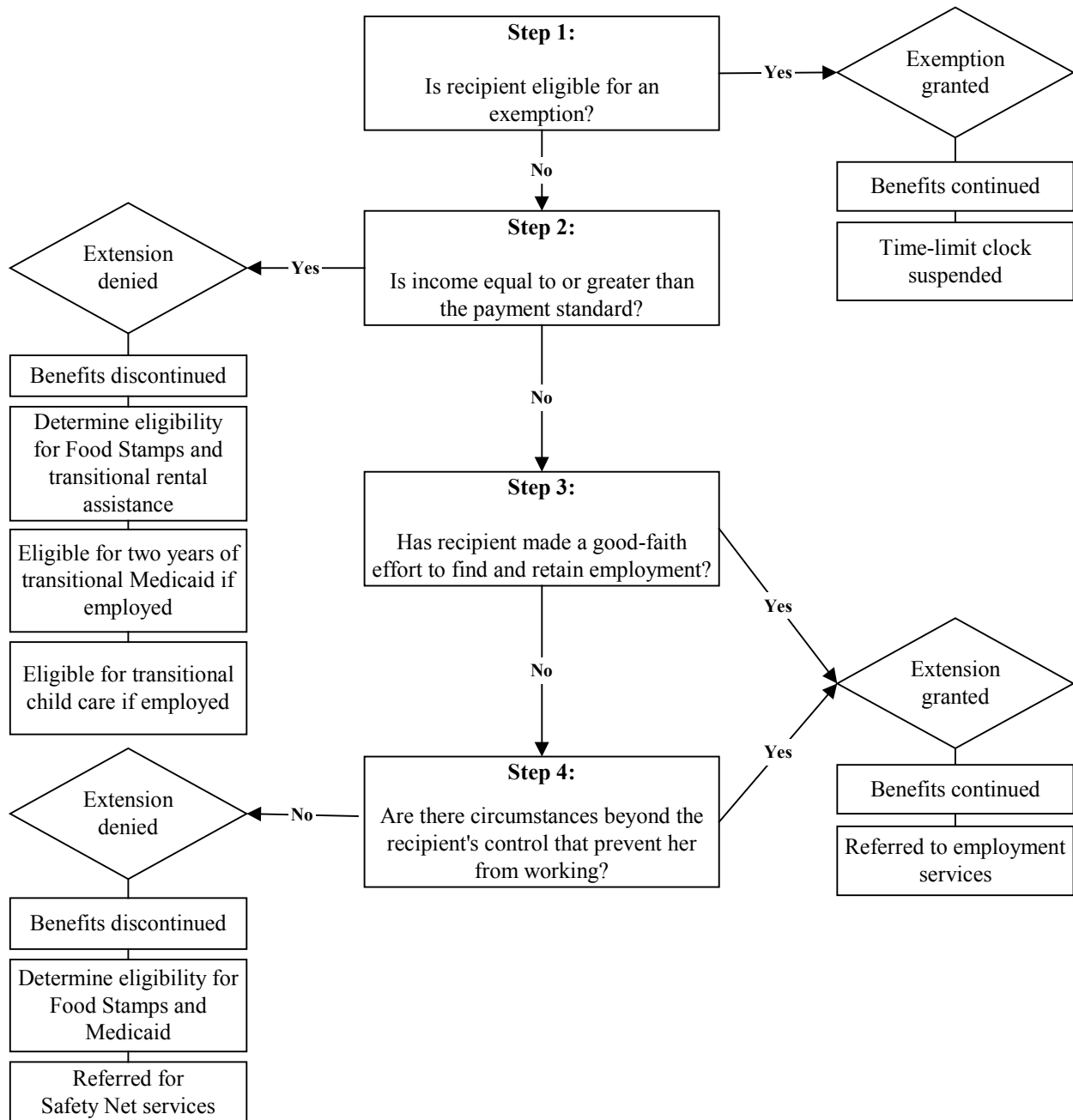
B. Measuring Income

If recipients are not exempt from Jobs First, the second step in the exit interview is to calculate their monthly income. If it is equal to or greater than the payment standard, the maximum

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Figure 3.2

Simplified Illustration of the Jobs First Exit Interview Process



SOURCE: Connecticut Department of Social Services policy and procedure information.

NOTE: Recipients must meet all TFA eligibility requirements, such as having a child in the home and not exceeding asset limits, to receive either an exemption or an extension.

grant amount for their family size, they are not eligible for an extension. (See Table 1.2 for the payment standards for three family sizes.)

Income for this determination includes all household income, including earned income (minus a \$90 work expense allowance) and unearned income, such as income from child support (but not income from TFA or Food Stamps). DSS staff generally measure earned income by examining recent pay stubs or other relevant records; many staff contact employers to verify earned income. As mentioned in Chapter 2, the earnings information recorded in the Eligibility Management System (EMS) is sometimes out of date. At the exit interview, many people who were assumed to be working report that they are no longer employed. (Until the exit interview, recipients have little incentive to report a job loss, because it generally does not affect their cash benefits.) When recipients report that they are no longer employed, the question is whether they quit the job without good cause or were fired for willful misconduct during the last six months of assistance; if either is discovered to be true, they are determined not to have made a good-faith effort to find employment (discussed below).

Recipients whose income is equal to or greater than the payment standard are usually eligible for up to two years of transitional Medicaid, since this benefit is provided to those who are employed when their case closes, and they may be eligible for Food Stamps. While people are in the Jobs First program, their cash assistance grant is counted as income in determining their Food Stamp benefit. However, the enhanced earned income disregard applies to the Food Stamp grant calculation — so all earnings are disregarded as long as recipients are earning below the federal poverty level. When recipients lose their TFA grant, the grant amount is no longer counted against their Food Stamp benefits, but they also lose the enhanced earned income disregard.¹¹ These two changes work in opposite directions, but for many individuals they result in a lower Food Stamp benefit than before the time limit.

Figure 3.3 illustrates the drop in monthly income for families whose benefits are discontinued because their income is above the payment standard. The figure shows this drop for a parent working part time with earnings just above the payment standard and for a parent working full time with earnings just below the poverty level (in 1998, about midway through the study period). In the first scenario, a parent who works 25 hours per week at \$6.25 per hour loses \$542 of income after the time limit. In the second scenario, a parent who works 40 hours per week at \$6.25 per hour loses \$688. As the figure shows, parents who work full time experience a sharp decline in their Food Stamp benefit amount (from \$247 to \$101); in the Food Stamp benefit calculation, the loss of the earned income disregard — and the corresponding increase in the amount of earnings counted in the calculation — more than offsets the decrease in cash assistance.

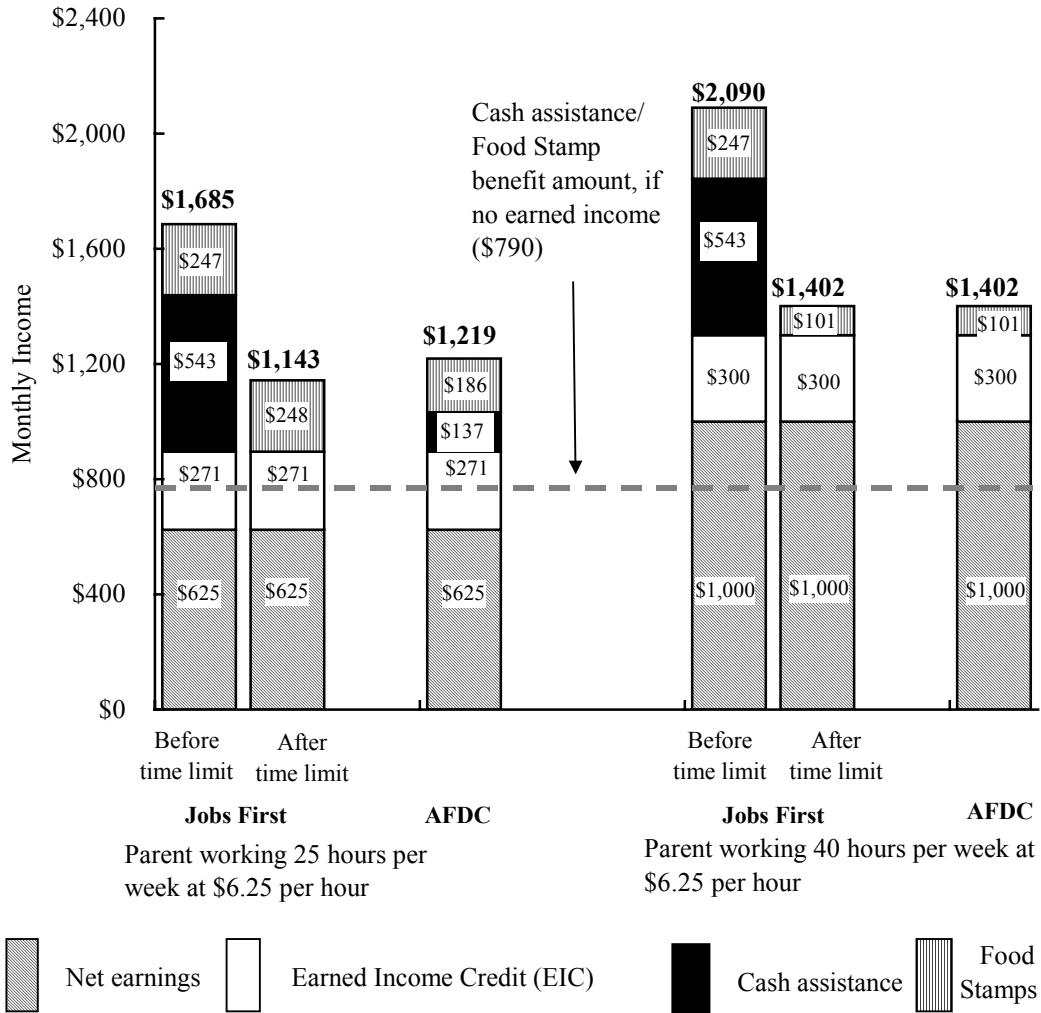
For the examples in Figure 3.3, the income drop at the time limit is a secondary effect of the Jobs First earned income disregard policy. The figure illustrates how much income the same families would have under traditional AFDC rules (that is, without the disregard). Parents who work full time would be ineligible for cash assistance and thus would have the same income as

¹¹Some staff mentioned that recipients who took advantage of Jobs First's higher vehicle exclusion policy to obtain a reliable car may have found, after their TFA benefits were discontinued, that this vehicle disqualified them from receiving Food Stamps.

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Figure 3.3

Examples of Monthly Income Before and After the Jobs First Time Limit for an Employed Parent with Two Children Whose TFA Benefits Are Discontinued for Income Exceeding the Payment Standard



(continued)

Figure 3.3 (continued)

SOURCE: MDRC calculations based on AFDC/TFA, Food Stamp, and federal and State of Connecticut income tax rules for June 1998.

NOTES: Calculations do not account for work-related expenses and assume the parent has no income from sources not shown (e.g., child support, Supplemental Security Income).

The Food Stamp calculation assumes a monthly rental expense of \$366. This calculation disregards 70 percent of net income, which includes the AFDC/TFA grant but excludes a \$134 standard deduction and up to \$250 of excess shelter costs. For clients in the Jobs First group, all earned income is disregarded before the time limit, and 20 percent of earned income is disregarded after the time limit. For clients in the AFDC group, 20 percent of earned income is disregarded.

The Jobs First cash assistance calculation disregards all earned income before the time limit. The AFDC cash assistance calculation disregards \$120 in earned income (in accordance with rules for the 5th through 12th months of employment), and applies fill-the-gap budgeting rules.

The EIC amount reflects one-twelfth of the total annual credit, although most families receive the credit in an annual lump sum.

Monthly net earnings are calculated by subtracting applicable payroll taxes from gross earnings. Federal and state income taxes do not apply at these income levels.

Rounding may cause slight discrepancies in the calculation of sums.

the Jobs First participants after their grant was discontinued; parents who work part time would be eligible for a small cash grant. The horizontal dashed line at \$790 shows that, under any of the scenarios, working parents — even those working part time — would have more income than parents who were receiving cash assistance and not working (although expenses might also be lower for nonworking parents).

Recipients whose grant is closed because they are over income may be granted an extension later if their income drops below the payment standard and they have made a good-faith effort to find employment (before reaching the time limit and afterward). DSS training materials note that people may request an extension at any point from month 20 onward but do not emphasize that staff should remind them of this fact when they are denied an extension. Some DSS staff said that they routinely tell this to recipients, but others were much less direct.

C. Determining Whether Recipients Have Made a Good-Faith Effort

If recipients are not exempt from Jobs First and do not have income equal to or greater than the payment standard, then the third step in the exit interview is to determine whether they have made a good-faith effort to find and retain employment. Staff in Manchester and New Haven said that most of the recipients with income below the payment standard at their 20-month exit interview are determined to have made a good-faith effort and, thus, are granted an extension. Some recipients are denied subsequent extensions based on lack of good-faith effort (see, for example, Figure 3.6 on page 78).

1. The initial good-faith determination. The Jobs First program stipulates that recipients are assumed to have made a good-faith effort if *none* of the following conditions is true:

- They failed the work test¹² and had one employment services sanction during the first 20 months of TFA receipt; or
- They received two or more employment services sanctions during the first 20 months of TFA receipt; or
- They did any one of the following things without good cause during the last six months of TFA receipt: quit a job, refused a job, were fired from a job for willful misconduct, reduced hours of employment, or refused additional hours of employment.¹³

The first two good-faith conditions are relatively straightforward: Good faith is presumed unless there are specific indicators of program noncompliance (failing the work test and sanctions).¹⁴ Staff conducting exit interviews can easily check for such indicators using Connecticut's

¹²As noted in Chapter 2, the work test was a checklist used early in the follow-up period to verify that individuals had been searching for a job.

¹³These things, along with noncompliance with program activities, can result in an employment services sanction at any point.

¹⁴This is not to say that the original decision about whether to sanction recipients or to grant good cause was necessarily straightforward. For example, if a recipient missed some sessions of a program employment activity, it may be difficult to evaluate whether the reasons for not attending constitute good cause.

automated case information system (EMS) and/or recipients' case files. As discussed in Chapter 2, several factors made it difficult for staff to closely monitor recipients' participation in employment activities during the pre-time-limit period, and few recipients have been sanctioned. In many cases, it may not be clear precisely what the recipients were doing while in the program, but if they had not failed the work test or had not been sanctioned, they would pass the first two good-faith conditions. In other words, these good-faith conditions are based on the absence of evidence of noncompliance rather than on evidence of compliance.

The third good-faith condition listed above, based on various employment issues, is less straightforward and often relies on staff members' subjective assessments. If recipients, within the last six months of assistance, quit or refused a job, were fired from a job for willful misconduct, or reduced hours or refused additional hours of work, the staff member must evaluate whether or not they had good cause for this behavior. DSS supervisors and staff reported that there is "a lot of gray" in making this good-cause determination and acknowledged that different workers might make different determinations based on the same evidence (this is also true for good-cause decisions made during the pre-time-limit period). At the same time, they were skeptical that more detailed rules would ensure uniformity across workers and cases, because there are too many variables to anticipate. In New Haven, supervisors met regularly, in part to review cases to try to develop consistent ways of determining good cause, and, in 2000, training on good-cause procedures was provided to staff.

Many cases require extensive investigation, including talking with former employers, but staff reported that it often remains unclear why recipients left a job, reduced hours, and so on. One important factor is whether the recipients are approved for unemployment insurance (UI) benefits, which generally are not available to those who voluntarily quit their job or were fired for willful misconduct (individuals are supposed to pursue other income sources, including UI, before turning to welfare). DSS rules state that good cause should be assumed if recipients are approved for UI but that further investigation is required if their UI application is denied (because the DSS definition of good cause is more expansive than the UI definition). The UI process may affect how employers describe a job separation: Employers have an incentive to characterize separations as voluntary quits or terminations for willful misconduct because their UI taxes may increase if former employees receive benefits.

Although DSS staff were familiar with their department's policies regarding UI approval, it appears that some of them rely quite heavily on the UI determination; for example, some workers said that if a recipient's UI application was denied because it was determined that she had quit voluntarily or been fired for willful misconduct, they would be very unlikely to grant good cause. Some DSS staff also expressed frustration that the state Department of Labor (DOL) staff sometimes approve UI benefits in situations in which, in their view, former employees clearly quit voluntarily or were fired for willful misconduct (benefits may be approved if the employer fails to show up for the UI determination hearing).

Some staff reported that they weigh recipients' history and effort level: If recipients have been responsible and have tried to solve problems that have arisen, staff are more likely to conclude good cause than if they have been uncooperative. Others mentioned that when determining good cause, they weigh whether they would win a fair hearing. They noted that in order to win a hearing, DSS must have documentation of the noncompliance, which in some cases is difficult to

obtain. For example, staff noted that some employers are willing to discuss job separations candidly by phone but are unwilling to put anything in writing, out of concern that their statements might be used as evidence in a lawsuit.

In New Haven, FI-Reps are required to keep a monthly log of all their conciliations and good causes granted. Although DSS managers reported that their goal is not to increase sanctions or grant closures, some staff reported that they feel pressure to less readily grant good cause. (As noted in Chapter 2, the New Haven office consistently has lower sanctioning rates than other DSS offices.) Manchester staff said that they felt no pressure in either direction.

Most staff members seem to err on the side of granting extensions in uncertain situations. For example, in one case that MDRC staff reviewed in 1998, the DSS staff member granted a good-faith extension even though the recipient had recently quit a job; the recipient said that she had quit because she was pregnant and could not lift heavy objects, and she produced a physician's confirmation. In another case, a staff member granted an extension when a recipient had quit a job after becoming homeless. In New Haven, when a recipient's income is below the payment standard, FI-Reps must discuss the case with their supervisor before assistance can be discontinued; the supervisor and the DSS office manager must sign off on each case closure.

2. Restoring good faith. Recipients who have been determined not to have made a good-faith effort to find and retain employment can restore good faith by successfully completing an Individual Performance Contract (IPC). As discussed in more detail in Chapter 2, this typically entails complying with an employability plan that prescribes work-related activities. By the time of the exit interview, some recipients have successfully completed an IPC and thus have restored good faith and will receive an extension; others have failed to complete an IPC and will not be granted an extension (unless there are circumstances beyond their control, as described in the following section). Recipients who are deemed not to have made a good-faith effort and who have not yet been offered an IPC are offered one at the exit interview. (IPCs are offered only during the first 21 months of TFA receipt, not during extensions.) As is noted in Chapter 2, most recipients who begin IPCs successfully complete them and restore good faith.

3. Good faith in the post-time-limit period. During extensions, recipients are officially subject to a one-strike policy: Those who fail to comply with any Jobs First requirements without good cause can lose their grant permanently. In practice, however, most staff give people a few chances before they record the official strike. During interviews, staff said that because permanent grant cancellation is "so harsh," the noncompliance has to be very obvious, and that most recipients whose grants were closed during an extension were given several chances to comply. This remained true as of MDRC's final field visit in late 2000.

Originally, Jobs First policy stated that if, at any point after reaching month 21, a recipient quit a job, refused a job, was fired for willful misconduct, reduced her hours of work, or refused additional hours, without good cause, she was not eligible for an extension. This applied whether the individual was receiving cash assistance benefits at the time or not. The state changed the policy in October 1999: When someone is off welfare after month 21 and is reapplying for benefits, her job behavior only in the previous 120 days is considered.

DSS staff reported that the difficulties of determining good cause for job separations after month 21 are similar to those at the initial extension determination. They also said that it is often difficult to sort out the circumstances regarding noncompliance with employment services requirements during extensions. Earlier in the follow-up period, this was in large part because no single DOL or Regional Workforce Development Board (RWDB) case manager was responsible for each case. Later, monitoring participation was complicated by the shift to a new subcontracted case management system, which took some time to fully implement. In general, the program seemed to be somewhat tougher during extensions than during the pre-time-limit period, but not as tough as the one-strike policy may sound.

Over time, the proportion of TFA cases that are in an extension has remained relatively stable. For example, in May 1999, 41 percent of the TFA cases that were subject to the time limit were in an extension; in May 2000, 39 percent; and in May 2001, 38 percent. The proportion of cases with multiple extensions, however, has increased over time. In May 1999, only 1 percent of time-limited cases were in their fourth extension or higher; in May 2000, 14 percent; and in May 2001, 16 percent. In interviews in late 2000, staff in New Haven mentioned a recent push to re-engage multiple-extension clients in employment services to help them find work.

D. Determining Whether There Are Circumstances Beyond Recipients' Control

If recipients are not eligible for an exemption, do not have income equal to or greater than the payment standard, and have not been determined by DSS staff to have made a good-faith effort to find employment (and did not restore good faith through an IPC), then the fourth step in the exit interview is to establish whether there are circumstances beyond recipients' control that currently prevent them from working; if so, they are eligible to receive an extension. DSS considers circumstances beyond control to be unusual or unexpected events, such as domestic violence, death of an immediate family member, or a fire or flood that results in loss of housing. Staff reported that they have had little experience with this policy; it is relevant only for recipients with income below the payment standard who are deemed not to have made a good-faith effort, and there have been few such cases.

Recipients who have income below the payment standard and are denied an extension are referred to Safety Net services. These services are provided by a contractor and are designed to prevent harm to the children of families whose cash grant is closed, by helping meet their basic needs. (Section VIII presents more information on Safety Net services and other services offered after the time limit.)

E. Dealing with Recipients Who Fail to Attend an Exit Interview

Recipients who do not attend an exit interview do not receive an extension. Exit interviews are typically scheduled around the middle of month 20; recipients who miss their scheduled interview usually have several weeks either to show up or to contact their DSS worker before TFA benefits and Food Stamps are discontinued. DSS usually sends a notice on about the twelfth day of month 21 informing recipients that they have failed to contact DSS and that their benefits will be discontinued. However, recipients who contact their worker before the end of month 21 can still qualify for an extension without any disruption in TFA or Food Stamp benefits. For those who do not, all benefits — TFA, Food Stamps, and Medicaid — will be discontinued (as they would be if a

recipient missed any redetermination meeting), and transitional Medicaid will be granted only if EMS shows earnings for the recipient. Individuals can still request an extension at a later point, but they are treated as new applicants, and there may be an interruption in benefits.

Staff assume that most recipients who do not show up for their exit interview must have income above the payment standard and thus know that they would not qualify for an extension. This assumption is supported by a survey of individuals from six areas of Connecticut whose benefits were discontinued at the time limit (see Chapter 1): 77 percent of those surveyed who did not attend an exit interview reported that they were employed during their last month of benefits (although not necessarily earning above the payment standard).¹⁵ Such recipients may also assume that they are no longer eligible for Food Stamp benefits, although this may not be correct. During the early months that people started to reach the time limit, there were concerns that the exit interview notice did not make it sufficiently clear to recipients that they needed to attend the interview to continue their Food Stamp eligibility. Food Stamp benefits were discontinued for a number of clients because they did not attend an interview. DSS subsequently revised the notice and reinstated Food Stamp benefits for those whose benefits were discontinued.

There is concern that some recipients who do not attend their exit interview may have income below the payment standard and may not fully understand the purpose of the interview. They may assume that since they have reached the time limit, they must leave welfare; they may not know that it is possible to receive an extension (despite the fact that the letter scheduling them for the exit interview clearly notes this).

IV. How Quickly Jobs First Group Members Reached the Time Limit

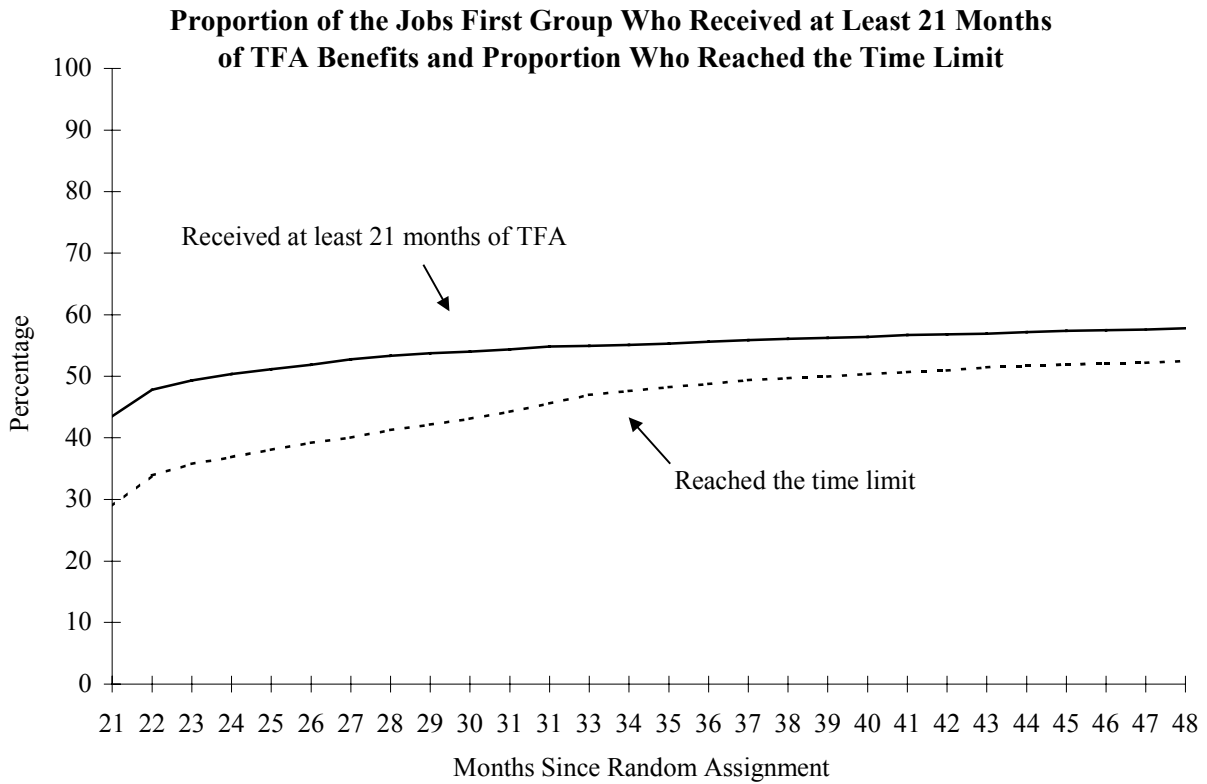
Figure 3.4 illustrates how quickly Jobs First group members accumulated months of TFA benefits and how quickly they reached the time limit. The upper, solid line of the figure represents the percentage of the Jobs First group who accumulated at least 21 months of TFA benefits after random assignment, by the number of months that elapsed since random assignment. As the figure shows, 43 percent of the Jobs First group received 21 continuous months of TFA benefits after entering Jobs First. After 22 months of follow-up, 48 percent of the Jobs First group had received at least 21 months of TFA benefits, indicating that 5 percent of this group had left welfare for one month before returning. The percentage of the sample who received at least 21 months of TFA benefits increased slightly each month: By month 48, 58 percent of the Jobs First group had received at least 21 months of benefits. The fairly flat slope of the line implies that most people who left welfare did not quickly return and use up their remaining months.

Table 3.2 shows the number of months of TFA receipt for the Jobs First group by the end of the four-year follow-up period for this report. Of the 58 percent of the sample who had accumulated at least 21 months of benefits, some had received only 21 months (9 percent), while others had received benefits for almost the entire 48 months. As the table shows, 5 percent of the Jobs First group did not receive any TFA benefits, because their application was either withdrawn or denied.

¹⁵See Hunter-Manns, Bloom, Hendra, and Walter, 1998.

Connecticut's Jobs First Program

Figure 3.4



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

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Table 3.2

**Distribution of Months of TFA Receipt and Months of Countable
TFA Receipt Within 48 Months of Random Assignment
for the Jobs First Group**

Measure	Percentage of Sample
Months received TFA benefits	
0	5.3
1-5	8.6
6-10	8.8
11-15	9.0
16-20	10.7
21	9.1
22-27	13.7
28-33	10.9
34-39	8.3
40-45	7.0
46+	8.6
Months of TFA receipt counted toward the time limit	
0	12.3
1- 5	8.2
6-10	7.8
11-15	8.8
16-20	10.7
21	12.2
22-27	13.9
28-33	9.9
34-39	7.6
40-45	5.1
46+	3.5
Sample size	2,396

SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

NOTE: Distributions may not add up to 100 percent because of rounding.

The lower, dashed line of Figure 3.4 shows the proportion of the Jobs First group who reached the time limit: 29 percent reached the time limit by month 21 (that is, after continuous receipt), 34 percent by month 22, and 53 percent by month 48. The difference between the two lines on the figure represents the percentage of sample members who received 21 months of cash assistance but did not receive 21 *countable* months of cash assistance; they were exempt for some of their months on TFA. As the lines indicate, a substantial proportion of sample members who received at least 21 months of TFA benefits did not reach the time limit, although this proportion decreased over time (which suggests that exemptions expired over time).

It is important to note that reaching the time limit is not synonymous with losing cash benefits. In fact, an analysis presented in the next section shows that fewer than half of those who reached the time limit had their grant closed at that point.

V. After the Time Limit: Extensions and Case Closures

This section focuses on a subset of Jobs First group members who received at least 21 countable months of cash assistance and thus reached the time limit. Just over half of these sample members received an initial six-month extension of their benefits. All the extensions were granted because recipients had income below the payment standard and DSS determined that they had made a good-faith effort to find employment. Among recipients who did not receive an extension at the time limit, most had income equal to or greater than the payment standard; only one person was denied an extension for lack of a good-faith effort. Just 14 percent of the sample members were receiving TFA benefits 36 months after reaching the time limit.

The sample for the analysis discussed in this section is a subset of those who reached the time limit by March 1998.¹⁶ This sample was used for a similar analysis presented in the evaluation's interim report. The March 1998 cutoff was chosen to allow at least 15 months of post-time-limit follow-up for each sample member in the interim report, and it allows 36 months of follow-up here. According to TFA administrative records, 353 Jobs First group members received at least 21 countable months of TFA benefits by March 1998. The three figures presented in this section explore a subsample of 100 randomly selected from these 353. Using EMS data and AFDC/TFA records, the analysis examines the outcomes of exit interviews for these 100 cases and traces their TFA activity during the 36 months following the time limit.

A. Outcomes of the Exit Interview

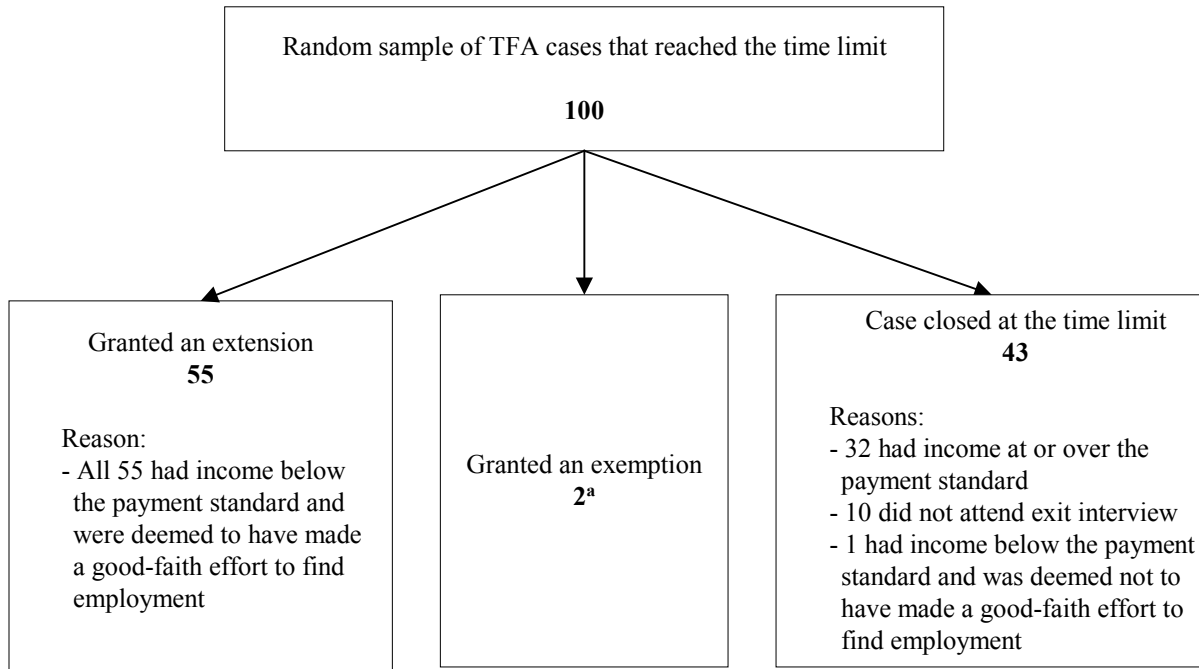
Figure 3.5 shows the initial outcomes for the subset of 100 Jobs First group members who reached the time limit. Just over half of those who reached the time limit (55 of 100) were

¹⁶This method of defining the sample is not based on a uniform follow-up period; those randomly assigned earlier had more months to reach the time limit and be included in this sample, and those randomly assigned later had fewer months. For example, in order to be included in this sample, people randomly assigned in June 1996 had to reach the time limit within 21 months of random assignment, but people randomly assigned in January 1996 had 26 months to reach the time limit.

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Figure 3.5

Outcome of Exit Interviews for the Cases That Reached the Time Limit



SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTES: The time-limit subsample is a random subset of 100 of the 353 Jobs First group members who reached the time limit by March 1998.

^aTwo cases became exempt immediately following month 21 of TFA receipt. Both were receiving TFA 36 months later. These cases do not appear in Figures 3.6 and 3.7.

initially granted a six-month extension of their TFA benefits.¹⁷ All these extensions were granted because the recipients had income below the payment standard and were deemed to have made a good-faith effort to find employment.

Just under half of the recipients who reached the time limit (43 of 100) had their TFA benefits discontinued at that point. Most of these individuals (32 of 43) had income that was equal to or greater than the payment standard for their family size. In general, these people would have become ineligible for welfare earlier had it not been for the enhanced earned income disregard. Only one person had income below the payment standard and was deemed not to have made a good-faith effort to find employment. As noted earlier, those who do not attend an exit interview do not receive an extension; this occurred for 10 of the 43. (Most of these individuals were working at the time of their exit interview and may have assumed that they were not eligible for an extension.)¹⁸

Two of the 100 Jobs First group members were found to be eligible for an exemption from the program at their exit interview. In one case, the staff member realized that the recipient had not been granted the usual 12-month exemption when her baby was born, and she granted a retroactive exemption. In the other case, DSS granted a medical exemption.

In sum, of the 58 people who attended an exit interview and had income below the payment standard, only 1 had her benefits discontinued; 55 were granted extensions, and 2 received exemptions.¹⁹

B. TFA Status During the 36 Months After the Time Limit

Figures 3.6 and 3.7 track the TFA activity during the 36 months following the time limit for the 55 individuals who initially received an extension and the 43 who did not. The two recipients who were granted an exemption at their exit interview are not included in either figure.²⁰

As illustrated in Figure 3.6, only 8 of the 55 recipients who initially received an extension stayed on the rolls in all of the 36 months after the time limit; the remaining 47 stopped receiving benefits at some point. As the middle box shows, 16 of 55 left TFA but later came back on assistance. About twice as many — 31 of 55 — left and did not come back on the rolls. Among all those who left, 5 had their grants closed because they were deemed not to have made a good-faith

¹⁷For this analysis, sample members who received cash assistance during month 22 (and were not exempt from Jobs First) were considered to have received an extension. Some of these recipients did not attend their exit interview when it was first scheduled, but they came into the office and were granted an extension in time to prevent losing a month of assistance. Conversely, those who did not receive cash assistance during month 22 were considered to have had their grant discontinued. Analysis (not shown) of TFA administrative records showed that the proportion of those who received an extension on reaching the time limit did not vary substantially over time; thus, the 100 cases from the first six months of random assignment can be considered representative of the Jobs First group as a whole.

¹⁸This conclusion is based on a combination of UI-reported earnings data and data on reported earnings obtained from EMS.

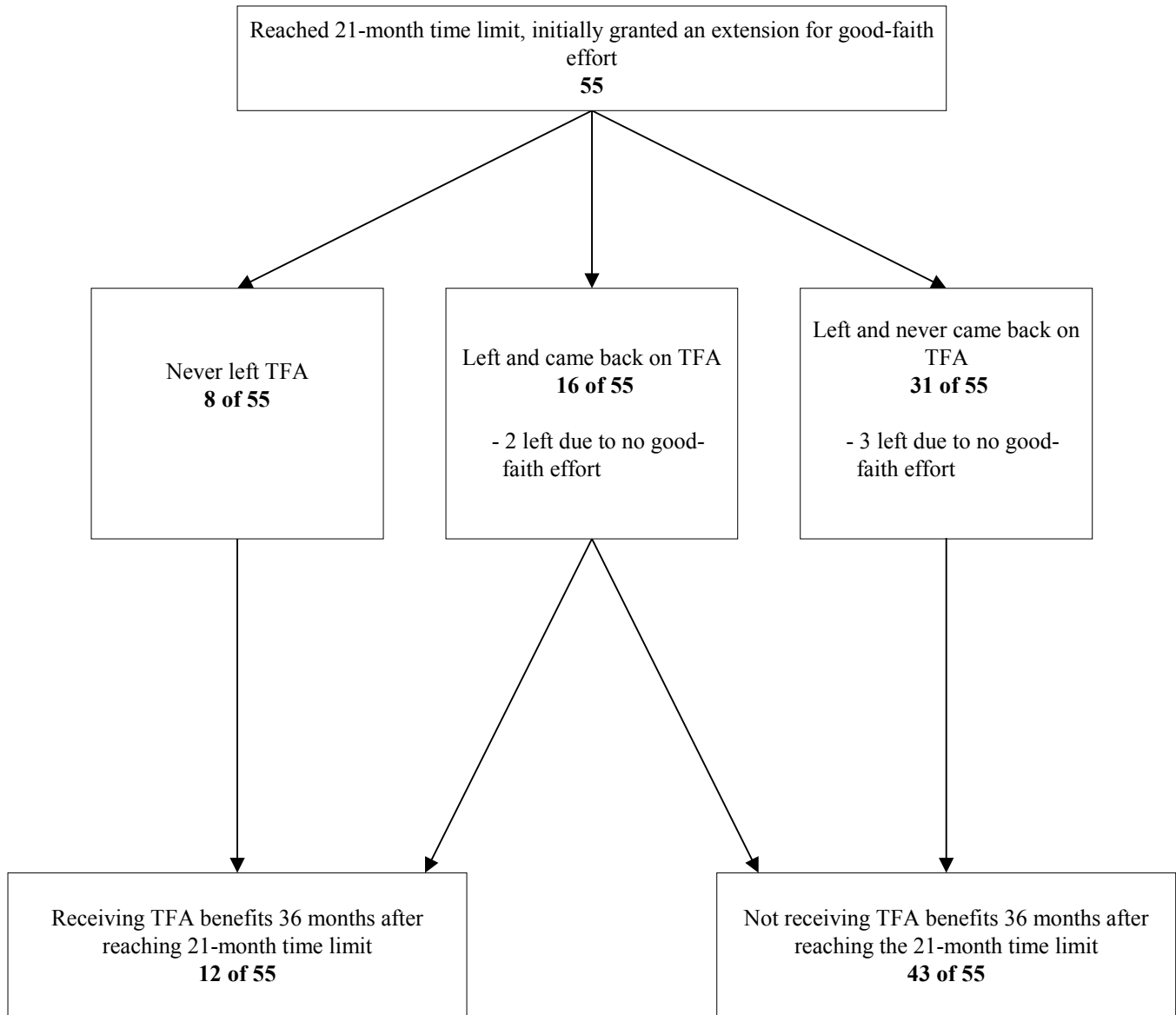
¹⁹The two recipients who received exemptions are assumed to have had income below the payment standard.

²⁰The woman who received the retroactive exemption subsequently received extensions of her benefits based on good-faith effort and was receiving TFA 36 months later. The second case received a medical exemption for six months, then received extensions based on good-faith effort, and finally received another medical exemption near the end of the follow-up period.

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Figure 3.6

Status During the 36-Month Period Following the Time Limit for Sample Members Who Initially Received an Extension



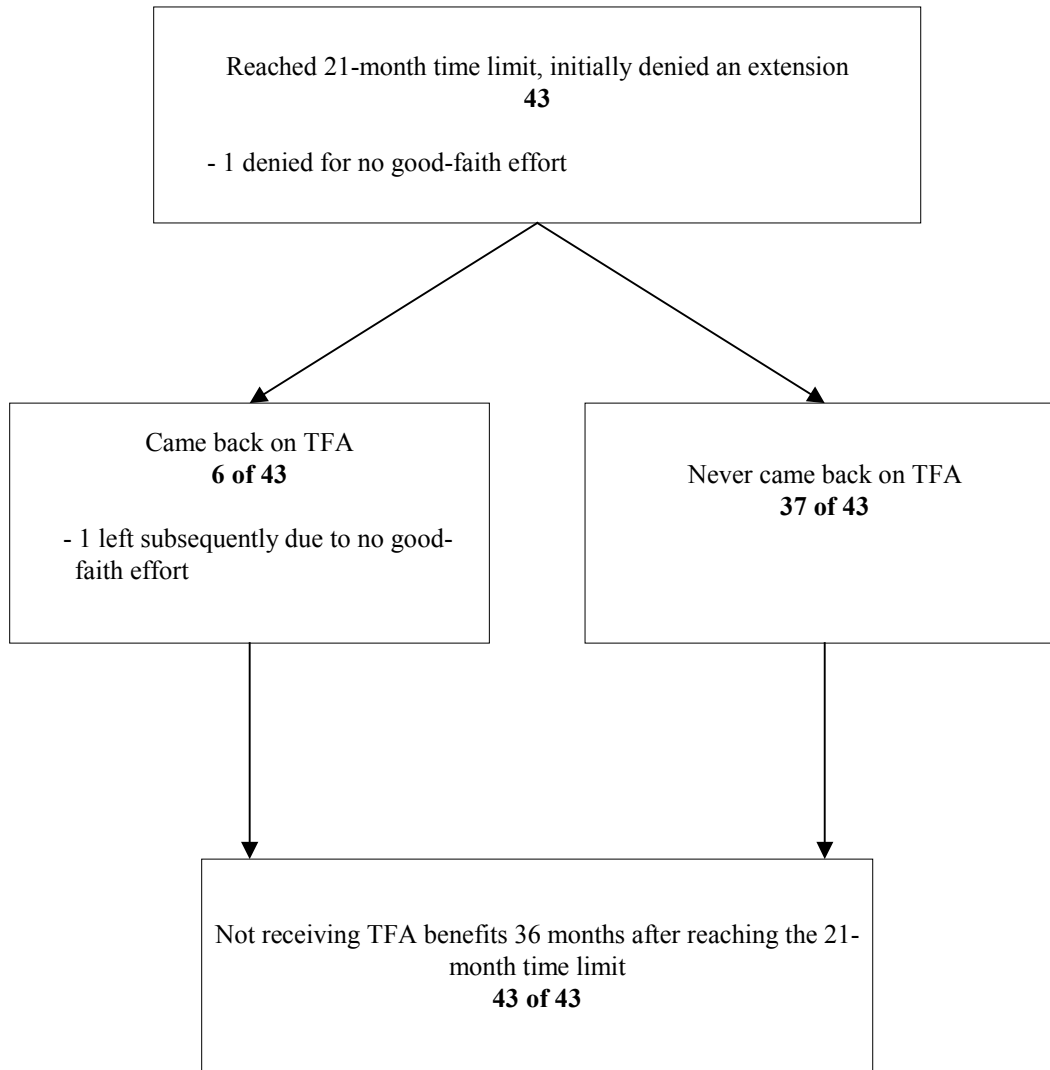
SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTE: The time-limit subsample is a random subset of 100 of the 353 Jobs First group members who reached the time limit by March 1998.

Connecticut's Jobs First Program

Figure 3.7

Status During the 36-Month Period Following the Time Limit for Sample Members Who Did Not Initially Receive an Extension



SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTE: The time-limit subsample is a random subset of 100 of the 353 Jobs First group members who reached the time limit by March 1998.

effort to find employment (2 from the middle box and 3 from the box on the right). (Two others were denied an extension for lack of good-faith effort when reapplying for benefits.) Most others had their case closed at a subsequent exit interview because their income rose above the payment standard or during an extension because their income rose above the poverty level. Thirty-six months after reaching the time limit, only 12 of 55 were still receiving cash assistance.

Figure 3.7 shows TFA activity for the 43 recipients who were not granted an extension at their 20-month exit interview. Recipients whose cases are closed because their income is over the payment standard (as well as those who fail to attend the exit interview) may be granted an extension later if their income drops below the payment standard and they have made a good-faith effort to find employment. However, of the 43 people whose cases were closed at the time limit, 37 never returned to the rolls in the subsequent 36 months. Thirteen of the 37 applied for TFA at some point but did not start to receive benefits; most were found to be financially ineligible or did not complete the necessary paperwork, and 2 were found not to have made a good-faith effort to find work. Of the 43 people whose cases were closed at the time limit, only 6 came back on TFA at some point, and, by the end of the follow-up period, none were still receiving benefits (1 of the 6 was denied a subsequent extension because she was found to have quit a job with no good cause).

In sum, of the 100 Jobs First group members who reached the time limit, 63 were granted an extension at some point, but only 14 were receiving TFA benefits 36 months later (12 of the 55 who initially received an extension and 2 who received an exemption at the time limit). In other words, the vast majority (86 of 100) of those who reached the time limit were off the welfare rolls 36 months later. A total of 11 of the 100 recipients were denied an extension because they were deemed not to have made a good-faith effort to find work.²¹

C. Post-Time-Limit Exits

Using results from the 100 cases examined above, as well as administrative records of TFA payments and case information from EMS, MDRC estimated what proportion of the Jobs First group exited TFA for various reasons after the time limit. As noted earlier, 53 percent of Jobs First group members reached the time limit within the four-year follow-up period for this report. About one-third of Jobs First group members ever left because of the time limit — the vast majority because they had income over the payment standard. About 5 percent had their grant closed during an extension because they were deemed not to have made a good-faith effort to find employment. (Under Connecticut's definition, recipients whose grant is closed because of noncompliance during an extension are not considered to have left TFA because of the time limit.) Another roughly 10 percent left the rolls after month 21 but for reasons unrelated to the time limit. About 5 percent of the Jobs First group reached the time limit but never left TFA.

²¹One case was closed for lack of good-faith effort upon reaching the time limit, six were closed for noncompliance during an extension, and four were denied an extension for lack of good-faith effort when reapplying for benefits.

VI. Characteristics of Cases with Multiple Extensions

As noted above, a substantial proportion of Jobs First group members who reach the time limit receive at least one 6-month extension. Although the analysis shows that most people who receive extensions leave TFA in the subsequent 36 months, some receive multiple extensions and remain on TFA. As noted earlier, statewide statistics for May 2001 showed that about 16 percent of the cash assistance recipients subject to the time limit (about 2,000 families) were in at least their fourth extension.

Table 3.3 presents selected characteristics of Jobs First group members at the time of random assignment, by the number of countable months of TFA received in the four years following random assignment. The right-hand column includes people who received at least 40 countable months of TFA; this group presumably received at least four 6-month extensions (just 9 percent of the Jobs First group).

The table shows that Jobs First group members who received at least four extensions were more disadvantaged than other sample members when they entered the study. They were less likely to have a high school diploma, had longer histories of prior cash assistance receipt, and were less likely to have been employed in the quarter of random assignment. They had more children, which is not surprising, since families who reach the time limit with income below the payment standard are usually granted extensions, and larger families have a higher payment standard. Multiple-extension group members were also substantially more likely to be black²² and to live in public or subsidized housing.

VII. Outcomes for Families After the Time Limit

Table 3.4 presents some measures from the Three-Year Client Survey for Jobs First group members who left the TFA rolls because of the time limit.²³ For this analysis, only recipients who exited prior to their survey interview are included in the “closed because of time limit” category.

The table shows that individuals who left the welfare rolls because of the time limit were more likely to be employed in the month before their interview and earned more in that month, compared with the full survey sample. This is not surprising since, as noted earlier, most recipients whose case was closed because of the time limit were working and had income above the payment standard. They also were more likely to have health insurance coverage for themselves and their children, and they were slightly less likely to have reported facing severe hardships in the prior year.

²²A regression analysis found that the association between race and receiving multiple extensions is considerably weaker after controlling for other factors.

²³For the analysis presented in Table 3.4, Jobs First group members were defined as having left because of the time limit if their TFA case was closed on reaching the time limit or at the end of an extension.

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Table 3.3

**Selected Characteristics of Jobs First Group Members at the Time of Random Assignment,
by Number of Countable Months of TFA Received Within Four Years After Random Assignment**

Characteristic	Number of Countable Months of TFA Received			
	0-20 ^a	21	22-39	40-48
<u>Demographic characteristics</u>				
Race/ethnicity (%)				
White, non-Hispanic	43.1	47.3	33.1	19.3
Black, non-Hispanic	33.2	31.3	46.3	53.8
Hispanic	22.6	19.9	20.3	25.9
Other	1.1	1.4	0.3	1.0
Marital status (%)				
Never married	56.9	64.8	71.3	76.4
Married, living with spouse	1.8	1.0	1.1	0.5
Married, living apart	18.3	16.7	10.1	11.6
Separated or divorced	21.7	16.4	17.1	11.1
Other	1.3	1.0	0.4	0.5
Average number of children (%)				
None	8.7	9.3	7.8	3.5
1 or 2	73.6	67.2	63.4	58.5
3 or more	17.7	23.4	28.8	38.0
<u>Employment status</u>				
Employed in quarter of random assignment (%)	43.8	45.7	36.3	26.0
<u>Education status</u>				
Highest degree/diploma earned (%)				
GED ^b	12.5	13.6	12.1	8.1
High school diploma	48.9	51.1	43.7	39.1
<u>Public assistance status</u>				
Total prior AFDC receipt ^c (%)				
None	24.8	14.3	12.7	5.7
Less than 2 years	27.6	22.6	18.9	16.1
2 years or more but less than 5 years	19.5	19.4	25.0	20.7
5 years or more	28.1	43.7	43.4	57.5
Resides in public or subsidized housing (%)	28.2	36.0	43.4	47.4
Percent of total sample ^d	41.8	12.2	31.5	8.5
Sample size	1,001	293	754	204

(continued)

Table 3.3 (continued)

SOURCE: MDRC calculations using Background Information Form data and Connecticut's unemployment insurance (UI) earnings records.

NOTES: Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

^aDoes not Include 144 sample members who received more than 21 months of TFA but were exempted at some point.

^bThe General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

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

^dThe percentages do not sum to 100 percent because of the exclusion of 144 sample members who were exempted.

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Table 3.4

Selected Noneconomic Outcomes for Jobs First Group Members Whose TFA Case Was Closed Because of the Time Limit

Outcome	Full Sample	Closed Because of Time Limit
Employed last month (%)	62.6	77.5
Earnings last month (\$)	672	801
Average number living in household	3.6	3.5
Average number of children in household	2.0	2.1
Respondent lives with at least one other adult (%)	42.8	31.6
Respondent is currently married and living with spouse (%)	9.4	6.0
Respondent currently married and living with spouse (%)	22.4	16.2
Respondent owns a car, van, or truck (%)	42.3	39.3
Respondent has debt (%)	65.2	62.4
Respondent was ever homeless and living on street in past year (%)	2.3	1.7
Respondent didn't pay full amount of rent or mortgage in past year (%)	35.0	38.5
Respondent lives with family/friends and pays part of rent or mortgage (%)	10.2	10.3
Respondent has ever moved since random assignment (%)	66.3	63.2
Average amount of respondent's savings (\$)	163	144
Respondent has no health insurance (%)	11.9	3.4
Children have no health insurance (%)	3.6	1.7
Two or more housing problems ^a (%)	18.0	20.2
Four or more neighborhood problems ^b (%)	25.2	24.8
Food insecure with hunger ^c (%)	20.9	15.5
Four or more material hardships ^d (%)	16.0	12.9
Three or more social services used ^e (%)	26.4	26.5
Three or more severe hardships ^f (%)	12.4	8.3
Sample size	1,249	117

(continued)

Table 3.4 (continued)

SOURCE: MDRC calculations from the Three-Year Client Survey data.

NOTES: For the analysis presented in this table, Jobs First group members were defined as having left because of the time limit if their TFA case closed upon reaching the time limit or at the end of an extension.

^aHousing problems include the following: leaky roof or ceiling; broken plumbing; broken windows; electrical problems; roaches/insects; heating system problems; and broken appliances.

^bNeighborhood problems include the following: unemployment; drug users or pushers; crime, assault, or burglaries; run-down buildings and yards; and noise, odors, or heavy traffic.

^cThe six-item Food Security Scale recommended by the United States Department of Agriculture was used to measure food security. The items in the scale include questions about food consumed and the kind of things people resort to when money allocated for food is exhausted. The scale ranges from 1 to 6; two or more affirmatives indicate food insecurity, and five or more affirmatives indicate food insecurity with hunger.

^dMaterial hardships include the following (all over the prior year): could not pay full amount of rent or mortgage; evicted for not paying rent/mortgage; could not pay full amount of utility bills; electricity or gas turned off; telephone disconnected; unmet medical needs; and unmet dental needs.

^eSocial services include the following: rental assistance programs; utility assistance programs; prescription drug assistance programs; food banks; soup kitchens; and secondhand clothes.

^f"Severe hardships" are based on the categories above and include: four or more neighborhood problems; two or more housing problems; four or more material hardships; three or more social services used; and food insecure with hunger.

VIII. Services After the Time Limit

This section describes the various services that are available after people reach the time limit. The type of service depends on the situation: People who are in an extension receive employment services; those whose grants have been discontinued and who have income equal to or greater than the payment standard may be eligible for transitional rental assistance; and those whose grants have been discontinued and who have income below the payment standard are eligible for Safety Net services.

A. Employment Services for People Who Received an Extension

As mentioned, in mid-2001, a substantial proportion (38 percent) of the recipients subject to the time limit statewide were in an extension. When recipients receive an extension of TFA benefits, whether at the time limit or at a later point, DSS requires them to participate in employment services that are intended to help them find a job or increase their earnings to exceed the payment standard. As noted earlier, TFA benefits can be discontinued for recipients who do not comply with any part of their employment program during an extension period, and such individuals are generally not eligible for further extensions. Of the 63 sample members examined earlier who received an extension at some point, 6 had their grant subsequently closed for lack of a good-faith effort.

Through mid-1998, DSS contracted with the Connecticut Council of Family Service Agencies (CCFSA, the organization that provides Safety Net and IPC services) to provide employment services to people in an extension. Because the contract was not large enough to cover all extension participants, both research sites supplemented the contract: The Manchester and New Haven DSS offices provided some services, and the New Haven DSS office established a second contract with a local employment services provider. As discussed in Chapter 2, in mid-1998, overall responsibility for providing employment-related services to cash assistance recipients shifted from DSS to the state Department of Labor (DOL). Then services for individuals in extensions were provided by DOL, the RWDBs, and their contractors. In late 1999, the RWDBs began subcontracting with outside agencies to provide case management services to cash recipients, including those in extensions.

Interviews with staff indicated that recipients who were in an extension received the same basic employment services that recipients in the pre-time-limit period received, including job search assistance and short-term training. Also, staff said that, as in the pre-time-limit period, participation among recipients in extensions was not closely monitored. Some staff said that they imparted to recipients in an extension a heightened urgency for achieving self-sufficiency and that they were less likely to place these individuals in longer-term activities. Recipients in an extension were sometimes referred to Project SOAR, which, as discussed in Chapter 2, worked with individuals to help them engage in program services. (As noted in Chapter 2, recipients beyond month 21 of assistance were not eligible for an Individual Performance Contract.)

B. The Transitional Rental Assistance Program

As noted earlier, most of those whose benefits were discontinued at the time limit had income equal to or higher than the payment standard. In addition, many of those who initially received an extension later left the welfare rolls because their income rose above the payment stan-

ard. Individuals whose TFA grants are closed and who are over income may be eligible for the Transitional Rental Assistance Program (T-RAP).²⁴ This program is intended to soften the blow from the loss of assistance, which for some families may be significant, especially if their Food Stamps also decrease. T-RAP provides up to one year of monthly rental assistance, paid directly to the landlord. To be eligible, individuals cannot be living in public or subsidized (Section 8) housing and must be living in privately owned rental housing.

T-RAP was originally administered by Community Action Agencies under contract to DSS, and it is currently administered by a for-profit contractor.²⁵ DSS is responsible for informing clients about the rental assistance program, but individuals must contact the T-RAP agency themselves. Funding for the program is limited, so rental assistance is not available to all eligible families.²⁶

C. Safety Net Services

DSS contracts with the United Way, which then subcontracts with CCFSa to operate the Safety Net program, which provides services to people whose welfare grant is discontinued at or after the time limit because they were deemed not to have made a good-faith effort to find employment. (Cases that are closed because of the 60-month time limit are not eligible for Safety Net services.) The primary purpose of Safety Net is to prevent harm to the children of families whose cash benefits are “permanently” closed because of the state’s 21-month time limit. (People in Safety Net can return to welfare only if they qualify for an exemption, or if their case was erroneously closed, or if they have circumstances beyond their control, as discussed earlier.) Safety Net’s secondary purpose is to foster the economic self-sufficiency of these families.

The Safety Net program links families with existing community services to ensure that their basic needs are met. If appropriate community resources are not available, the Safety Net agency may provide vouchers and services. Through most of the study period, Safety Net services were not time-limited; families could receive services indefinitely, and if they left Safety Net, they could return at any time, as long as their income remained below the welfare payment standard. Beginning in 2000, the state limited most families to 18 months of Safety Net services.

Drawing on interviews with staff and a mini review of cases files,²⁷ this section describes the implementation of the Safety Net program in Manchester and New Haven.

1. The referral process and initial contact. As noted earlier, most of the individuals whose grants were discontinued were over income; thus, relatively few individuals have been referred to Safety Net services. Analysis of referral records from the United Way/Infoline and CCFSa showed that about 5 percent of the Jobs First group (about 120 of 2,400) had been referred to Safety Net by mid-2001. Statewide, referrals to Safety Net increased over time until early 2000 and decreased thereafter.

²⁴This program was previously called the Time-Limited Rental Assistance Program.

²⁵John D’Amelia and Associates began operating the rental assistance program in January 2001.

²⁶Data on receipt rates or payments were not available.

²⁷In 1999, MDRC reviewed the Safety Net case files of 20 people who were referred to Safety Net services from the Manchester and New Haven DSS offices.

The referral process for the Safety Net program is similar to that for IPC services: DSS sends the names of those whose family income is below the payment standard and whose cash assistance has been discontinued — either at the time limit or at any point thereafter — to Infoline.²⁸ Infoline verifies the accuracy of the referrals, attempts to contact the individuals and collect some basic information, and then faxes the referrals to the CCFSA central office and the appropriate regional office. (Infoline also refers people to other social services, as necessary.)

If individuals are in crisis (for example, homeless or about to be evicted), CCFSA attempts to contact them immediately. In trying to contact people, CCFSA case managers must make phone calls, write one certified letter and one regular letter, and make three to six home visits. Staff reported that many individuals are difficult to reach, because their telephone has been shut off or they have moved.

During the first home visit, CCFSA case managers conduct an assessment covering such issues as participants' employment and education history, their children's school and health status, and the family's financial circumstances (for example, whether the rent and utilities are paid up to date). During a later visit, they conduct an in-depth employment barrier assessment covering such issues as domestic violence, substance abuse, and mental health. According to CCFSA staff, many Safety Net participants have multiple barriers to steady employment.

2. Available services. Safety Net services encompass three main areas: basic needs assistance; case management; and referrals to employment services, counseling, and other services. To help families meet their basic needs, Safety Net provides rental assistance, utility payment assistance, food vouchers, clothing, and bus passes or tokens to help people get to employment activities. There are no monetary limits on any of this assistance, but rental assistance is limited to six months of payments. Between July 1999 and June 2000, over half (58 percent) of Safety Net participants statewide received at least one basic needs payment, and the average expenditure per family was about \$1,200. Rental assistance accounted for almost two-thirds of the basic needs payments during that period.²⁹

Intensive case management is a key component of Safety Net. CCFSA case managers visit families at home, and they are available during nontraditional hours, including evenings and weekends. These staff members work with about 20 cases on average (including some Safety Net cases and some IPC cases), which allows them to work closely with people. Staff who were interviewed said that typically they meet with Safety Net participants once every week or two but that they meet several times a week with participants who are experiencing a crisis.

In each of five regions of the state, CCFSA also employs one or two Child and Family Consultants (CFCs), who are available to consult on various clinical issues. CFCs typically have

²⁸People may also be referred to Safety Net services if they are initially denied an extension for being over income, subsequently reapply for benefits after their income drops below the payment standard, and are denied based on a lack of good-faith effort. People who do not show up for their exit interview may have income below the payment standard but generally are not referred to Safety Net services. Safety Net staff reported that sometimes an individual in the community will hear about Safety Net services and will call to inquire whether she is eligible. Staff confer with DSS, and if the individual has exhausted her TFA benefits and has income below the threshold, she can receive services.

²⁹Connecticut Council of Family Service Agencies and United Way of Connecticut-Infoline, 2000.

a master's degree in social work. They are available to discuss cases with case managers and advise appropriate actions or to visit participants at home. When CFCs visit a home, their primary purpose is to evaluate recipients' problems and refer them to the appropriate clinical services. They are called in on all cases that scored above a certain level on the in-depth assessment of employment barriers and at any time that an issue such as domestic violence, child neglect, or substance abuse becomes apparent. During field research in 1999, CCFSA staff estimated that CFCs were consulted for about one-quarter of Safety Net cases.

CCFSA case managers develop a service plan with each participant. Generally, unless someone has severe barriers, employment is the ultimate goal. Case managers often give participants one-on-one job search assistance, such as help with résumés, how to look for a job, and what to say and do at a job interview. Case managers help those who are employed to develop specific strategies to increase their earnings. For those who have a job and earn above the payment standard, CCFSA sometimes provides transitional case management services — but no financial assistance — for three to six months to help them retain the job.

Case managers also refer Safety Net participants to various services and agencies in the community for counseling, job search assistance, basic education, or job skills training. Case managers refer people both to services at CCFSA agencies — for example, Catholic Family Services in Meriden, outside New Haven, has a licensed mental health clinic and operates a weekly job club — and to services offered at other agencies in the community.

3. Participants' economic status. CCFSA staff said that if they think someone qualifies for public assistance, they try to help her get benefits. For example, if they believe that an individual is incapacitated and should have received an exemption from the Jobs First program or that the reason she quit a job should have been considered good cause by DSS at the exit interview, they contact DSS and advocate for her. If they succeed, the Safety Net case is closed (as noted below, this has occurred many times). Sometimes case managers help Safety Net participants get Food Stamps, Medicaid, or Supplemental Security Income (SSI).

When asked how they thought that people in the Safety Net program make ends meet without the help of cash assistance, staff noted various means, including part-time work; help from family members, friends, and romantic partners; food pantries, shelters, and other agencies; SSI and child support; and perhaps selling drugs or prostitution. (MDRC has no way to determine the prevalence of any of these means.) Staff in one office have observed that the people who have family support tend to fare the best.

Among Jobs First group members who were identified as having been referred to Safety Net, about 20 percent returned to TFA within a year of their referral. (This is roughly consistent with the number of cases statewide that left Safety Net to return to TFA, as discussed below.) About 70 percent of the Jobs First group members who were referred to Safety Net worked during the next year, but their average earnings were low. (A similar percentage worked in the year

prior to Safety Net referral, suggesting that people did not necessarily go to work because their benefits were cancelled.)³⁰

4. Length of time in Safety Net. Staff said that the length of time that people receive Safety Net services varies widely, with some staying in the program for a week and others staying for well over a year. Of the 13 cases that were reviewed in 1999 as part of a mini review of case files for which service start and end dates were available, case duration ranged from about one month to one year and averaged five and a half months. This range partly reflects the diversity of people who are served by Safety Net: Many have multiple barriers to steady employment and receive extended services, while a minority quickly find a job or increase their hours and become ineligible because their income rises above the payment standard. As noted above, in 2000 the state limited Safety Net services to 18 months for most families.

According to CCFSA data, between July 1999 and June 2000, 1,324 cases were served by the Safety Net program across Connecticut; 374 of these cases were closed by the end of the period. Approximately one-third of the closed cases were employed and had income above the payment standard, and another third withdrew from the program (because they refused or no longer needed services or they moved). About 16 percent of the closed cases had their TFA benefits reinstated, and 8 percent began receiving SSI benefits. Just under 10 percent had their case closed because they did not comply with their Safety Net service plan.³¹

As mentioned, the primary purpose of Safety Net is to ensure the safety of the children in families. CCFSA case managers who think that a child is in danger of neglect or abuse will try to work with the family to remedy the situation. If the situation does not improve, they will contact the Connecticut Department of Children and Families (DCF). If at any point DCF removes a child from the home, the Safety Net case is closed. (Statewide, this occurred in 11 cases between July 1999 and June 2000.)

³⁰Although some sample members who were referred to Safety Net were included in the Three-Year Client Survey, the number who were interviewed after their Safety Net referral was too small to allow for a reliable analysis.

³¹Connecticut Council of Family Service Agencies and United Way of Connecticut-Infoline, 2000.

Chapter 4

The Effects of Jobs First on Employment and Public Assistance

Important tests of a program are whether it achieves the intended goals and whether it affects the lives of people subject to its policies. This chapter presents an assessment of Jobs First by exploring the program's effects on sample members' earnings and employment, use of public assistance, and income. Most of the results in this chapter reflect the four years after parents entered the study. By the end of this period, more than two years had passed since families had begun reaching the Jobs First time limit — a sufficiently long period to reveal the major effects of the time limit. Nevertheless, the results presented in this chapter cannot represent the full story of Jobs First, because the loss of welfare due to the time limit and the work experience resulting from increased employment could affect participants and their children for a long time to come.

I. Summary of Findings

- **For the follow-up period as a whole, Jobs First increased employment, earnings, and income and did not affect receipt of cash assistance.**

Over the four-year follow-up period covered in this report, 56 percent of Jobs First group members worked in an average quarter, compared with 49 percent of AFDC group members, and the Jobs First group had higher earnings than the AFDC group. The extra earnings also resulted in nearly \$600 more in combined annual income from earnings, cash assistance, and Food Stamps for the Jobs First group than for the AFDC group. However, the two groups received about the same amount in average cash assistance payments.

- **At the end of the four-year follow-up period, Jobs First continued to increase employment and had begun to reduce welfare use.**

In the last quarter of follow-up, nearly 61 percent of the Jobs First group worked, compared with about 53 percent of the AFDC group; and about 19 percent of the Jobs First group received cash assistance, compared with 28 percent of the AFDC group. Because Jobs First group members were more likely to work but less likely to receive public assistance than their AFDC group counterparts, the program did not significantly change income during this quarter, and both groups had about \$2,800 in average income.

- **Jobs First immediately increased employment.**

Jobs First increased employment almost immediately after parents entered the study, and its effect on employment peaked at nearly 9 percentage points in the middle of the second year after random assignment (when 55 percent of the Jobs First group worked, compared with 46 percent of the AFDC group). Its effect on earnings was initially smaller than its effect on employment but increased gradually, peaking at about \$220 in the first quarter of the third year after random assignment (when Jobs First group members earned more than \$1,800 on average, compared with just under \$1,600 for the average AFDC group member).

- **Jobs First increased the use of cash assistance during the period before recipients could have reached the time limit.**

During the first two years, 70 percent of the Jobs First group received cash assistance in an average quarter, compared with 65 percent of the AFDC group. This is a natural consequence of the enhanced earnings disregard of Jobs First, which allows most welfare recipients who go to work to keep their entire cash assistance and Food Stamp benefits until the 21-month time limit.

- **Jobs First resulted in much higher income during the period before recipients could have reached the time limit.**

Because it increased both earnings and public assistance payments, Jobs First also resulted in much higher combined income from earnings and public assistance during the pre-time-limit period. Compared with AFDC group members, over the course of the first two years, Jobs First group members had an average increase of more than \$1,200 in income from earnings, public assistance, and the Earned Income Credit (EIC).

- **After families began reaching the time limit, Jobs First achieved its primary goal of substituting work for welfare without reducing total income.**

Consistent with a time limit, the use of public assistance was lower under Jobs First than under AFDC after families began reaching the time limit. At the end of the third year, for example, about 37 percent of the AFDC group were receiving welfare, compared with about 26 percent of the Jobs First group. The combination of reduced public assistance and increased earnings meant that the Jobs First group had about the same amount of income from earnings and public assistance as the AFDC group after families began reaching the time limit.

- **There is little evidence that any families had less income because of Jobs First.**

The overall effects of a program like Jobs First sometimes mask important differences across subgroups of sample members. Although Jobs First had no effect on average income after the time limit, it is possible that some members of the Jobs First group who reached the time limit would have fared better under AFDC or that other members did fare better than they would have under AFDC. There is little evidence that this happened. At the end of four years, about the same number of Jobs First families as AFDC families had very low income, although among a group of very disadvantaged sample members, more Jobs First families had very low income than AFDC families.

- **The effects of Jobs First were concentrated among a particularly disadvantaged group.**

To investigate the possibility that the Jobs First time limit had a negative effect for a particularly disadvantaged portion of the sample, the effects of Jobs First were examined for long-term welfare recipients who had not graduated from high school and who had not worked in the year prior to random assignment. For this very disadvantaged group, Jobs First caused large increases in employment and earnings; during the pre-time limit period, it had some of the largest effects on income of any welfare reform program studied experimentally. After families began

reaching the time limit, Jobs First continued to increase earnings while it began to reduce cash assistance, and income under Jobs First was about the same as under AFDC.

The bulk of this chapter examines the details of these results. Before discussing the main results, in Section IV, the chapter provides some technical background. Section II introduces the data used to calculate average outcomes and discusses some of their limitations. Section III describes how effects are calculated, including some technical information on the meaning of statistical significance. Results for some key subgroups are examined in Section V, and Section VI concludes the chapter with a discussion of the results' implications.

II. Data and Sample

As discussed in Chapter 1 (see Figure 1.4), the effects of Jobs First were measured using a sample of single parents who were randomly assigned from January 1996 through February 1997. This *full sample* contains 4,803 single parents who entered the evaluation in the two research districts: 3,628 in New Haven and 1,175 in Manchester.¹ About half of the full sample (2,396 cases) were randomly assigned to the *Jobs First group*, which received the Jobs First package, and the other half (2,407 cases) were randomly assigned to the *AFDC group*, which was subject to the rules and benefits of AFDC.

Most statements about the effects of Jobs First on earnings and employment are based on information provided by employers each calendar quarter² to the unemployment insurance (UI) system in Connecticut. Because employers are given six months to report earnings to the UI office, most effects on employment and earnings presented in this chapter use earnings information only through December 2000, or four years after random assignment for the full sample.³

Most statements about welfare benefits are based on information from the Eligibility Management System (EMS), Connecticut's computerized public benefits system. For each case and for each month through December 2000, the system provided information on Aid to Families with Dependent Children (AFDC), Temporary Family Assistance (TFA), and Food Stamp amounts. Although information is available for each month, outcomes related to public assistance are presented by quarter to make them comparable in presentation to information from the UI system.

Administrative data have their advantages — to name two, they are available for all sample members, and they contain accurate information — but they have several important limitations. First, in this case, they are limited to activities in the state of Connecticut. If parents moved away from Connecticut but continued to receive public assistance, they were counted as though they were not receiving assistance; and if they worked outside Connecticut, they were counted as though they were not working. Second, the UI system undercounts employment and earnings

¹As noted in Chapter 1, the sample of 4,803 does not include child-only cases, two-parent cases, or cases that had been randomly assigned as part of A Fair Chance, Connecticut's earlier-attempted AFDC waiver evaluation.

²Calendar quarter 1 = January through March; quarter 2 = April through June; quarter 3 = July through September; and quarter 4 = October through December.

³In January and February 1997, 30 sample members were randomly assigned. For these individuals, follow-up information is available for only fifteen quarters.

because some types of jobs are not included.⁴ Third, administrative records provide information on public assistance, employment, and earnings but not on other important outcomes that might be affected by Jobs First. Fourth, administrative records do not provide information on the activity or income of other household members.

Because of these shortcomings, this chapter also uses information from a survey completed by 2,424 sample members about 36 months after they were randomly assigned (the Three-Year Client Survey).⁵ The survey provides information on a wide range of topics. In addition to information about whether people worked, it asked about the type and quality of their jobs, including hourly wage rates and fringe benefits. To provide a fuller picture of each household's income, the survey contains more detailed information about other sources of income for both the sample member and other household members, including information on child support, UI benefits, Supplemental Security Income (SSI), and earnings of other household members.

Although survey responses provide a richer source of information, they also have drawbacks. First, individuals may misremember or misreport some of their outcomes. It might be difficult to remember when a job started or what the starting wage was, for example, or individuals may intentionally mislead the interviewer in answering questions about sensitive matters. Second, about 80 percent of individuals who were targeted to complete the survey did so, meaning that 20 percent did not complete the survey because they refused or could not be located. Although an 80 percent response rate is quite good, it is possible that individuals who responded to the survey had much different outcomes than those who did not. As a result, conclusions drawn from the survey respondent sample might not always represent an accurate picture of the effects of Jobs First on the full sample. (Appendix D compares baseline characteristics of people who responded to the survey and those who did not.) Finally, because a survey is expensive to administer, the survey respondent sample is smaller than the full sample — 2,424 individuals, compared with 4,803 in the full sample. There is a greater uncertainty for results using the survey respondent sample than for results using the full sample.

III. What Is an Impact?

In evaluating a program such as Jobs First, it is important to distinguish between outcomes and impacts. An *outcome* is a measure of the status of sample members at some point after random assignment. An *impact*, or *effect*, is a measure of how much Jobs First changed outcomes for sample members who were subject to its rules. Because the AFDC group represents what would have happened to the Jobs First group without the new policy, effects are estimated as the difference between two quantities: (1) average outcomes for the Jobs First group and (2) average outcomes for the AFDC group.

⁴Although UI records will understate employment and earnings levels, other researchers have found that differences between randomly assigned program and control groups are about the same whether they are measured with administrative records or survey responses (Kornfeld and Bloom, 1999).

⁵Of the 2,424 sample members who completed the survey, 1,249 were in the Jobs First group and 1,175 were in the AFDC group. Of those with whom interviews were attempted, 82.0 percent completed an interview in the Jobs First group, and 78.7 percent completed an interview in the AFDC group.

The upper half of Figure 4.1 provides an example of the distinction between outcomes and effects and shows how effects are calculated. The horizontal axis of the figure shows the amount of time that has elapsed since random assignment. The dashed line shows the outcome for the AFDC group; in this case, it shows the proportion of the AFDC group who were employed during the four years that followed random assignment. Perhaps because of the strong economy, employment was fairly high for the AFDC group, at just under 40 percent in the quarter after random assignment — especially since most individuals who eventually received exemptions from the Jobs First time limit are included in the sample.⁶ Employment increased for the AFDC group over time even though group members did not have the incentives, requirements, and supports of Jobs First and even though they never faced or encountered a time limit. In other words, employment changed for the AFDC group for a variety of reasons unrelated to Jobs First.

Employment for the Jobs First group (indicated by the solid line in Figure 4.1) also increased over time. However, the effect of Jobs First cannot be determined by measuring the change over time in employment in the Jobs First group alone. Jobs First may have caused some of that change, but the same forces that increased employment for the AFDC group may have been partly or solely responsible for the change.

Thus, to estimate the program's effect on employment, outcomes for the Jobs First group are compared with outcomes for the AFDC group. According to Figure 4.1, during the first few quarters after random assignment, a gap opened between the two groups as employment for the Jobs First group increased faster than employment for the AFDC group. This gap indicates that Jobs First began to have an effect on employment, resulting in greater employment than would have occurred under AFDC. From quarter 3 through quarter 8, the two lines approximately parallel each other. During this part of the follow-up period, the effect of Jobs First on employment remained positive but neither increased nor decreased.

No families reached the Jobs First time limit until month 21, which occurs in quarter 7 and which is the shaded portion of the figure.⁷ Therefore, an important period in this figure is the period from quarter 6 (before any families had reached the time limit) to quarter 8 (the first quarter after some families had reached the time limit). Comparing the effect of Jobs First during these two periods provides the first glimpse of the effect of the time limit. In this case, the effect in quarter 6 looks quite similar to the effect in quarter 8. Employment increased slightly for both groups, but the gap between the two did not grow. Thus it appears that the time limit initially had no additional effect on employment.

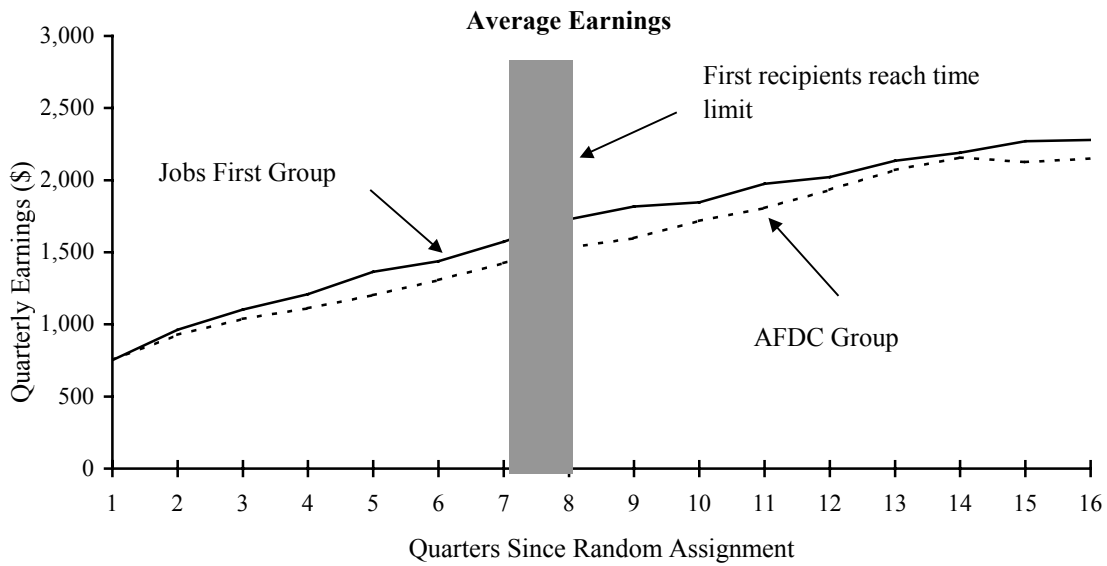
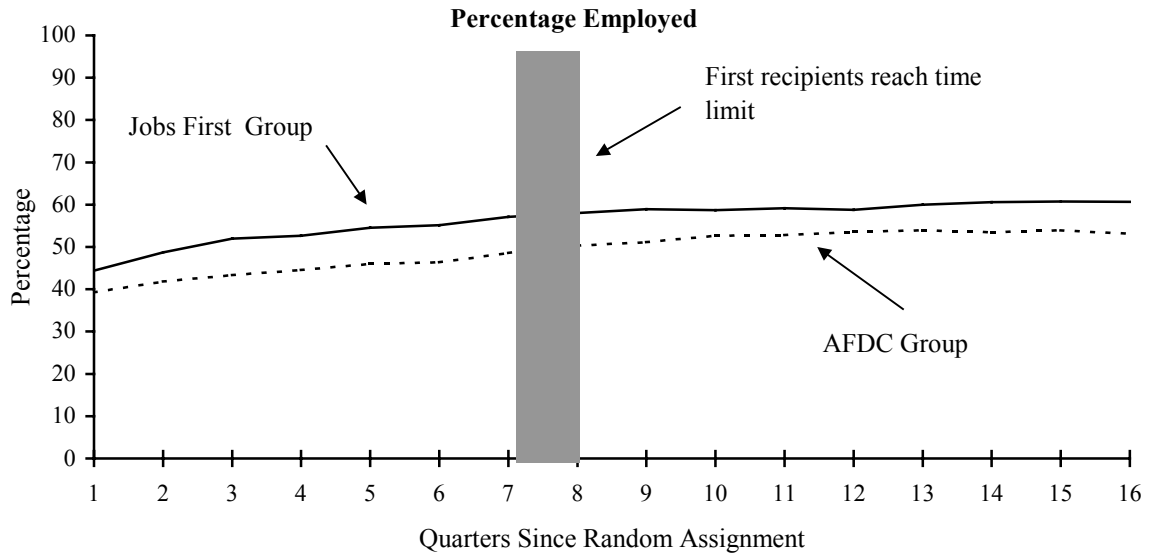
⁶In comparison, in recent evaluations of Florida's Family Transition Program (FTP) and Vermont's Welfare Restructuring Program (WRP) — both of which also operated in strong economies — employment in the quarter after random assignment was less than 35 percent. In FTP, moreover, individuals who would have been exempted from the Jobs First time limit were not randomly assigned, so that the average sample member in Jobs First was probably more disadvantaged than the average sample member in FTP.

⁷Quarter 1 of the follow-up period is the quarter after the quarter in which a case was randomly assigned. For example, if a case was randomly assigned in January 1996, the quarter in which the case entered the evaluation includes January through March 1996, so that quarter 1 includes April through June of that year. Quarter 7 of the follow-up period for that case therefore covers the period October through December 1997. Since this individual could have used up her 21 months of welfare by October 1997, the time limit could have first been imposed in quarter 7.

Connecticut's Jobs First Program

Figure 4.1

Quarterly Employment and Earnings for Jobs First and AFDC Groups



SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records.

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

The fact that the effect of Jobs First on employment did not change with the imposition of the time limit may reflect the way that the time limit was initially implemented. As discussed in Chapter 3, most individuals who quickly reached the time limit were initially granted extensions, unless they were earning above the payment standard. As a result, most individuals whose cases were closed were already working. Likewise, most individuals whose cases were not closed received no immediate reason to begin working. This incentive would presumably change if Connecticut began imposing lifetime prohibitions on receipt of cash assistance or became more restrictive in its granting of extensions and exemptions.

As discussed in Chapter 3, over time, more families reached the Jobs First time limit and more had their cases closed. According to Figure 4.1, however, the effect of Jobs First on employment was remarkably consistent over time. Although the effect on employment diminished soon after the time limit, it stabilized near the end of year 3 and actually grew slightly through the end of year 4.⁸

Although this report uses differences in outcomes between the Jobs First and AFDC groups as an estimate of the effects of the Jobs First policies, there are some reasons why that may understate the effects of such a policy. For example, in the first two years after entering the study, about 4.5 percent of the AFDC group moved to another welfare district in Connecticut, thus becoming subject to the rules of Jobs First. In addition, a number of individuals in the AFDC group thought that they were subject to a time limit, perhaps as a consequence of the national debate about welfare reform and the fact that time-limited welfare had become the policy in the rest of Connecticut and in most of the nation. These beliefs might have affected the behavior of the AFDC group and, consequently, the estimates of the effects of Jobs First. Finally, the extraordinary economic conditions in Connecticut during the second half of the 1990s may have left little room for Jobs First to improve outcomes. That is, if the robust economy allowed many AFDC group members to find work on their own, Jobs First would have had little room to increase the employment rate.

IV. Estimated Effects of Jobs First

This section explores the effects of Jobs First in greater detail. To provide a quick sense of the effects, several figures compare the earnings, welfare use, welfare benefit levels, and income of the Jobs First and AFDC groups. To explore the effects in further depth, the results are then presented in several tables. To investigate measures that are not available through administrative records, the section then turns to results from the Three-Year Client Survey. The chapter ends with an examination of the effects of Jobs First on subgroups.

⁸In contrast to Jobs First, effects of most programs have diminished in year 4. For example, the evaluation of Florida's time-limited FTP found that the program increased employment by 6.5 percentage points in the last quarter of year 3 but by only 0.8 percentage point in the last quarter of year 4 (Bloom et al., 2000a). In Portland's very successful JOBS program, the effect on employment declined from about 10 percentage points at the end of year 3 to 6.5 percentage points at the end of year 4.

A. Effects of Jobs First on Earnings, Cash Assistance, and Income

1. Earnings. The upper half of Figure 4.1 shows that Jobs First quickly increased employment, but the lower half of the figure shows that its effect on earnings emerged more slowly. Results from an earlier Jobs First report imply that the low initial effect on earnings reflected the initial low wages and widespread part-time work of most people who went to work because of Jobs First.⁹ A second possible explanation for the initial small effect on earnings is that the Jobs First earnings disregard may have encouraged some individuals to reduce their hours of work or to take lower-paying jobs.¹⁰ The interim report indicated that this was not the case.

The effect of Jobs First on earnings grew steadily over time, to nearly \$100 per person per quarter at the end of the first year after random assignment and to more than \$200 in the first quarter of the third year after random assignment. One possible explanation for the growth in effects on earnings over time is that, as individuals gained work experience, they were able to earn more per hour or were able to work more hours per week. Hours worked and hourly wages are examined later in this chapter.

After reaching its peak at the beginning of the third year, the effect of Jobs First on earnings fluctuated somewhat — just as its effect on employment fluctuated. In the middle of the fourth year, the difference in earnings between the Jobs First and AFDC groups dropped precipitously, to only \$34. Just as suddenly, it grew again; by the end of the follow-up period, the effect of Jobs First on earnings again exceeded \$100 per quarter and was about equal to its effect in the middle of the second and third years after random assignment.

2. Cash assistance. As a consequence of the Jobs First earnings disregard, the program was expected to increase the use of cash assistance in the period before any families reached the time limit. Whereas people in the Jobs First group could keep all their public assistance while they worked if they earned less than the federal poverty threshold, most people in the AFDC group lost some of their benefits when they went to work.¹¹ The upper half of Figure 4.2 verifies this prediction. In quarter 1, a difference between the two groups had already emerged, and that difference remained fairly steady through quarter 7.

According to results shown in Chapter 3, about 29 percent of the Jobs First group reached the time limit in 21 months; more than half the families who reached the time limit initially received extensions. This suggests that less than 15 percent of the Jobs First families had their cash assistance cases closed in quarter 7.

Quarter 8 was the first full quarter after families began reaching the time limit, and the time limit appears responsible for a dramatic change (shown in the shaded portion of Figure 4.2).

⁹See Bloom et al., 2000b, Table 4.5.

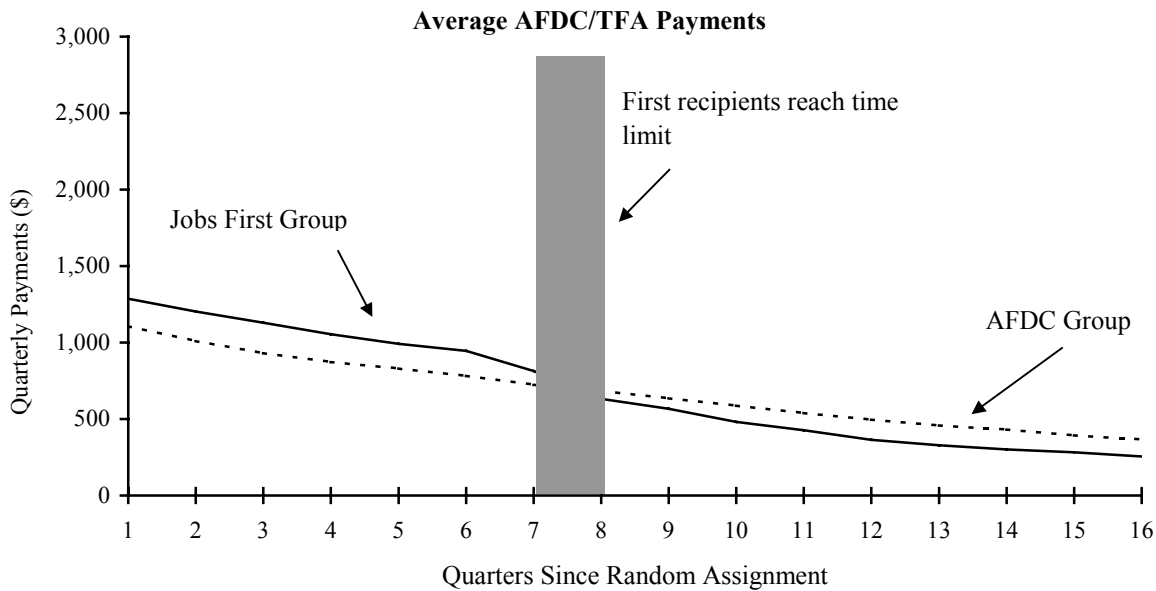
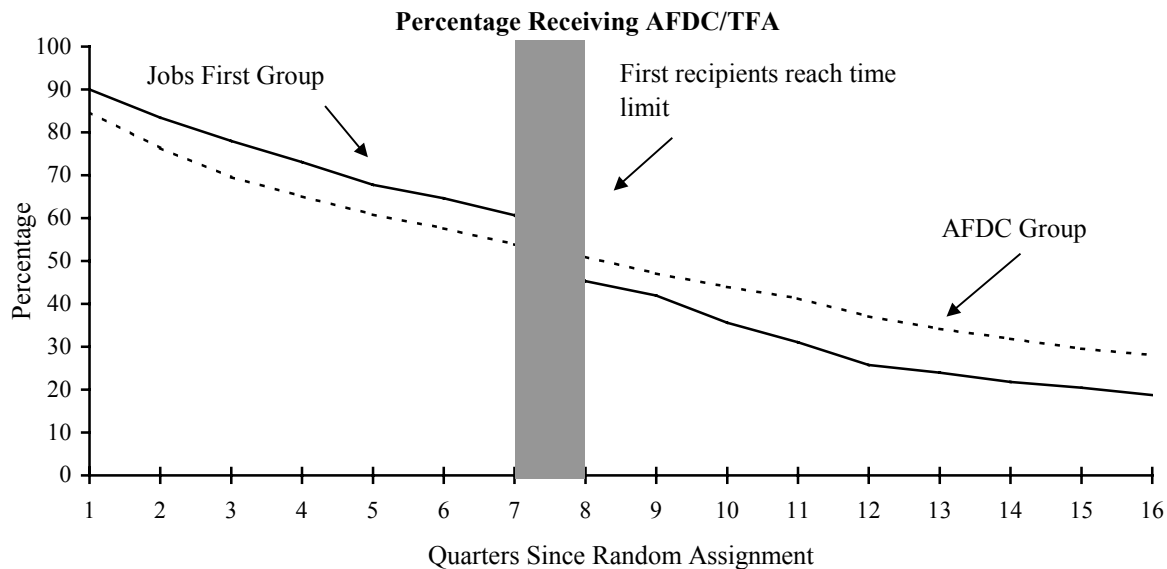
¹⁰For example, the New Hope program in Milwaukee resulted in lower earnings for individuals who were already working full time at random assignment. Likewise, the Minnesota Family Investment Program (MFIP) resulted in lower earnings among applicants, even though it did not affect employment levels.

¹¹Theory and time-series evidence predict that enhanced disregards will increase the number of welfare recipients (see Moffitt, 1992; Hoynes, 1997). Random assignment evaluations in Minnesota (Miller et al., 2000), Florida (Bloom et al., 2000a), and Canada (Michalopoulos et al., 2000) also have found that financial incentives to work increase the number of cases receiving public assistance.

Connecticut's Jobs First Program

Figure 4.2

Quarterly AFDC/TFA Receipt and Benefit Amounts for Jobs First and AFDC Groups



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

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

While the AFDC group, which was still entitled to cash assistance, continued its gradual decline in use of cash assistance, the Jobs First group showed a sharp decline in its use of cash assistance. As a result, the Jobs First program began reducing receipt of cash assistance. This decline continued through the end of the follow-up period, and it remained fairly steady over the last two years.

These patterns are also evident for quarterly cash assistance payments, as shown in the lower half of Figure 4.2. Jobs First had an immediate effect on payment amounts, with the Jobs First group receiving nearly \$1,300 on average in the quarter after random assignment, compared with about \$1,100 for the AFDC group. That effect remained relatively constant through quarter 6. In quarter 7, as some cases were closed, the gap in payment amounts declined. In quarter 8, the gap disappeared and was replaced by a very small negative effect on payment amounts. Over the last two years of the follow-up period, the post-time-limit welfare savings generated by Jobs First grew and then stabilized at about \$100 per quarter per family.

3. Income. One of the key questions about time-limited welfare is whether individuals will suffer income losses after they reach their time limit. Figure 4.3 addresses this question for Jobs First by showing the program's effect on combined income from earnings, cash assistance, and Food Stamps. Because this measure includes income only from the three administrative records sources, it does not capture many other sources of income, such as from other transfer programs, the EIC, and private transfers like child support, alimony, and support from family or household members. The effect of Jobs First on other sources of income will be examined later in this chapter, when results from the survey are presented.

Figure 4.3 shows that Jobs First increased income immediately. This makes sense in light of Figures 4.1 and 4.2, which show that Jobs First increased cash assistance payments immediately but did not affect earnings. Over the next few quarters, the effect of Jobs First on income increased somewhat, reflecting the growth in its effect on earnings and cash assistance shown in the previous figures.

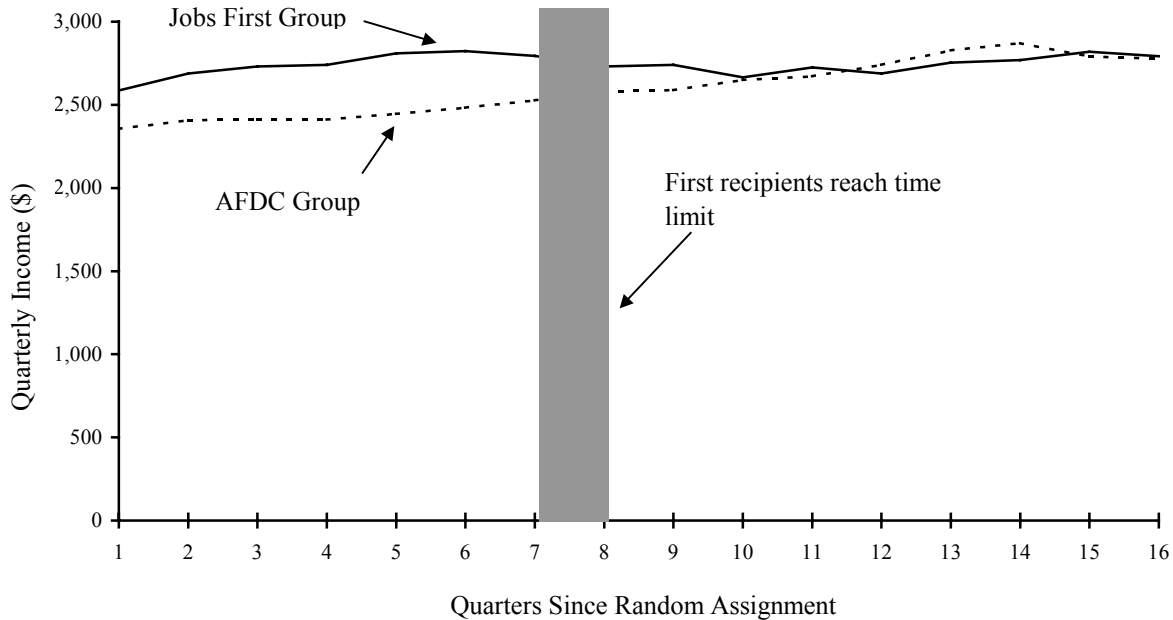
In quarter 8, after some families had reached the time limit, Jobs First continued to have a positive effect on average income. This does not mean that individuals whose cases were closed had higher income after the time limit than before. Indeed, some sample members did lose income between the two quarters, as indicated by the reduction in average income for the Jobs First group between quarter 6 and quarter 8. The positive effect of Jobs First on income in quarter 8 means, instead, that the Jobs First group members on average had higher income than they would have had under AFDC. It is possible that income for individuals whose cases were closed remained higher than similar individuals in the AFDC group. Alternatively, it is possible that the time limit produced lower income for these people compared with AFDC but that it continued to produce higher income for individuals who had not yet reached the time limit. To explore whether the increase in *average* income is hiding an increase in the number of people with very little income, the distribution of income is examined later in this chapter.

During the third year after random assignment, the effect of Jobs First on income dissipated, and it remained small through the rest of the follow-up period. This consequence reflects that Jobs First began saving welfare dollars after families began reaching the time limit, whereas its effect on earnings did not grow over time.

Connecticut's Jobs First Program

Figure 4.3

Average Quarterly Total Income from Earnings, AFDC/TFA, and Food Stamps for Jobs First and AFDC Groups



SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

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

These results imply that Jobs First increased income overall during the follow-up period (since it increased income in the first half of the follow-up period but had no effect in the second half of the period). In addition, there is no evidence from these results that the average family was hurt by the Jobs First time limit. The size of the income effects over time is addressed in the next section.

B. Numerical Effects of Jobs First on Earnings, Cash Assistance, and Income

Table 4.1 summarizes numerically the effects of Jobs First on employment, earnings, public assistance, and income. The table is divided into three panels that supplement Figures 4.1 through 4.3. The top panel shows the effect of Jobs First over the first two years after random assignment, which roughly ends around the time that families began reaching the Jobs First time limit. The middle panel shows the effect of Jobs First in the third and fourth years of the follow-up period, which roughly corresponds to the time after families began reaching the time limit. The bottom panel shows the effect of Jobs First over the entire four-year follow-up period. (Appendix Table B.1 shows effects of each of the measures presented in Table 4.1 by quarter.) In reading Table 4.1, note that the first column shows average outcomes for the Jobs First group, while the second column shows average outcomes for the AFDC Group. Effects are shown in the third column and are calculated as the difference between the regression-adjusted outcomes of the two groups.¹² The rightmost column expresses the program's effects as percentages of the control group levels.

1. Employment, earnings, and public assistance in the first two years of follow-up. As Figures 4.1 through 4.3 indicate, employment, earnings, use of public assistance, and income for members of the Jobs First group were all higher on average in years 1 and 2 than for members of the AFDC group. The top panel of Table 4.1 quantifies these results. While about 45 percent of the AFDC group worked in an average quarter during this two-year period, nearly 53 percent of the Jobs First group worked on average, for an increase in employment of 8 percentage points (the difference in outcomes between the Jobs First and AFDC groups). This effect is statistically significant at the 1 percent significance level, as indicated by the three stars next to the estimated effect.¹³ Likewise, on average, Jobs First group members earned \$419 more per year than AFDC group members.

¹²All outcomes and effects presented in this chapter use ordinary least squares regressions to adjust for differences in demographics and prior behavior between the Jobs First and AFDC groups. Because random assignment ensures there are no systematic differences between the groups prior to random assignment, the regression adjustment usually causes negligible differences in impact estimates. Regression adjustment may result in more precise estimates that allow differences in outcomes between the two groups to more reliably be attributed to Jobs First rather than chance. Covariates in the regression model include quarterly employment, quarterly earnings, and quarterly AFDC payment amounts, all for the four quarters prior to random assignment, and all taken from administrative records. The effects of the regression adjustment are described in Appendix D.

¹³The concept of statistical significance is used to assess whether a difference can confidently be attributed to the new policy. In results in this report, an effect is said to be statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated effect could have stemmed from a program with no real effect. Statistical significance is also presented at the analogously defined 5 percent and the 1 percent levels. Statistical significance does not directly indicate the magnitude or importance of an effect estimate, nor does it indicate that Jobs First definitely had an effect; it indicates only whether differences in policies are likely to have caused the differences in outcomes that are seen between the Jobs First and AFDC groups. In an evaluation such as this one, numerically small effect estimates are usually not statistically significant. Some numerically large effect estimates may also not be statistically significant, however, particularly when sample sizes are small or there is great variation across individuals in the outcome being measured.

Connecticut's Jobs First Program

Table 4.1

Impacts on Employment, Earnings, Welfare Use, and Income

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Years 1-2					
Average quarterly employment (%)	52.8	45.0	7.8	***	17.3
Average annual earnings (\$)	5,066	4,648	419	***	9.0
Average quarterly percentage receiving AFDC/TFA (%)	70.4	64.9	5.5	***	8.4
Average annual AFDC/TFA payments (\$)	4,028	3,470	558	***	16.1
Average quarterly percentage receiving Food Stamps (%)	72.9	70.6	2.3	**	3.2
Average annual Food Stamp payments (\$)	1,856	1,692	164	***	9.7
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,952	9,811	1,140	***	11.6
Tax-adjusted income estimate ^a (\$)	11,310	10,071	1,239	***	12.3
Years 3-4					
Average quarterly employment (%)	59.7	53.1	6.6	***	12.4
Average annual earnings (\$)	8,273	7,783	490	*	6.3
Average quarterly percentage receiving AFDC/TFA (%)	27.4	36.6	-9.2	***	-25.0
Average annual AFDC/TFA payments (\$)	1,502	1,949	-447	***	-22.9
Average quarterly percentage receiving Food Stamps (%)	46.6	49.1	-2.6	**	-5.3
Average annual Food Stamp payments (\$)	1,210	1,220	-9		-0.8
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,986	10,952	34		0.3
Tax-adjusted income estimate ^a (\$)	10,978	10,828	150		1.4
Years 1-4					
Average quarterly employment (%)	56.3	49.1	7.2	***	14.7
Average annual earnings (\$)	6,668	6,215	453	**	7.3
Average quarterly percentage receiving AFDC/TFA (%)	48.9	50.7	-1.8	**	-3.5
Average annual AFDC/TFA payments (\$)	2,766	2,707	59		2.2
Average quarterly percentage receiving Food Stamps (%)	59.7	59.8	-0.1		-0.2
Average annual Food Stamp payments (\$)	1,533	1,455	79	**	5.4
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,967	10,376	591	***	5.7
Tax-adjusted income estimate ^a (\$)	11,145	10,445	700	***	6.7
Sample size (total = 4,803)	2,396	2,407			

(continued)

Table 4.1 (continued)

SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as **=1 percent, *=5 percent, and ^=10 percent.

A total of 30 sample members were excluded from measures involving year 4 because UI earnings data for the last quarter of the follow-up period were not available for them. For this reason, measures from years 1-2 and years 3-4 will not exactly sum into years 1-4.

^aThis measure includes total income; federal, state, and payroll taxes; and the federal Earned Income Credit.

If all the earnings gains attributable to Jobs First (\$419 per year) were due to the extra employment caused by the program (7.8 percentage points), then the average person who went to work because of Jobs First earned about \$5,372 per year ($\$419/0.078$). This appears quite low considering that a parent who earned only \$5 per hour and worked only 20 hours per week would have earned \$5,200 during a year. As discussed above, one explanation for such low earnings is that individuals who were encouraged to work by Jobs First earned very little. This issue will be examined below, when the chapter turns to results from the Three-Year Client Survey.

The Jobs First earnings disregard increased the use of public assistance during the pre-time-limit period. About 65 percent of the AFDC group received cash assistance in an average quarter during this two-year period, compared with more than 70 percent of the Jobs First group, for an increase of 5.5 percentage points. Likewise, members of the AFDC group received less than \$3,500 per year in cash assistance on average, compared with more than \$4,000 for the Jobs First group.

Jobs First also increased the use of the Food Stamp program. This makes sense, given the rules of Jobs First, under which earnings below the poverty level are not counted in calculating Food Stamp grants. As a result, members of the Jobs First group were significantly more likely to receive Food Stamps during years 1 and 2 (72.9 percent of the time, compared with 70.6 percent of the time for the AFDC group), and they received larger average benefit amounts (\$1,856 per year on average, compared with \$1,692 per year for the AFDC group).

Because Jobs First increased earnings, cash assistance payments, and Food Stamp payments, it also increased total income from these three sources during the pre-time-limit period. The average Jobs First group member had nearly \$11,000 per year from these three sources of income, while the average AFDC group member had about \$9,800 per year in income. As reported in the last row of the top panel, including estimated EIC payments but subtracting estimated payroll and income taxes results in higher average adjusted income for both research groups but does not substantially change the estimated effect of Jobs First on income. (Appendix C provides additional information on the calculation of tax-adjusted income.)

2. Employment, earnings, and public assistance in the last two years of follow-up. As Figures 4.1 through 4.3 indicate, the effects of Jobs First on employment and earnings remained fairly consistent over time, but the program's effects on the use of public assistance and on income changed dramatically when families began reaching the Jobs First time limit. The middle panel of Table 4.1 shows results for this post-time-limit period (years 3 and 4).

Employment for both the Jobs First and the AFDC groups grew over time, but the difference between the two remained fairly steady. In the last two years of follow-up, nearly 60 percent of the Jobs First group worked in an average quarter, compared with about 53 percent of the AFDC group, for an increase of nearly 7 percentage points, or slightly less than during the pre-time-limit period.¹⁴ During this post-time-limit period, Jobs First group members earned \$490

¹⁴Appendix Table B.2 shows, in addition, that most of the work generated by Jobs First was quite stable. In the first two years after random assignment, Jobs First increased the number of people who worked at some point by 10.2 percentage points. At the same time, Jobs First increased the number of people who worked four consecutive quarters by 8.7 percentage points. In other words, the effect of Jobs First on stable employment was nearly as large as its effect on employment overall, which may suggest that the combination of Jobs First's enhanced earnings disregard and time limit gave people in the Jobs First group a constant added incentive to stay at work.

more per year on average than AFDC group members, for an effect that was slightly larger than during the pre-time-limit period.

If all the earnings gains attributable to Jobs First during this post-time-limit period (\$490 per year) were due to the extra employment caused by Jobs First (6.6 percentage points), then the average person who went to work because of Jobs First earned about \$7,400 per year ($\$490/0.066$). This is considerably greater than the corresponding calculation for the pre-time-limit period, and it implies that hourly wages, hours worked per quarter, or both increased over time for the people who went to work because of Jobs First.

The biggest difference between the pre- and post-time-limit periods was in the use of public assistance. While the Jobs First earnings disregard increased the use of public assistance during the pre-time-limit period, the time limit reduced the use of public assistance in the post-time-limit period. During this period, 36.6 percent of the AFDC group received cash assistance in an average quarter, compared with 27.4 percent of the Jobs First group, for a decrease of 9.2 percentage points. Likewise, members of the AFDC group received \$1,949 per year in cash assistance on average, compared with \$1,502 for the Jobs First group.

Although Jobs First reduced the use of cash assistance during this post-time-limit period, it left the use of Food Stamps largely unchanged. In particular, members of the Jobs First group received about the same average Food Stamp payments (\$1,220 on average per year for the AFDC group and \$1,210 for the Jobs First group).

The other dramatic change between the pre- and post-time-limit periods was in the effect of Jobs First on income. In the post-time-limit period, the increased earnings resulting from Jobs First were almost completely offset by the welfare savings resulting from the time limit. As a result, members of both research groups had nearly \$11,000 per year in income from earnings, TFA, AFDC, and Food Stamps.

The bottom panel of Table 4.1 shows the effects of Jobs First over the entire four-year follow-up period. Jobs First increased employment and earnings both before and after the time-limit; it therefore increased employment and earnings overall. It increased income during the pre-time-limit period but left income for the two research groups about the same in the post-time-limit period; it therefore increased income for the entire follow-up period. Moreover, the fact that Jobs First consistently left income unchanged during the post-time-limit period (according to Figure 4.3) suggests that the overall positive effect on income will persist over a longer follow-up period. Finally, Jobs First increased cash assistance by about \$550 per year in the pre-time-limit period, but it reduced cash assistance by about \$450 per year in the post-time-limit period. Thus, it slightly increased cash assistance payments over the entire follow-up period (although that increase was not statistically significant). However, the fact that Jobs First was continuing to save welfare dollars at the end of the follow-up period (according to Figure 4.2) suggests that it would eventually result in total welfare savings over a longer follow-up period. This is discussed further in Chapter 7.

3. Distribution of income. Even though *average* income was the same for the Jobs First and AFDC groups in years 3 and 4 — and higher through most of the follow-up period — this might hide substantial variation in the effect of Jobs First on different individuals. It is possible, for example, that some members of the Jobs First group who reached the time limit would have fared better under AFDC even while Jobs First continued to increase the income of other sample members.

Investigating this issue requires looking at the distribution of income rather than average income. Table 4.2 presents the distribution of income in the last quarter of each year of follow-up for the Jobs First and AFDC groups, as well as the effect of Jobs First on the distribution of income. As in Table 4.1, the income measure used in this table includes earnings reported to the UI system, cash assistance amounts, and the cash value of Food Stamps. As a result, it does not include many other sources of income, such as other transfer programs, the EIC, and private transfers like child support, alimony, and other support by family or household members.

How should effects on the distribution of income be interpreted? There are two important patterns to look for in the period prior to the time limit, when the Jobs First group had more income on average than the AFDC group. It is possible that before the time limit Jobs First increased the income of some people and did not reduce anyone's income. If that occurred, then Table 4.2 would show a decrease in the number of people with low income (for example, no income or income less than \$1,500 in a quarter) and an increase in the number of people with income in the middle or highest range (for example, quarterly income greater than \$1,500). A second possibility is that Jobs First increased the income of some people but reduced the income of other people. In that case, Table 4.2 might show an increase in the number of people with very low income (especially no income), an increase in the number of people with relatively high income, but a decrease in the number of people with income in the middle ranges.

The top panel of Table 4.2 shows the first of these patterns, which is consistent with the notion that Jobs First increased income for some without decreasing income for others. In the last quarter of year 1, for example, about 10 percent of both research groups had no income according to the administrative records sources, and about 12 percent of both groups had income between \$1 and \$1,500 in the quarter.¹⁵ Because the two research groups had the same proportion of people in these two income ranges, this implies that Jobs First neither increased nor decreased the number of people with income below \$1,500. At the same time, Jobs First reduced the number of people with income in the middle range (\$1,501 to \$3,000 in the quarter), from 51.0 percent of the AFDC group to 39.6 percent of the Jobs First group, and it increased the number of people with relatively high income. While about 26.4 percent of the AFDC group had more than \$3,000 in income in the last quarter of year 1 (17.2 percent with income between \$3,001 and \$4,500 and 9.2 percent with income over \$4,500), 38.6 of the Jobs First group had income exceeding \$3,000, implying that Jobs First increased the proportion with relatively high income by about 12 percentage points. This implies that Jobs First moved some people from the middle-income range to the higher income ranges. This is not surprising, since Jobs First increased average income considerably during the pre-time-limit period.

In the period after families began reaching the Jobs First time limit, Jobs First did not significantly affect average income. There are two important patterns to look for in this period, which corresponds to the lower three panels of Table 4.2. It is possible that Jobs First generally did not raise or lower the income of very many people. If that occurred, then Table 4.2 would

¹⁵It should be stressed that this effect — like all effects — is a net effect. In other words, it indicates only that the same number of people in both research groups ended up with low income during this period. It is possible that Jobs First moved some people out of this low-income group (for example, through greater earnings) but moved an equal number of people into the group (for example, because of sanctions). On the other hand, it is possible that the program had virtually no effect on families in this low-income category during this period. It is impossible to distinguish between these two alternatives.

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Table 4.2

Distribution of Measured Income^a in Selected Quarters

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Income in the last quarter of year 1 (%)				
\$0	10.1	10.1	0.1	0.8
\$1-\$1,500	11.7	12.5	-0.7	-5.8
\$1,501-\$3,000	39.6	51.0	-11.5 ***	-22.5
\$3,001-\$4,500	22.8	17.2	5.6 ***	32.3
More than \$4,500	15.8	9.2	6.5 ***	70.7
Income in the last quarter of year 2 (%)				
\$0	15.4	14.4	1.0	6.8
\$1-\$1,500	14.6	11.9	2.7 ***	22.7
\$1,501-\$3,000	30.8	40.2	-9.4 ***	-23.3
\$3,001-\$4,500	20.4	19.0	1.4	7.3
More than \$4,500	18.8	14.5	4.3 ***	29.7
Income in the last quarter of year 3 (%)				
\$0	20.0	17.9	2.2 **	12.2
\$1-\$1,500	17.1	14.3	2.9 ***	20.1
\$1,501-\$3,000	22.8	30.2	-7.4 ***	-24.5
\$3,001-\$4,500	18.1	17.1	1.0	5.7
More than \$4,500	22.0	20.6	1.4	6.8
Income in the last quarter of year 4 (%)				
\$0	21.8	21.7	0.1	0.6
\$1-\$1,500	16.4	16.0	0.5	3.0
\$1,501-\$3,000	20.3	24.1	-3.8 ***	-15.8
\$3,001-\$4,500	17.8	14.9	2.8 ***	19.0
More than \$4,500	23.7	23.3	0.4	1.6
Sample size (total = 4,803)	2,396	2,407		

SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

^aIncome from earnings, AFDC/TFA, and Food Stamps.

show insignificant effects in each income category (for example, as many Jobs First group members as AFDC group members would have low income, moderate income, and relatively high income). A second possibility is that Jobs First increased the income of some people but reduced the income of other people. In that case, Table 4.2 might show an increase in the number of people with very low income (especially no income), an increase in the number of people with relatively high income, but a decrease in the number of people with income in the middle ranges.

The results in the last quarter of year 3 show the second pattern and imply that some individuals had less income in this period under Jobs First than they would have had under AFDC. In particular, significantly more Jobs First group families than AFDC group families had no income from the administrative records sources (20.0 percent, compared with 17.9 percent), and significantly more Jobs First group families than AFDC group families had income between \$1 and \$1,500 in the last quarter of year 3 (17.1 percent, compared with 14.3 percent). This increase might seem surprising, since most families whose cases were closed by the time limit had earnings above the payment standard. However, cases were also closed if the recipient did not appear for an exit interview or, in rare cases, was found not to have made a good-faith effort to find a job. It is also possible that some individuals who were earning above the payment standard might have lost their jobs without returning to the welfare system.

Although results were somewhat disturbing at the end of year 3, they had become more neutral at the end of year 4. By that point, nearly 22 percent of both the Jobs First and the AFDC groups had no income from the administrative records sources, and another 16 percent or so had income below \$1,500. This suggests that, by the end of year 4, families who initially had trouble replacing their welfare income had found jobs that allowed them to make up their lost welfare benefits.

4. Combining work and welfare. Another view of the effect of the time limit can be seen in Table 4.3, which shows the impacts of Jobs First on the proportion of sample members combining work and welfare. The table places sample members into four mutually exclusive categories: employed and receiving cash assistance, not employed and receiving assistance, employed and not receiving assistance, and neither employed nor receiving assistance. Consistent with the results already discussed, the main effect of Jobs First at the end of the first year was to increase the likelihood that someone would simultaneously work and receive welfare. Whereas 23.2 percent of the AFDC group were combining work and welfare, 38.7 percent of the Jobs First group were doing so, for an increase of 15.6 percentage points. At the end of year 1, this increase came from two parts: (1) Jobs First reduced the proportion who would have worked without receiving welfare, by 7.5 percentage points; this reflects that the program's enhanced earnings disregard allowed people to combine work and welfare more easily than under AFDC. (2) Jobs First also reduced the proportion of people who would have received welfare without working, by 7.6 percentage points; this reflects the influence of Jobs First's services, earnings disregard, and time limit on people's decisions to work.

The results look much different at the end of year 3, when a number of the Jobs First group had their cases closed because of the time limit. By that time, Jobs First's main effect was to reduce the number of people who were receiving welfare without working. Many of these people appear to have been working without receiving welfare. This implies that most individuals who were allowed to combine work and welfare because of the Jobs First earnings disregard

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Table 4.3

Impacts on Combining Work and Welfare

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Last quarter of year 1 (%)				
Employed and receiving AFDC/TFA	38.7	23.2	15.6 ***	67.1
Not employed and receiving AFDC/TFA	34.3	41.9	-7.6 ***	-18.1
Employed and not receiving AFDC/TFA	13.9	21.4	-7.5 ***	-35.0
Neither employed nor receiving AFDC/TFA	13.0	13.5	-0.5	-3.7
Last quarter of year 2 (%)				
Employed and receiving AFDC/TFA	23.8	20.0	3.9 ***	19.4
Not employed and receiving AFDC/TFA	21.4	31.0	-9.6 ***	-30.9
Employed and not receiving AFDC/TFA	34.2	30.4	3.8 ***	12.5
Neither employed nor receiving AFDC/TFA	20.6	18.7	1.9 *	10.2
Last quarter of year 3 (%)				
Employed and receiving AFDC/TFA	12.8	14.4	-1.6 *	-11.4
Not employed and receiving AFDC/TFA	12.9	22.6	-9.7 ***	-42.8
Employed and not receiving AFDC/TFA	45.9	39.1	6.8 ***	17.4
Neither employed nor receiving AFDC/TFA	28.3	23.8	4.5 ***	19.0
Last quarter of year 4 (%)				
Employed and receiving AFDC/TFA	9.6	10.7	-1.1	-9.9
Not employed and receiving AFDC/TFA	9.1	17.4	-8.2 ***	-47.3
Employed and not receiving AFDC/TFA	51.1	42.4	8.7 ***	20.4
Neither employed nor receiving AFDC/TFA	30.2	29.6	0.6	2.1
Sample size (total = 4,803)	2,396	2,407		

SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records and Connecticut AFDC/TFA records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

had reached the time limit and had had their cases closed by the end of the follow-up period. More interesting is that Jobs First also significantly increased the proportion of the sample who were neither working nor receiving cash assistance. About 28 percent of the Jobs First group fell into this category, compared with about 24 percent of the AFDC group, for an effect of about 5 percentage points. This result suggests that a growing number of people lost employment after their cases had been closed and that they had not returned to cash assistance in Connecticut.

By the end of year 4, the troubling increase in the number of people who were neither working nor receiving welfare had disappeared. At the end of the follow-up period, about 30 percent of both research groups fell into this category. Instead, it looks as though a group of people who would have received welfare without working had achieved a measure of self-sufficiency and were working without receiving welfare.

5. Other sources of income. As mentioned earlier, administrative records cover the majority of income for most individuals, but they miss some potentially important sources of income such as child support payments, earnings from jobs not covered by the UI system, and income of other household members. To provide a broader picture of income sources, Table 4.4 uses the Three-Year Client Survey to show how much income sample members reported they had in the month prior to being surveyed.

In most respects, the results in Table 4.4 confirm results from the administrative records. At the end of the third year, Jobs First group members reported earning more than AFDC group members, and they reported receiving less from cash assistance. The table also indicates that other household members, while providing more than \$400 in monthly income to the average household, provided similar amounts to households in both groups. Finally, the distribution of income (the second row in the table) tells the same story as told by the administrative records in Table 4.2. During this post-time-limit period, the Jobs First program increased to some extent the proportion of households with moderately high income (between \$1,000 and \$2,000 in the month prior to the survey) while decreasing the proportion of households with quite low income (less than \$1,000 in the month prior to the survey).

Despite the similarities between the administrative records and the Three-Year Client Survey, the survey indicates that Jobs First households had more income than AFDC households, while the administrative records indicate that they had about the same amount of income at this point in the follow-up period. The difference comes primarily from one source of income: child support payments. The AFDC group reported receiving \$49 in monthly child support payments on average, while the Jobs First group reported receiving \$79 in monthly child support payments on average.

There is reason to be cautious about these child support results. A custodial parent in the Jobs First group who received child support while on cash assistance might have known more about the child support payments she received than a similar parent in the AFDC group, even if the noncustodial parent paid the same amount of child support in both cases. As a result, the increased reporting of child support by the Jobs First group may reflect greater knowledge about child support payments rather than an actual increase in payments. This is true for two reasons. First, under AFDC, a maximum of \$50 was “passed through” to the parent by the welfare system. In other words, the welfare system retained any child support payments exceeding \$50 that

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Table 4.4

Impacts on Respondent and Household Income as Reported in the Three-Year Client Survey

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Average monthly household income (\$)	1,550	1,464	86 *	5.9
Distribution of total monthly income (%)				
\$0	1.3	1.9	-0.7	-34.3
\$1-999	32.4	38.2	-5.9 ***	-15.3
\$1,000-1,999	42.7	38.1	4.6 **	12.2
\$2,000-2,999	14.2	13.0	1.3	9.7
\$3,000 or more	9.4	8.8	0.6	7.1
Average monthly income (\$)				
Respondent's monthly income	1,096	1,022	74 ***	7.2
Earnings	678	605	73 **	12.1
AFDC/TFA income	127	173	-46 ***	-26.5
Food Stamp income	114	111	3	2.6
Disability income	36	37	-2	-4.3
Child support income	79	49	30 ***	60.3
Income from other sources	32	24	7	29.9
Income from other family and friends	23	15	8	52.6
Earnings from odd jobs	8	7	0	5.2
Other household members' monthly income	454	442	12	2.7
Earnings	351	348	3	0.7
AFDC/TFA income	12	6	6 **	92.8
Food Stamp income	4	4	0	12.5
Disability income	61	48	13	27.2
Child support income	1	2	-2 **	-76.1
Income from other sources	8	21	-13 **	-60.4
Income from other family and friends	6	2	4	234.3
Earnings from odd jobs	11	10	1	7.1
Sample size (total = 2,265)	1,160	1,105		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

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

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

This analysis excluded 159 sample members who did not provide information about one or more of the income sources.

were made to an AFDC family on cash assistance. Under Jobs First, in contrast, the pass-through was \$100. Second, under AFDC, a parent received a child support check for no more than \$50. Under Jobs First, on the other hand, the parent received a check for the total amount of child support that was paid but also received a correspondingly smaller TFA payment. Moreover, Jobs First group members were less likely to be receiving cash assistance and therefore more likely to be aware of the amount of child support paid.

Despite these concerns, there are good reasons to think that child support payments might have been higher under Jobs First than AFDC, because more Jobs First parents than AFDC parents were off welfare at the time of the survey. Parents who are not receiving welfare receive the full amount of child support that is paid by their child's other parent. This gives parents who have left welfare an added incentive to pursue a child support order or to have one enforced. In addition, noncustodial parents might be more willing to pay child support if they know that the money is going to their child rather than to the welfare system.

C. Effects of Jobs First on Characteristics of Jobs

1. Hours worked, hourly wages, and monthly earnings. Recent research has found that families are more likely to escape poverty when parents work full time. Other research has found that wages of low-wage workers grow faster when they work full time.¹⁶ Thus, it may be important for a program like Jobs First to encourage full-time work. The middle and bottom panels of Table 4.5 investigate whether Jobs First did so.

The top panel of Table 4.5 — which shows the effects of Jobs First on job characteristics, using the Three-Year Client Survey — shows that the added employment resulting from Jobs First was quite widely spread. Overall, Jobs First increased employment by 8.0 percentage points at the time of the survey. The remaining rows of the top panel break down this employment into hours worked per week. The largest difference between the Jobs First and AFDC group is in work between 30 and 39 hours per week. This is just short of full-time work by conventional standards. While 18.2 percent of the Jobs First group worked this many hours, 15.0 percent of the AFDC group did, for an increase of 3.1 percentage points. However, this accounts for only about 40 percent (3.1/8.0) of the effect of Jobs First on employment, and the remaining 60 percent of the extra employment is spread between full-time work (40 or more hours per week) and part-time work of fewer than 30 hours per week. Still, this is a relative improvement over the 18-month point, when Jobs First resulted primarily in more part-time employment.

A concern about welfare time limits is that individuals might feel forced to take almost any job they can find, in fear that they will lose their welfare benefits before finding work. This may result in people taking relatively low-paying jobs rather than waiting for better jobs. The middle panel of Table 4.5, which shows the hourly wages that people reported receiving at the time of the Three-Year Client Survey, provides little reason to be concerned. A fair number of people reported receiving relatively high wages of more than \$9.00 per hour, but this proportion was about 25 percent of both research groups, indicating that the Jobs First program neither increased nor decreased the proportion of people with relatively high-paying jobs. Instead, Jobs First increased the number of people earning either between \$6.00 and \$7.50 per hour or between \$7.50 and \$8.99 per hour. This is an improvement over the effects of Jobs First at the 18-month

¹⁶Gladden and Taber, 2000.

Connecticut's Jobs First Program

Table 4.5

Impacts on Employment and Characteristics of Current Jobs

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Ever employed since random assignment (%)	86.4	76.6	9.8 ***	12.8
Currently employed (%)	62.5	54.5	8.0 ***	14.7
Distribution of hours worked (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
0-19 hours	4.8	4.2	0.6	15.3
20-29 hours	11.4	10.1	1.3	13.3
30-39 hours	18.2	15.0	3.1 **	20.9
40+ hours	27.3	24.7	2.6	10.3
Missing hours, current job	0.8	0.4	0.3	73.3
Distribution of hourly earnings (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
\$0-\$5.99/hour, current job	6.8	5.4	1.4	26.4
\$6.00-\$7.49/hour, current job	15.5	12.3	3.2 **	26.0
\$7.50-\$8.99/hour, current job	12.3	8.9	3.4 ***	38.3
\$9.00+/hour, current job	24.9	25.5	-0.6	-2.5
Missing wages, current job	3.1	2.4	0.6	25.3
Distribution of monthly earnings (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
\$0-\$499/month, current job	5.1	4.0	1.1	26.7
\$500-\$999/month, current job	16.9	13.3	3.6 **	26.9
\$1,000-\$1,499/month, current job	17.8	15.5	2.3	14.7
\$1,500+/month, current job	20.0	19.3	0.7	3.9
Missing earnings, current job	2.8	2.5	0.3	13.3
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

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

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

point. According to the interim report,¹⁷ Jobs First's primary effect was to increase jobs that paid less than \$7.50 per hour. This suggests that there was substantial wage growth over the follow-up period, perhaps because of the robust Connecticut economy.¹⁸

The bottom panel of Table 4.5 summarizes the effects of Jobs First on hours worked and hourly wages by showing the program's effects on monthly earnings. Since Jobs First increased hours worked primarily in the middle range (30 to 39 hours per week) and since it increased jobs that paid moderate hourly wages (neither too close to the minimum wage nor too far above), it stands to reason that its increase in monthly earnings came in the modest range — not too low and not too high. In fact, Jobs First increased the proportion of sample members with monthly earnings between \$500 and \$1,500 by 5.9 percentage points, from 28.8 percent of the AFDC group to 34.7 percent of the Jobs First group. Although a fair number of people earned more than \$1,500 per month, the prevalence of this level of income was about the same in the two research groups.

2. Other characteristics of jobs. In many respects, the jobs resulting from Jobs First were quite diverse. Table 4.6 shows the characteristics of the jobs that people held at the time of the Three-Year Client Survey. About half the increased employment due to Jobs First (an 8.0 percentage point effect) was in jobs that offered health insurance (a 4.1 percentage point effect), while the remaining half was in jobs that did not offer health insurance. Although a fair number of people were offered health insurance on the job, few enrolled in it: 17.6 percent of the AFDC group enrolled, as did 17.1 percent of the Jobs First group, and the difference between the two groups is not statistically significant. Chapter 5 explores whether individuals received health insurance from other programs, especially Medicaid.

Jobs resulting from Jobs First were diverse in other ways as well. The program primarily increased jobs that did not offer sick days (a 5.2 percentage point increase in jobs without sick days, compared with a 2.5 percentage point increase in jobs with sick days); a little more than half the jobs provided paid vacation (a 4.5 percentage point increase in jobs with paid vacation and a 3.1 percentage point increase in jobs without). Most of the extra jobs involved regular day-time shifts (a 6.1 percentage point increase), and a few entailed irregular shifts. Only a small minority of people in either research group worked a regular evening or night shift, and Jobs First had no effect on this outcome.

V. Effects of Jobs First on Subgroups

Although Jobs First increased employment, earnings, and income, these effects may mask important differences across large groups of sample members. In some cases, the effects of Jobs First may be much larger for some subgroups. In the Minnesota Family Investment Program

¹⁷Bloom et al., 2000b.

¹⁸According to Appendix Table B.3, nearly one-half of Jobs First group members for whom wage growth could be measured had wages that grew more than 10 percent per year between the end of the first and third years. However, the difference between the two research groups was somewhat widespread, with significant increases in the number of people whose wages decreased as well as significant increases in the number of people whose wages increased by more than 10 percent per year. In many respects wage growth looked roughly similar for the Jobs First and AFDC groups, but more people had growing wages in the Jobs First group because more had jobs.

Connecticut's Jobs First Program

Table 4.6

Impacts on Job-Related Benefits

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Job offers health insurance (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
Employed, job offers health insurance	34.5	30.4	4.1 **	13.4
Employed, job does not offer health insurance	27.6	23.5	4.0 **	17.2
Missing information on health insurance	0.4	0.5	-0.1	-26.8
Enrolled in job health insurance (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
Employed, enrolled in health insurance	17.1	17.6	-0.5	-2.7
Employed, offered health insurance, did not enroll	17.3	12.8	4.5 ***	35.4
Employed, not offered health insurance	27.6	23.5	4.0 **	17.2
Missing information on health insurance enrollment	0.5	0.6	-0.1	-14.7
Job provides paid sick days (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
Employed, job offers paid sick days	28.9	26.4	2.5	9.5
Employed, job does not offer paid sick days	32.6	27.4	5.2 ***	18.9
Missing information on sick days	1.0	0.7	0.3	42.9
Job provides paid vacation (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
Employed, job offers paid vacation	35.2	30.7	4.5 **	14.5
Employed, job does not offer paid vacation	26.6	23.5	3.1 *	13.3
Missing information on paid vacation	0.7	0.3	0.4	140.7
Typical work schedule (%)				
Currently employed	62.5	54.5	8.0 ***	14.7
Regular daytime shift	42.4	36.3	6.1 ***	16.9
Regular evening/night shift	10.2	9.0	1.2	13.2
Irregular/split/rotating/other shift	9.7	9.2	0.5	6.0
Missing information on work schedule	0.1	0.0	0.1	0.0
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

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

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

(MFIP) — a welfare reform program with financial incentives and mandatory employment services like those of Jobs First — people who had already spent two or more years on welfare when they entered MFIP increased their employment by more than 15 percentage points.¹⁹ In other cases, a program with time limits and mandated services may lower the income of a particularly disadvantaged subgroup whose members cannot respond to the mandate and nonetheless lose welfare due to the time limit. An evaluation of Florida's Family Transition Program (FTP) — which, like Jobs First, combined a time limit with employment services and financial incentives — found that FTP decreased income significantly for individuals with no recent work experience who had not graduated from high school.²⁰

A. Effects by Level of Disadvantage

This section investigates the effects of Jobs First for three subgroups defined by their welfare history, work history, and education. The most disadvantaged subgroup consists of (1) long-term welfare recipients who (2) had not worked in the year prior to random assignment and (3) had not graduated from high school. The least disadvantaged subgroup suffered from none of these three barriers. The moderately disadvantaged subgroup had one or two of them.²¹

Results for the three subgroups are shown in Table 4.7. The table is divided into three panels corresponding to different parts of the follow-up period, with the top panel showing results for years 1 and 2, the middle panel showing results for years 3 and 4, and the bottom panel showing results for the last quarter of year 4. The table is also divided into three sets of columns corresponding to the three subgroups, with results for the least disadvantaged shown on the left, results for the moderately disadvantaged shown in the middle, and results for the most disadvantaged shown on the right.

1. Pre-time-limit period. The top panel of Table 4.7 shows striking differences across outcomes for the three subgroups in the first two years of the follow-up period. About 65 percent of the least disadvantaged AFDC group members worked in an average quarter, and the least disadvantaged AFDC group members earned \$7,651 per year on average during years 1 and 2. In contrast, only about 19 percent of the most disadvantaged AFDC group members worked in an average quarter, and they earned only \$1,373 per year on average. Likewise, 85 percent of the most disadvantaged AFDC group members received cash assistance in an average quarter during years 1 and 2 and received \$5,150 in average cash assistance per year, while about 50 percent of the least disadvantaged AFDC group members received cash assistance in an average quarter and received only \$2,365 per year on average.

Perhaps because the most disadvantaged are so unlikely to work, the effects of Jobs First on employment and earnings are concentrated in this subgroup. While Jobs First increased employment by more than 15 percentage points for the most disadvantaged, it increased employment by about 4 to 8 percentage points for the least and moderately disadvantaged. Differences

¹⁹See Knox, Miller, and Gennetian (2000) for details on MFIP and results from the random assignment evaluation through three years.

²⁰See Bloom et al. (2000a) for details on FTP and results from the random assignment evaluation through four years. See Appendix Table B.8 of that report for effects of the program for those without a high school diploma and without recent work experience.

²¹Appendix I shows results for several other subgroups.

Connecticut's Jobs First Program

Table 4.7

Impacts on Employment, Earnings, Welfare Use, and Income, by Subgroup

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged			Subgroup Differences
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	
Years 1-2										
Average quarterly employment (%)	69.5	65.2	4.4 **	50.5	42.6	7.9 ***	34.2	19.2	15.1 ***	***
Average annual earnings (\$)	7,773	7,651	122	4,587	4,115	472 **	2,312	1,373	939 ***	***
Average quarterly percentage receiving AFDC/TFA (%)	60.7	50.1	10.6 ***	72.3	66.8	5.4 ***	85.3	85.2	0.1	***
Average annual AFDC/TFA payments (\$)	3,240	2,365	875 ***	4,187	3,594	593 ***	5,161	5,150	12	***
Average quarterly percentage receiving Food Stamps (%)	61.9	57.9	4.0 *	74.7	72.0	2.7 **	88.7	89.9	-1.1	***
Average annual Food Stamp payments (\$)	1,427	1,201	226 ***	1,930	1,748	183 ***	2,448	2,481	-33	**
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	12,439	11,216	1,223 ***	10,705	9,457	1,248 ***	9,921	9,003	918 ***	***
Tax-adjusted income estimate ^a (\$)	12,692	11,473	1,219 ***	11,119	9,743	1,376 ***	10,318	9,228	1,090 ***	***
Years 3-4										
Average quarterly employment (%)	72.4	69.6	2.8	58.3	51.1	7.2 ***	45.5	32.1	13.4 ***	**
Average annual earnings (\$)	11,608	11,695	-87	7,803	6,977	827 ***	4,393	3,527	866 *	***
Average quarterly percentage receiving AFDC/TFA (%)	19.4	22.9	-3.5 *	27.9	37.8	-9.8 ***	42.8	58.9	-16.1 ***	***
Average annual AFDC/TFA payments (\$)	993	1,118	-125	1,543	2,016	-473 ***	2,423	3,364	-941 ***	***
Average quarterly percentage receiving Food Stamps (%)	32.8	34.1	-1.3	47.7	50.6	-2.9 *	68.9	72.6	-3.7	***
Average annual Food Stamp payments (\$)	763	731	32	1,261	1,271	-10	1,895	1,983	-88	***
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	13,363	13,544	-181	10,607	10,264	344	8,712	8,875	-163	***
Tax-adjusted income estimate ^a (\$)	12,806	12,955	-149	10,742	10,269	473 *	9,243	9,206	37	***

(continued)

Table 4.7 (continued)

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged			Subgroup Differences
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	
Last quarter, year 4										
Ever employed (%)	71.3	67.6	3.7	59.3	51.8	7.5 ***	49.1	33.3	15.8 ***	*
Earnings (\$)	3,110	3,317	-207	2,172	1,917	256 ***	1,215	1,005	209	*
Ever received AFDC/TFA (%)	11.6	16.9	-5.3 **	19.7	28.8	-9.1 ***	30.5	47.4	-16.9 ***	**
AFDC/TFA benefits (\$)	144	216	-72 **	272	367	-95 ***	421	670	-250 ***	**
Ever received Food Stamp benefits (%)	24.4	26.7	-2.2	40.7	44.4	-3.7 **	61.2	65.7	-4.6	
Food Stamp benefits (\$)	146	148	-2	273	273	0	422	446	-24	
Income from earnings, AFDC/TFA, and Food Stamps (\$)	3,400	3,682	-282	2,718	2,556	161 *	2,058	2,122	-64	*
Tax-adjusted income estimate ^a (\$)	3,147	3,357	-210	2,668	2,484	185 **	2,167	2,185	-18	
Sample size	473	560		1,488	1,445		299	250		

SOURCE: MDRC calculations using Connecticut Unemployment Insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Sample members in the "Most Disadvantaged" subgroup were on welfare for 22 out of 24 months, did not work in the prior year, and had no high school diploma or GED. Those in the "Least Disadvantaged" subgroup were not long-term welfare recipients, had recent prior work experience, and had a high school diploma or GED. Those in the "Moderately Disadvantaged" subgroup had some, but not all, of the accumulation risk factors.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A total of 288 sample members were excluded from the subgroup analysis because their high school diploma/GED status was unknown.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

^aThis measure includes total income; federal, state, and payroll taxes; and the federal Earned Income Credit.

across the three subgroups are statistically significant at the 1 percent level, as indicated by the three stars in the rightmost column of the first row of the table. Likewise, Jobs First increased the earnings of the most disadvantaged by more than \$900 per year in the pre-time-limit period (relative to most disadvantaged AFDC group members) but by less than \$500 for the moderately disadvantaged and about \$100 for the least disadvantaged.

Equally striking were differences in the effects of Jobs First on public assistance. While the effects on employment were concentrated among the most disadvantaged, the effects on public assistance during the pre-time-limit period were concentrated among the least disadvantaged. For this subgroup, Jobs First increased the use of cash assistance by 10.6 percentage points and increased cash assistance payments by \$875 per year on average (compared with the least disadvantaged AFDC group members). For the most disadvantaged, by contrast, Jobs First had virtually no effect either on the use of cash assistance or on cash assistance payments. In other words, Jobs First was extremely efficient for the most disadvantaged during this pre-time-limit period — increasing employment without increasing cash transfer payments; but it was quite inefficient for the least disadvantaged — costing much more in cash assistance while generating relatively small effects on employment and earnings.

Differences in the effects on employment and on the use of cash assistance indicate that Jobs First operated in very different ways for the most and the least disadvantaged. A substantial number of the least disadvantaged would have worked even without Jobs First (as indicated by the high employment rate in the AFDC group). The Jobs First enhanced earnings disregard allowed many of the people in this subgroup to stay on cash assistance when they went to work. In contrast, few of the most disadvantaged would have worked without Jobs First, but most would have received cash assistance. When Jobs First encouraged or helped a substantial number of them to work, it did not increase their use of cash assistance relative to their AFDC group counterparts because receipt of cash assistance among the most disadvantaged AFDC group members was already so high.

Despite — or perhaps because of — the differences by subgroup in effects on employment and cash assistance payments, the differences in effects on income were relatively small. Jobs First increased income by more than \$1,200 per year for the least and the moderately disadvantaged and by more than \$900 for the most disadvantaged. However, the similarity of the increases hides differences in the sources of that income. Jobs First increased income for the least disadvantaged primarily by increasing their use of cash assistance; it increased income for the most disadvantaged primarily by increasing their employment and earnings.

2. Post-time-limit period. Differences across the subgroups were equally striking during the post-time-limit period (years 3 and 4, shown in the second panel of Table 4.7). The substantial differences in effects on employment and earnings remained. Jobs First increased employment by more than 13 percentage points for the most disadvantaged but did not significantly increase employment for the least disadvantaged. The effect on earnings was nearly \$900 for the most disadvantaged but is not statistically significant for the least disadvantaged.

Differences across subgroups in the effects of Jobs First on public assistance also remained striking in the post-time-limit period. During years 3 and 4, however, the effects on cash assistance were — like the effects on employment — concentrated among the most disadvantaged. For this subgroup, Jobs First reduced the use of cash assistance by 16.1 percentage points

and decreased cash assistance payments by \$941 per year on average (compared with the least disadvantaged AFDC group members). By contrast, for the least disadvantaged during the post-time-limit period, Jobs First had small effects on both cash assistance receipt and payments.

Differences in the effects on employment and use of cash assistance after the time limit indicate the differential effects of the Jobs First time limit. Recall that most individuals who lost cash assistance because of the time limit were working and earning more than their welfare grant. When the individuals who went to work because of Jobs First reached the Jobs First time limit, they then lost welfare benefits if they were earning more than the payment standard. Since the least disadvantaged Jobs First group members were no more likely to work than the least disadvantaged AFDC group members, they were also no less likely to receive cash assistance in the post-time-limit period. Because the most disadvantaged Jobs First group members were much more likely to work than their AFDC group counterparts, the time limit resulted in substantial welfare savings among the most disadvantaged.

As in the pre-time-limit period, differences by subgroup in effects on employment and cash assistance payments resulted in relatively small differences in effects on income. For no subgroup did Jobs First have a statistically significant effect on income. For the least disadvantaged, Jobs First neither increased earnings nor reduced cash assistance payments. For the most disadvantaged, the increased earnings resulting from Jobs First was almost exactly offset by the reduced welfare payments because of the time limit.

3. Last quarter of the follow-up period. As for the full sample, effects by subgroup in the last quarter of year 4 look similar to the effects over the full post-time-limit follow-up period. The effects on employment and cash assistance were concentrated among the most disadvantaged, and Jobs First neither significantly raised nor reduced income for this group. Although Jobs First did not reduce income on average for the most disadvantaged, it did increase the number of families with very low income.

B. Conditional Subgroup Effects

A shortcoming of the results presented in Table 4.7 is that the subgroups vary in many ways other than those used to classify them in the table. For example, the most disadvantaged sample members were more likely to live in New Haven than the least disadvantaged sample members. They may also have been more likely to have many children, to have lived in public housing, and so on. As a result, comparing the subgroup sample members also means comparing parents who have more children on average with parents who have fewer children, comparing parents in New Haven with parents in Manchester, and comparing parents in subsidized housing with parents in other housing. Knowing that employment and earnings gains for the most disadvantaged were much larger than the gains for the least disadvantaged does not reveal whether the three barriers that define level of disadvantage caused this difference or whether it was caused by differences in the many other characteristics that are correlated with level of disadvantage.

To investigate whether level of disadvantage really was related to the effectiveness of Jobs First or whether the level of disadvantage was a proxy for other characteristics that were related to the program's effectiveness, a "conditional subgroup" analysis was conducted. Conditional subgroup analysis uses regression techniques to attempt to isolate the effect of a particular characteristic on program effects, all else being constant. In other words, it attempts to compare

those most and least disadvantaged sample members who have the same number of children, live in the same site, and so on.²²

The conditional subgroup analysis revealed that one of the factors used to define level of disadvantage was significantly related to the effect of Jobs First on employment in the pre-time-limit period, even after controlling for other baseline characteristics. The effect on employment for welfare recipients at the time of random assignment was about 7 percentage points greater than the effect for welfare applicants. Once this factor and others were controlled for, however, the effects of Jobs First for the most and the least disadvantaged were similar. In other words, the accumulation of long welfare history, poor work history, and lack of education did not appear to alter the effect of Jobs First beyond the contribution of the three factors individually. In addition, the lack of a high school diploma did not appear to be related to the effect of Jobs First.

The conditional subgroup analysis found one other factor that was associated with larger employment effects: residence in public or subsidized housing. During the pre-time-limit period, the estimated effect on employment for people in public or subsidized housing was nearly 6 percentage points greater than for other people. This suggests that level of disadvantage may be a proxy for the likelihood that someone lives in public housing, with the most disadvantaged being relatively more likely than the least disadvantaged to live in public housing. Although it is not clear why Jobs First would be more effective for those in public housing, effects were also larger for public housing residents in the Minnesota Family Investment Program, which also used enhanced earnings disregards and employment-related services to encourage or help people to work.

Finally, the conditional subgroup effects indicate that Jobs First had smaller effects on employment in New Haven than in Manchester during years 1 and 2 of follow-up (but not during years 3 and 4) — all else being equal. Since the New Haven sample was more disadvantaged than the Manchester sample, and since Jobs First had larger effects for more disadvantaged sample members, the effects of Jobs First should have been larger in New Haven than in Manchester. At the same time, the Jobs First program seemed to stress job search less in New Haven than in Manchester, which may have resulted in smaller initial effects on employment. This may suggest that the road to increased employment and earnings for more disadvantaged recipients is through work rather than education.²³

VI. Discussion

Connecticut's Jobs First program is an interesting version of time-limited welfare. By combining a very generous financial incentive with a time limit that was wielded gently (at least during the study period), it combines some of the positive aspects of the most successful programs designed to encourage welfare recipients to work.

²²In technical terms, the conditional subgroup analysis is conducted by regressing an outcome of interest (for example, earnings over the two years after random assignment) on a set of baseline characteristics, a binary variable indicating whether someone was in the Jobs First or AFDC group, and the interaction of the baseline characteristics with the Jobs First group indicator.

²³An argument in favor of education is that it has greater effects over a longer period. However, the conditional subgroup analysis found no evidence in the second half of the follow-up period or at the end of the follow-up period that the effect of Jobs First on employment or earnings in New Haven was greater than in Manchester.

Like welfare-to-work programs that use mandatory employment services to help welfare recipients find jobs, Jobs First significantly increased employment and earnings in the period before any families reached the time limit. Unlike those programs, however, Jobs First also increased income, although this was not an explicit goal of the policy. In the typical program with mandatory employment services studied by MDRC, earnings gained by people who found jobs have been offset by reductions in welfare benefits, and income from earnings and public assistance has remained largely unchanged. Jobs First has avoided this pitfall by including a generous earnings disregard that helped produce some of the largest effects on income ever seen in a program designed to encourage welfare recipients to work.

The Jobs First earnings disregard allows working recipients of TFA to keep their entire welfare check if they earn less than the federal poverty threshold. Although this temporarily provides higher income to welfare recipients, it also temporarily results in substantially higher expenditures on public assistance. This is where the benefit of the time limit for the government budget can be seen. By eventually closing the cases of individuals who worked and reached the time limit, Jobs First recouped enough of the extra cash assistance payments so that the program did not significantly raise spending on cash assistance over the entire four-year period, and welfare savings at the end of the follow-up suggest that Jobs First may eventually save money.

A potential problem with time limits is that they could eliminate welfare for individuals who are not working and who may have difficulty finding other means of support. This problem was largely avoided in Jobs First by extending the time limit for most people who were earning less than the payment standard when they initially reached the time limit. This has ensured that most individuals whose welfare cases were closed by the time limit had some means of support in the period immediately after their cases were closed. The fact that the Jobs First program did not result in greater welfare spending over four years suggests that the liberal extension policy may be a relatively inexpensive means of limiting the potential harm of welfare time limits.

Perhaps most remarkable are the effects of Jobs First on the most disadvantaged welfare recipients, who may have difficulty finding and keeping a job. If time limits end welfare for these individuals, their families may face much greater hardship, having lost the benefits of public assistance without replacing them with earnings. Once again, Jobs First has largely avoided this pitfall so far, by closing the cases primarily of individuals who are working when they reach the time limit. Moreover, like other recently tested programs with financial incentives, Jobs First is especially successful at increasing employment and earnings for this group. As a result, Jobs First has increased self-sufficiency for the most disadvantaged and has ensured that the cost of their financial bonus would be time-limited, while also ensuring that they would not be left without a safety net.

Although the effects for the most disadvantaged recipients have been encouraging, results for individuals who were applying for cash assistance at the time of random assignment suggest a possible way to improve the Jobs First policy if the goals are to encourage employment and reduce the use of public assistance at lower cost to the government. Because applicants are very likely to work without the extra incentives and services of Jobs First, the program did not increase employment much for this group. By allowing them to continue receiving cash assistance, however, the enhanced earnings disregard of Jobs First increased cash assistance payments for applicants by quite a bit. In other words, Connecticut paid considerably more in cash assistance but achieved no significant gains in employment or earnings for this group. In contrast, Jobs First did substantially

increase employment and earnings for individuals who were already receiving cash assistance at the time of random assignment. Because many of them would have continued receiving cash assistance under the AFDC policy, this increase in employment and earnings was accompanied by smaller increases in cash assistance payments. These results suggest that Jobs First might achieve its effects on employment and earnings at much less expense if it were to offer financial incentives only to individuals who have been receiving cash assistance for some time.

Although the results of Jobs First were persistent and were quite large for the most disadvantaged, other welfare-to-work programs have done better and may suggest ways that Jobs First could be improved. In particular, the Riverside, California, Greater Avenues for Independence (GAIN) program that operated in the late 1980s and early 1990s and the Portland, Oregon, JOBS program that operated in the 1990s increased employment and earnings overall much more than did Jobs First. Both programs ran very effective job clubs, combined with extensive job development efforts. (As discussed in Chapter 2, the employment services component of Jobs First faced persistent implementation problems.) However, neither of these programs used an enhanced earnings disregard, and neither had a time limit on welfare benefits. This suggests that Jobs First could be even more effective if it implemented a stronger job search program.

Chapter 5

Jobs First's Impact on Noneconomic Outcomes

This chapter uses data from the Three-Year Client Survey to examine Jobs First's impact on a range of outcomes that could not be assessed with the administrative records. Beyond providing a more complete picture of employment and household income (as discussed in Chapter 4), the survey offers the opportunity to examine a range of indicators of family well-being, including information about housing and neighborhood conditions, food security, health insurance coverage, use of social services, and the extent to which households were able to meet various material needs.

As noted in Chapter 1, the Three-Year Client Survey was administered to 2,424 individuals — 80.3 percent of the sample members who were attempted for the survey and approximately one half of the full report sample. Response rates were similar for Jobs First and AFDC group members: 82 percent of attempted Jobs First group members responded, compared with approximately 79 percent of attempted AFDC group members.¹ The survey was administered between 31 and 48 months following an individual's entry into the study sample. The median sample member was interviewed in month 38. Many of the measures presented in this chapter reflect the status of individuals and households during the month prior to their completing the survey. Survey measures were weighted to adjust for the fact that families with children in certain age ranges were oversampled (in order to facilitate the analysis of child outcomes). See Appendix D for a discussion of the weighting procedures and the sensitivity of results to the survey weights.

Following a brief summary of the key findings in Section I, Section II examines the composition of the households in which sample members lived at the time of the Three-Year Client Survey interview. Sections III through VI then discuss Job First's impacts on various measures of family well-being: housing-related outcomes, savings and debt, health care coverage, and material hardship. Section VII concludes the chapter with a summary of the impacts on key survey outcomes for subgroups defined by characteristics when sample members entered the study. (Appendix F shows the results of a descriptive analysis of various survey measures for different subsets of the Jobs First group.)²

I. Summary of Findings

- **The family composition of both Jobs First group members and AFDC group members was generally similar, but Jobs First group members**

¹Appendix D provides an assessment of survey response rates and an analysis of potential response bias. It concludes that among those who completed the survey, there were no systematic differences in the background characteristics of Jobs First and AFDC group members. This indicates that one may have a high level of confidence that differences in survey-based outcomes between the groups are due to Jobs First rather than to differences in the characteristics or prior experiences of the two groups. Nevertheless, there were a number of systematic differences between those who completed the survey and those who were not attempted or were attempted but did not complete it. Thus, some caution should be exercised when generalizing the survey-based findings to the full report sample.

²The economic impacts of Jobs First for the survey respondent sample are similar to the impacts for the full sample and are presented in Appendix D.

were more likely to live with their own parents. Jobs First did not affect marital status or childbearing.

In general, the households of both research groups were similar. However, Jobs First group members were more likely to live with their own parents and — perhaps as a result — were somewhat more likely to live in households with two or more adults.

- **Jobs First had no impact on most measures of material hardship and food security. The main exception relates to measures of housing and neighborhood conditions, and here the results are mixed: The program reduced the proportion of people reporting neighborhood problems, but it also generated a small increase in recent homelessness and other indicators of housing distress.**

Although some sample members experienced severe hardships such as food insecurity, evictions, or unmet medical needs during the year prior to the survey interview, Jobs First did not increase or decrease exposure to these problems for the most part. Encouragingly, Jobs First group members were somewhat less likely to reside in neighborhoods that had many problems such as drugs, heavy traffic, and run-down buildings and yards. However, the program did produce a small but significant increase in the percentage of respondents who reported being homeless in the past year, and it also increased other indicators of housing instability. For example, Jobs First increased the percentage of respondents who lived with others and paid only part of the rent. Jobs First group members were also significantly more likely to have not fully paid a rent or mortgage payment in the past year. Further analysis found that there is a fair amount of overlap in these measures, suggesting that there may be a small but persistent group of sample members who were adversely affected by Jobs First.

- **Jobs First group households were more likely to own a car but were also more likely to have debt.**

Jobs First group respondents were over 4 percentage points more likely to own a car, van, or truck but were more likely to have debt.

- **Jobs First significantly increased respondents' health care coverage.**

Jobs First group respondents were 4.4 percentage points more likely to be covered by any health insurance. This is likely attributable to the additional year of transitional Medicaid coverage granted to Jobs First group members. Jobs First did not affect the percentage of children covered by health insurance: Most children in both research groups were covered.

- **Although Jobs First increased employment and earnings among the most disadvantaged, these increases didn't translate into improved non-economic outcomes in the survey. Most of the impacts found in the full survey sample are scattered over several subgroups, and no subgroup appears to have experienced clear improvements or reductions in non-economic outcomes due to Jobs First.**

The analysis of subgroups focused on subgroups defined by levels of disadvantage and by site. Many of the impacts discussed in this chapter can be found in more than one subgroup.

For example, increases in indicators of housing distress, while not always significant, can be found in all subgroups, as can improvements in neighborhood of residence. However, a few of the impacts are concentrated in particular subgroups. Increases in debt are most concentrated among the most disadvantaged. Increases in health insurance coverage are concentrated among the moderately and the least disadvantaged and among sample members from New Haven.³ Finally, one result emerged in subgroups that was not found in the full sample: Jobs First appears to have decreased savings among the least disadvantaged subgroup.

II. Impacts on Household Composition, Marriage, and Childbearing

Some have speculated that welfare reform policies — time limits and family cap policies, in particular — might generate changes in the composition of households; for example, financial pressure might force former recipients to “double up” with their parents or other relatives, and family caps might discourage childbearing. Similarly, some believe that reducing welfare dependency might generate changes in marriage or fertility patterns.

The top panel of Table 5.1 provides a summary of the types of living arrangements that survey respondents reported for their households. These data indicate that Jobs First increased the percentage of sample members living with two or more adults by over 3 percentage points. This could reflect an increase in “doubling up.” Jobs First also increased the percentage of respondents who lived with their children and parents only. However, beyond these relatively small increases, Jobs First did not generate any significant differences in the size or composition of respondents’ households.

The most common living arrangement included a single parent living with her children and no other adults (approximately 51 percent of the sample). As noted in Table 5.1, however, about 44 percent of the households included at least one other adult (in addition to the respondent). As discussed below, other adults were critical providers of income in many households. Box 5.1 lists the types of other adults in the households and indicates the percentages of respondents who reported various sources of household income.

As shown in Table 5.1, about 12 percent of households included no children. AFDC group members were approximately 3 percentage points more likely to have no children in the household, a difference that is statistically significant. Further analysis (not shown) found that approximately 60 percent of Jobs First group members whose household included no children either had a minor child who was deceased or living away from the respondent’s home, or an adult child in the home (the comparable percentage for the AFDC group was 66 percent). Most commonly, these families had “children” residing with them who were no longer minors.⁴

³Impacts for site subgroups are presented in Appendix I.

⁴It is likely that the remainder of sample members who reported not having children in the household had an adult child who no longer resided in the household.

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Table 5.1

Impacts on Household Composition, Marital Status, and Childbearing

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
<u>Household composition</u>				
Average number living in household	3.5	3.4	0.1	2.7
Respondent lives with no other adults (%)	55.1	57.6	-2.5	-4.4
Lives alone	4.2	5.7	-1.4	-25.5
Lives with children only	50.9	51.9	-1.1	-2.0
Respondent lives with at least one other adult (%)	44.9	42.4	2.5	5.9
Lives with adults only	6.5	8.1	-1.6	-19.3
Lives with children and spouse only	6.7	7.3	-0.6	-7.8
Lives with children and partner only	7.4	6.8	0.5	7.9
Lives with children and parent only	5.4	3.4	2.0 **	59.7
Lives with children and other adults	18.9	16.8	2.1	12.3
Lives with 1 other adult (%)	31.1	31.7	-0.6	-1.8
Lives with 2 or more adults (%)	13.8	10.7	3.1 **	28.8
Doesn't live with children (%)	10.7	13.7	-3.0 **	-21.9
<u>Respondent's marital status (%)</u>				
Currently married and living with spouse	9.1	10.8	-1.6	-14.9
Separated or living apart from spouse	11.2	10.6	0.5	5.1
Divorced	20.4	20.0	0.3	1.7
Widowed	1.4	2.0	-0.5	-26.8
Never married	57.9	56.6	1.3	2.2
<u>Childbearing (%)^a</u>				
Respondent is currently pregnant	3.5	2.7	0.8	31.2
Respondent became pregnant since random assignment	25.9	25.1	0.8	3.2
Respondent gave birth since random assignment	20.7	20.7	0.1	0.4
<hr/>				
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations from the Three-Year Client Survey data.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Results in this table were weighted to make them more representative of the full sample.

^aThese measures were only asked of women (N=2,384).

Box 5.1

Other Adults in Respondents' Households and Their Income Contributions

As shown in Table 5.1, approximately 45 percent of Jobs First group respondents reported that they lived with at least one other adult. Of the respondents who lived with at least one adult:

- 19 percent lived with a spouse.
- 21 percent lived with a partner.
- 23 percent lived with a parent.
- 32 percent lived with an adult child.

(These categories are not mutually exclusive.)

Furthermore:

- 68 percent reported that both they and another household member had income in the prior month.
- 25 percent reported that they had income but that no one else in the household had income.
- 6 percent reported that they had no income but that another household member had income.
- Less than 1 percent reported that no one in the household had any income.

These data suggest that about 11 percent of all Jobs First group respondents (25 percent of those living with another adult) were supporting at least one other adult who did not provide any income for the household. Most commonly, these adults were children who were age 18 or older.

The middle and bottom panels of Table 5.1 show that Jobs First did not have a systematic impact on marital status or childbearing despite the family cap policy. (The partial family cap increases payments to those who conceive a child while receiving cash assistance, but the increase is less under Jobs First than under AFDC.) The intent of this policy is to limit recipients' financial incentive to give birth. As shown in Table 5.1, there was no apparent impact on childbearing in the first 36 months of the follow-up. Around 20 percent of both groups had given birth since random assignment.⁵ Further analyses (not shown) indicate that there was no difference between groups in the percentage of respondents who reported that they had been pregnant since random assignment but had not given birth (and were not currently pregnant). At the time of the survey, Jobs First had not produced a systematic change in the distribution of marital statuses.

⁵Further analysis found that nearly 11 percent of Jobs First group members who had a child, likely conceived the child while on welfare. The remaining parents who gave birth after random assignment either conceived their child while not on cash assistance or prior to random assignment or gave birth while not on cash assistance. Analysis conducted for the interim report (Bloom et al., 2000b) found cases in which a child appeared to meet the family cap criteria but the cap was not imposed by staff (for unknown reasons). For families whose benefits were reduced because of the cap, moreover, the effect on benefits was sometimes temporary, and their benefit levels changed at later redetermination interviews.

III. Impacts on Housing Status and Mobility

Table 5.2 lists the various types of housing arrangements that the Jobs First and AFDC group respondents reported at the time of the interview. The table shows that Jobs First group members were less likely to rent their own home or apartment and were more likely to live with family or friends and pay only part of the rent or mortgage. This is consistent with the finding on household composition, discussed earlier, which showed that Jobs First increased the percentage of respondents living with two or more adults. Nearly 5 percent of each group owned a home. Less than 1 percent of each group reported that they were living on the street or in a shelter when interviewed (not shown in table).

Housing costs (including rent or mortgage expenses and utilities) were nearly 3 percent higher for Jobs First group members (not a statistically significant difference), and approximately 30 percent of both groups devoted more than 50 percent of their monthly household income to housing expenses (not shown in table). On average, respondents in both groups reported that their households spent about \$550 per month on total housing costs including rent (or mortgage) and utilities. Approximately 46 percent of each group were receiving government assistance to pay for housing in the form of public or subsidized housing. Rent for those households was tied closely to income, and therefore household expenses averaged about \$346 per month (not shown in table). Overall, a relatively large proportion of respondents were not responsible for bearing the full cost of a market rent or mortgage. For example, among the Jobs First group, about 54 percent reported that they lived in public or subsidized housing, lived rent-free with family or friends or in some other arrangement, “paid” part of their rent by doing chores or providing services, or received help with housing costs from someone outside the household (not shown).

The bottom panel of Table 5.2 presents information about respondents’ residential mobility. Some have hypothesized that short time limits for welfare assistance may cause recipients to move to other states with less restrictive policies. In fact, Jobs First had little impact on mobility.⁶ Approximately two-thirds of both groups moved at some point during the three-year follow-up period.

IV. Impacts on Savings, Assets, and Debt

Table 5.3 shows the effects of Jobs First on savings, assets, and debt. The program might have been expected to have an impact on these measures, since all of them reflect income accumulated over time. During the first three years, Jobs First significantly increased income for the survey sample, and this might have been expected to translate into increased savings. Increases in income and the Jobs First asset rules might also have allowed individuals to accumulate assets such as a car. In fact, both of these impacts were found in the Interim Client Survey.⁷

Table 5.3 shows that Jobs First no longer generated an increase in savings at the 36-month point. However, Jobs First did increase the percentage of respondents who owned a car,

⁶However, as discussed in Section VI, there is some evidence that Jobs First group members lived in better neighborhoods.

⁷The Interim Client Survey analysis (Bloom et al., 2000b) found that although Jobs First did not increase the amount of savings overall, it did increase the percentage of respondents having \$501 or more in savings.

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Table 5.2

Impacts on Housing-Related Outcomes

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
<u>Housing status</u>				
Rents own home or apartment (%)	78.2	82.8	-4.5 ***	-5.5
Owms own home (%)	4.7	4.5	0.2	4.7
Lives with family/friends and doesn't pay rent (%)	5.3	4.3	0.9	21.8
Lives with family/friends and pays part of rent or mortgage (%)	9.9	6.4	3.5 ***	55.0
Other arrangement, doesn't pay rent (%)	1.9	2.0	-0.1	-7.1
Lives in a public housing project (%)	14.6	16.6	-2.0	-12.1
Receives assistance from the government to pay for housing (e.g., Section 8) ^a (%)	31.3	30.1	1.1	3.7
Total housing expenditures ^b (\$)	560	546	15	2.7
<u>Mobility</u>				
Ever moved since random assignment (%)	65.3	65.4	-0.1	-0.2
Number of moves	1.3	1.4	0.0	-3.4
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Results in this table were weighted to make them more representative of the full sample.

^aDoes not include public housing.

^bIncludes household rent or mortgage expenses and expenditures on utilities.

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Table 5.3

Impacts on Savings, Assets, and Debt

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Average amount of respondent's savings (\$)	152	182	-30.7	-16.9
Distribution of respondent's savings (%)				
No savings	79.4	77.7	1.8	2.3
\$1-\$250	9.9	9.7	0.2	2.4
\$251-\$500	3.6	5.1	-1.5 *	-29.2
\$501 or more	7.1	7.6	-0.5	-6.8
Respondent owns a car, van, or truck (%)	40.9	36.7	4.2 **	11.5
Respondent owns home (%)	4.7	4.5	0.2	4.7
Average amount of respondent's debt (\$)	2,482	2,512	-29.4	-1.2
No debt ^a	35.7	40.2	-4.6 **	-11.3
\$1-\$1,000	25.6	20.7	4.9 ***	23.8
\$1,001-\$2,000	14.3	14.5	-0.2	-1.3
\$2,001 or more	24.4	24.6	-0.2	-0.8
At the end of the month there is (%)				
Some money left over	14.3	17.1	-2.8 *	-16.1
Just enough to make ends meet	42.0	41.1	0.9	2.2
Not enough money to make ends meet	43.7	41.8	1.9	4.5
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

^aIn order to create this measure, 24 individuals were excluded because they didn't provide information about the amount of debt that they had. A separate question (presented elsewhere in the report) simply asked whether respondents had debt. Results were very similar: 64.6 percent of Jobs First group members reported that they "had debt," and the impact was 4.6 percentage points.

van, or truck, as it had at the 18-month point. This might reflect the prior increase in savings measured at the 18-month point, or perhaps the asset rule.⁸ Table 5.3 also shows that Jobs First increased the percentage of respondents who had debt. Increases in having debt appear to be concentrated at relatively low levels of debt (below \$1,000). Table 5.3 shows that Jobs First decreased the percentage of respondents who reported that they had some money left over at the end of the month.

V. Health Insurance Coverage

Chapter 4 showed that relatively few respondents in either group were enrolled in employer-provided health insurance plans. However, a complete picture of health insurance coverage should include both private and public programs. Jobs First group members are eligible for two years of transitional Medicaid after they leave welfare, while AFDC group members are covered for only one year. However, as discussed in Chapter 1, the magnitude of the treatment difference related to medical assistance has diminished over time, as Connecticut has expanded the availability of health coverage to low-income children and adults who do not receive welfare.

Table 5.4 shows the percentages of Jobs First and AFDC group members who reported that they or their children were covered by medical insurance during the month prior to the survey interview. Overall, Jobs First increased the percentage of respondents who reported being covered by Medicaid, and it slightly decreased the percentage covered by other insurance. Nearly 70 percent of Jobs First group members were covered by Medicaid, and about 17 percent were covered by non-Medicaid health insurance; approximately 14 percent were not covered by any form of health insurance.

The fact that Jobs First decreased the percentage of respondents covered by non-Medicaid health insurance may seem surprising given the program's impacts on employment. However, the decrease likely reflects that more Jobs First group members elected not to take up employer-provided medical benefits they already were covered by Medicaid. For example, of those who were offered job-based health insurance, approximately 46 percent of Jobs First group members were actually covered by it, compared with approximately 55 percent of AFDC group members. Jobs First group members who didn't take up job-based health insurance were more likely to list Medicaid coverage as the main reason why they didn't enroll in their employer's health plan.

Encouragingly, a relatively high percentage of respondents in each group — over 80 percent — reported having some form of health insurance coverage. Rates of health insurance coverage under Jobs First are higher than levels reported in some other recent welfare-to-work

⁸It is possible that the earned income disregard initially made people feel wealthier and might have led them to spend beyond their means. However, it is also possible that people might have bought cars because they had a real permanent wealth increase, not just a temporary increase. For example, these could be the people who would have left welfare if they had been in the AFDC group but who were able to receive \$600 more for 21 months (\$12,600) because of the Jobs First earnings disregard. Further analysis found that Jobs First group members were more than 4.6 percentage points more likely to have debt and a car (findings that are statistically significant).

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Table 5.4

Impacts on Health Care Coverage

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Respondent covered by Medicaid (%)				
Covered by Medicaid	69.5	60.4	9.1 ***	15.0
Covered by non-Medicaid health insurance	16.6	21.2	-4.6 ***	-21.8
Not covered by any health insurance	13.9	18.4	-4.4 ***	-24.2
Child covered by Medicaid or HUSKY^a (%)				
All children covered by Medicaid or HUSKY	72.0	67.8	4.2 **	6.2
Some covered	2.3	1.9	0.4	18.4
None covered	15.6	19.8	-4.3 ***	-21.5
Respondent doesn't have a child	10.1	10.4	-0.3	-3.0
All children covered by non-Medicaid health insurance	13.1	16.3	-3.2 **	-19.7
Some covered	0.5	0.5	0.1	11.2
Not covered (or covered by Medicaid)	76.3	72.8	3.5 *	4.8
Respondent doesn't have a child	10.1	10.4	-0.3	-3.0
Covered by Medicaid, HUSKY, or non-Medicaid (%)				
All covered	85.1	84.0	1.0	1.2
Some covered	0.8	0.9	0.0	-5.3
None covered	4.0	4.6	-0.7	-14.5
Respondent doesn't have a child	10.1	10.4	-0.3	-3.0
Sample size (total = 2,424)	1,249	1,175		

SOURCE: MDRC calculations using the Three-Year Client Survey data.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

^aHealth Care for Uninsured Kids and Youth (HUSKY) is Connecticut's health insurance program for children.

evaluations. For example, in Florida's Family Transition Program (FTP), only around 60 percent of adults had some form of coverage.⁹ Other studies have reported similar findings.¹⁰

It is important to examine health insurance coverage for children separately, because children are sometimes eligible for public programs when adults are not. As expected, rates of coverage were slightly higher for children than for adults in both groups. Of the families with children, approximately 85 percent were covered by Medicaid, Health Care for Uninsured Kids and Youth (HUSKY), or non-Medicaid health insurance. As with adults, Jobs First increased the percentage of children covered by public health insurance and decreased the percentage covered by private insurance. In this case, however, the two effects are of similar size, resulting in no impact overall (although, as noted above, almost all children in both groups were insured).

The relatively high rates of health insurance coverage may have protected these families from severe financial risk if anyone in the household should incur health problems. A separate analysis (not shown) found that approximately 15 percent of sample members had someone in their household who needed to visit a doctor or go to the hospital in the prior 12 months but couldn't go. Many of them — 44 percent — were uninsured.

Table 5.5 shows the results of a separate analysis that used administrative records to examine Medicaid eligibility over time for all sample members in both research groups. The top panel, which focuses on the sample members (adults), shows eligibility rates separately for two types of Medicaid: AFDC/TFA-related and transitional Medicaid. The former category includes families who met the Temporary Family Assistance (TFA) eligibility criteria, whether or not they were actually receiving cash assistance (the 1996 federal welfare law required states to provide Medicaid coverage to all families who met the AFDC eligibility rules in effect in July 1996). As the table indicates, sample members could have been covered by both categories in the same year.

As expected, Jobs First initially increased the percentage of sample members covered by AFDC/TFA-related Medicaid. This is likely because the program increased the number of sample members receiving cash assistance during this period (and because the provisions extending coverage to nonrecipients who met the cash assistance eligibility criteria were not implemented immediately through the Connecticut Eligibility Management System [EMS]). Eventually, after recipients began reaching the time limit, Jobs First began to decrease the proportion of people in the AFDC/TFA-related category but generated a larger increase in the transitional Medicaid category. Thus, overall, the program generated an increase in Medicaid coverage — a result that is generally consistent with the survey-based findings shown in Table 5.4.

Similarly, the bottom panel of Table 5.5 shows that Jobs First generated an increase in the percentage of children covered by Medicaid or HUSKY.

⁹See Bloom et al., 2000a.

¹⁰A number of national, state, and local studies of welfare leavers are attempting to document the extent to which families continue to participate in Medicaid after leaving welfare. Although there is considerable variability in findings across these studies, they do indicate that approximately one-third to one-half of the leavers stop participating in Medicaid after exit from welfare. Information on the earnings of welfare leavers suggests that many families may be eligible for these benefits but do not receive them (Dion and Pavetti, 2000; Moffitt and Slade, 1997).

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Table 5.5

**Impacts on Medicaid Eligibility,
by Year and Type of Assistance**

Type of Medicaid Eligibility	Year 1			Year 2			Year 3			Year 4		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
<u>Sample members</u>												
Any type of Medicaid assistance	91.7	90.4	1.3 *	81.2	78.7	2.5 **	73.3	69.9	3.4 ***	67.4	62.2	5.2 ***
AFDC/TFA-related Medicaid	90.7	87.9	2.8 ***	71.4	66.4	5.0 ***	47.1	53.4	-6.2 ***	32.9	41.3	-8.3 ***
Transitional Medicaid	8.7	11.5	-2.8 ***	25.4	15.6	9.8 ***	37.7	16.2	21.5 ***	36.3	15.7	20.6 ***
<u>Sample members' dependents</u>												
Any type of Medicaid assistance	92.0	90.5	1.5 *	81.4	78.9	2.5 **	74.1	71.5	2.6 **	68.4	63.9	4.4 ***
AFDC/TFA-related Medicaid	90.7	87.9	2.9 ***	71.5	66.3	5.1 ***	47.3	53.7	-6.4 ***	32.9	41.8	-8.9 ***
Transitional Medicaid	8.6	11.4	-2.8 ***	25.4	16.0	9.4 ***	37.9	17.7	20.2 ***	36.9	16.9	19.9 ***
HUSKY program ^a	5.8	8.1	-2.3 ***	8.9	14.5	-5.6 ***	15.5	21.3	-5.8 ***	21.3	24.2	-2.8 **
Sample size	2,396	2,407										

SOURCE: MDRC calculations using administrative records data.

NOTES: "Dependents" includes all children who were on the sample member's case in the month of random assignment.

Individual Medicaid types sum to more than the aggregate measure because sample members can be eligible for more than one type of Medicaid assistance in one year. Furthermore, multiple dependent children in the household can be eligible for different types of Medicaid assistance within a given month or year.

The aggregate measure includes three types of Medicaid eligibility that are not presented individually: state-funded, medically needy, and other categorically needy.

^aHealth Care for Uninsured Kids and Youth (HUSKY) is Connecticut's health insurance program for children.

VI. Exposure to Hardships

There is considerable evidence in the literature that income is correlated with material well-being; however, there is also a small but growing body of information available on the well-being of former welfare recipients and their families. For example, reports based on the National Survey of America's Families (NSAF) have shown that former recipients face quite a struggle in their transition off welfare: Between one-third to one-half of former recipients appear to experience serious economic hardship, as reflected in their ability to provide food and meet regular rent payments. Findings from NSAF also indicate that former recipients tend to experience material hardships more than other low-income mothers despite other similarities.¹¹ Inasmuch as NSAF findings do not reflect the effects of time limits, it is important to learn whether the Jobs First group — many of whom have reached the time limit — have experienced higher levels of hardship after leaving welfare.

By virtue of Jobs First's impact on income, it might be hoped that the program decreased the percentage of respondents experiencing various types of hardships even if such an effect is not an explicit policy goal. Yet, when time limits were being debated, many speculated that welfare recipients would have to resort to the safety net of remaining entitlement programs, such as Food Stamps, and other social services in order to avoid substantial hardship. This section explores the effects of Jobs First on hardships and the use of social services.

Table 5.6 presents summary measures, or indices, of hardships that survey respondents reported in terms of housing and neighborhood problems, material hardships, social service usage, and food security. Box 5.2 lists the survey items that were used to construct each index, and Appendix Table E.1 reports item-by-item totals. Respondents were asked to indicate whether or not (or in some cases, how much) each item was a problem during the past year. In general, those who reported a relatively large number of problems in a given index were considered to be experiencing "severe" hardship in that category. For the housing index, severe hardship was defined as reporting two or more problems. For the social service index, severe hardship was defined as reporting three or more problems. For the neighborhood and material hardship indices, severe hardship was defined as reporting four or more problems.

The food security index is based on a subset of the questions in the Household Food Security Scale that is administered by the Census Bureau each year in the Current Population Survey. The short version of the scale includes six items and classifies respondents into one of three categories: food secure (respondents indicated no or only one food-related hardship); food insecure without hunger (respondents indicated two, three, or four food-related hardships); or food insecure with hunger (respondents indicated five or six of the food-related hardships). According to one definition, food insecurity exists when "the availability of nutritionally adequate and safe foods or the ability to acquire acceptable foods in socially acceptable ways is limited or uncertain."¹²

¹¹Loprest, 1999.

¹²Polit, London, and Martinez, 2001.

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Table 5.6

Impacts on Hardship Indicators

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
<u>Number of neighborhood problems (%)</u>				
0	35.5	29.4	6.0 ***	20.5
1-3	39.8	45.8	-6.0 ***	-13.2
4 or more	24.7	24.7	0.0	0.0
<u>Number of housing problems (%)</u>				
0	63.4	60.5	2.9	4.7
1	18.9	21.4	-2.5	-11.5
2 or more	17.7	18.1	-0.4	-2.1
<u>Number of material hardships (%)</u>				
0	31.2	31.5	-0.3	-0.8
1-3	52.8	51.7	1.1	2.1
4 or more	16.0	16.9	-0.8	-5.0
<u>Number of social services used (%)</u>				
0	23.1	25.6	-2.5	-9.6
1-2	51.5	49.2	2.3	4.7
3 or more	25.4	25.2	0.1	0.5
<u>Food security (%)</u>				
Food secure	61.3	59.8	1.5	2.5
Food insecure	17.1	18.3	-1.2	-6.7
Food insecure with hunger	21.6	21.8	-0.3	-1.1
<u>Number of "severe hardships"^a (%)</u>				
0	42.0	40.5	1.5	3.8
1-2	45.1	47.8	-2.6	-5.5
3 or more	12.9	11.8	1.1	9.2
<u>Indicators of housing distress (%)</u>				
Ever homeless and living on street in past year	2.6	1.5	1.1 *	76.2
Lived in homeless, emergency, or domestic violence shelter in past year	2.7	3.2	-0.4	-13.5
Rent burden exceeds 50 percent of income	29.3	30.2	-0.8	-2.8
Didn't pay full amount of rent or mortgage in the past 12 months	35.5	31.2	4.2 **	13.5
Moved in with another household because needed a place to live or to reduce expenses	24.2	22.3	1.9	8.5
Took in family or friends because they needed place to live or to reduce expenses	13.6	13.8	-0.1	-1.0
Took in boarders or roommates to help pay expenses	2.9	3.8	-0.8	-22.2
Sample size (total = 2,424)	1,249	1,175		

(continued)

Table 5.6 (continued)

SOURCE: MDRC calculations using the Three-Year Client Survey data.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Results in this table were weighted to make them more representative of the full sample.

^a"Severe hardships" are based on the categories above and include: four or more neighborhood problems; two or more housing problems; four or more material hardships; three or more social services used; and food insecure with hunger.

Box 5.2

Components of Hardship Indicators

Housing conditions

- Leaky roof or ceiling
- Broken plumbing
- Broken windows
- Electrical problems
- Roaches/insects
- Heating-system problems
- Broken appliances

Neighborhood problems

- Unemployment
- Drug users or pushers
- Crime, assault, or burglaries
- Run-down buildings and yards
- Noise, odors, or heavy traffic

Material hardships

- Could not pay rent or mortgage in full
- Evicted for not paying rent or mortgage
- Could not pay full amount of utility bills
- Electric or gas turned off
- Telephone disconnected
- Unmet medical needs
- Unmet dental needs

Social service usage

- Rental assistance programs
- Utility assistance programs
- Prescription drug assistance programs
- Food banks
- Soup kitchens
- Secondhand clothes

The overall levels of hardship in Table 5.6 are relatively high. Between 16 and 25 percent of both the Jobs First and the AFDC groups (depending on the particular hardship indicator) reported severe hardships in each of the dimensions measured.¹³ Approximately 59 percent of each group reported a severe hardship in at least one area. On the other hand, most respondents did not experience severe hardship in multiple areas; for example, only about 12 percent of respondents reported severe hardships in three or more areas.

Overall, Table 5.6 shows that Jobs First had little impact on most measures of material hardship and food security. The exception is found in housing-related measures, and the story is mixed. On the one hand, Jobs First reduced the percentage of respondents who reported experiencing neighborhood problems. Jobs First group members were 5 percentage points less likely than AFDC group members to live in neighborhoods with drug pushers or users and were also less likely to live in neighborhoods with noises, odors, or heavy traffic or with run-down buildings and yards (not shown).¹⁴

¹³Levels of hardship varied substantially by level of income. For example, over 18 percent of sample members who lived in households that measured below 50 percent of the poverty line experienced three or more hardships. By contrast, less than 7 percent of sample members who lived in households that measured above 150 percent of the poverty line experienced three or more hardships.

¹⁴The final two measures were not statistically significant.

On the other hand, the bottom panel of Table 5.6 shows that Jobs First slightly increased the incidence of homelessness in the past year — although the rates are quite low for both groups, the increase is of some concern. Jobs First also increased the percentage of respondents who could not pay the full amount of their rent or mortgage in the past year. Over 35 percent of Jobs First households reported that they were unable to pay the full amount of rent or mortgage at some point in the last year, compared with approximately 31 percent of AFDC group households. The combination of impacts on “doubling up” (discussed earlier), having difficulty making rent or mortgage payments, increases in debt, and increases in homelessness suggests that a small group might have experienced housing hardship due to Jobs First. Doubling up is correlated with eventual homelessness. Although all these impacts are relatively small, they point in the same direction and tend to overlap. Further analysis (not shown) found that, on average Jobs First group members who became homeless had rather steep drops in income during year 3. Most of this decline was due to a loss in TFA. A close examination of EMS records for these individuals indicates that some of them may have lost income as a result of Jobs First policies such as sanctioning and the time limit.

These mixed results suggest that Jobs First may have improved housing conditions for some sample members and worsened conditions for others. The latter result is somewhat surprising, given that there few signs that the program reduced income at the time of the survey for any group. It is possible that the housing problems were associated with large drops in income *over time* for some families, even though these families may not have ended up worse off than they would have been under AFDC.

Beyond these impacts on housing and neighborhood measures, the groups experienced similar levels of hardship. Table 5.6 shows that both groups relied heavily on social services. Approximately 25 percent of both groups reported using three or more social services.¹⁵ The most commonly used programs included those that helped pay for prescriptions and those that helped pay utilities or the rent.¹⁶ Overall, it does not appear that Jobs First produced any systematic change in the extent to which Jobs First families experienced severe hardships in material well-being, use of social services, and food security. In the case of material well-being, although there are no program impacts, over two-thirds of both the Jobs First and the AFDC groups reported at least one hardship. Approximately 55 percent of the sample had trouble paying the full amount of utility bills, and approximately 27 percent had had their telephone disconnected in the past year (see Appendix Table E.1).

With regard to food security, approximately 39 percent of both groups experienced food insecurity in the 12 months preceding the survey interview; and over half of these respondents experienced food insecurity with hunger. Nationally, just over 10 percent of U.S. households in 1998 were food insecure, and 3.6 percent were classified as food insecure with hunger,¹⁷ but food insecurity was much higher among low-income households. A recent analysis of food security among a sample of low-income women living in large urban areas classified close to 50 percent of the sample as food insecure; 15 percent of the sample were classified as being food inse-

¹⁵By contrast, recent findings from Florida’s Family Transition Program (FTP) found that only 19 percent of both groups used *two* or more social services (Bloom et al., 2000a).

¹⁶“Programs that help people obtain prescription drugs” include Medicaid. However, “programs that help people pay rent” do not (explicitly) include Section 8.

¹⁷Bickel, Carlson, and Nord, 1999.

cure with hunger. That study also found that parents in many low-income families who were officially classified as food secure spent a great deal of time and energy obtaining food.¹⁸ A separate analysis (not shown) found that approximately 18 percent of respondents in both research groups were food insecure and not receiving Food Stamps.

VII. Impacts on Key Survey Outcomes for Subgroups

This section examines impacts on survey measures for the same subgroups discussed in Chapter 4. It must be noted that because subgroups have smaller samples, differences that would be statistically significant in the full sample may not be significant in the subgroups. This is especially the case for the smaller survey respondent sample. To summarize the results below, this analysis revealed that most of the impacts found in the survey respondent sample are scattered over several subgroups and that no subgroup appears to have experienced clear improvements or reductions in noneconomic outcomes due to Jobs First. Furthermore, few impacts emerged that had not already been seen in the full survey respondent sample.

Table 5.7 shows the impacts on selected noneconomic measures for subgroups defined by level of disadvantage. There are interesting trends in outcome levels across the subgroups. The number of children in a family increases with level of disadvantage, yet the most disadvantaged were *less* likely to live with other adults than the least disadvantaged. Other trends are also consistent. Table 5.7 shows that birth rates and mobility decrease with level of disadvantage. While the most disadvantaged were least likely to have debt, they were least likely by far to own a vehicle. For example, 55 percent of AFDC group members in the least disadvantaged subgroup reported having a car, van, or truck — more than double the percentage in the most disadvantaged subgroup. Levels of savings also decrease with increases in level of disadvantage. Somewhat surprisingly, outcomes on hardship measures do not show a clear pattern across levels of disadvantage. Another interesting trend is that levels of homelessness tend to increase as level of disadvantage *decreases*. This could be related to the fact that longer-term recipients are more likely to be in public housing (where rent is pegged to income). Further analysis, not shown, found that the most disadvantaged were most likely by far to be on welfare at the time of the survey.

While outcome levels vary by level of disadvantage, many of the impacts found in the full survey respondent sample are evident in more than one of the three subgroups. While Jobs First increased employment and earnings among the most disadvantaged (as shown in Chapter 4), these increases didn't translate into impacts on noneconomic outcomes in the survey. Table 5.7 shows that increases in the percentage of the respondents owning a car, van, or truck are clustered in the moderately disadvantaged subgroup. Increases in homelessness are significant among the moderately disadvantaged but are also evident in the other two subgroups. Table 5.7 shows that all three subgroups experienced increases in difficulty paying rent: however, impacts are concentrated among the least disadvantaged and especially (in percentage terms) among the most disadvantaged. The table shows that Jobs First increased the percentage of the most disadvantaged subgroup members who didn't pay the full amount of their rent or mortgage in the past 12 months — by 8.3 percentage points, or more than 38 percent. Increases in respondents' health insurance coverage are concentrated among the moderately and the least disadvantaged. Finally,

¹⁸See Polit, London, and Martinez, 2001.

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Table 5.7

Impacts on Selected Noneconomic Outcomes, by Level of Disadvantage

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
Average number living in household	3.3	3.2	0.1	3.5	3.4	0.1	3.7	3.6	0.1
Average number of children in household	1.6	1.6	0.0	1.9	1.9	0.0	2.1	2.1	0.0
Respondent lives with at least one other adult (%)	48.7	46.2	2.4	44.2	40.8	3.4	42.2	42.5	-0.3
Respondent is currently married and living with spouse (%)	13.1	14.7	-1.6	8.6	10.1	-1.5	6.7	7.8	-1.1
Respondent gave birth since random assignment (%)	26.8	22.6	4.2	20.8	21.0	-0.2	14.3	16.6	-2.3
Respondent owns a car, van, or truck (%)	57.6	55.0	2.7	39.5	34.1	5.4 **	23.3	22.7	0.6
Respondent has debt (%)	74.9	75.8	-0.9	64.3	59.8	4.5 *	49.5	40.7	8.8
Respondent was ever homeless and living on street in past year (%)	3.4	2.2	1.1	2.6	1.3	1.3 *	0.8	0.0	0.8
Respondent didn't pay full amount of rent or mortgage in past year (%)	41.4	33.0	8.5 *	35.3	32.5	2.8	30.0	21.8	8.3 *
Respondent lives with family or friends and pays part of rent or mortgage (%)	10.0	9.0	1.1	10.4	6.1	4.3 ***	6.5	3.7	2.8
Respondent has ever moved since random assignment (%)	71.8	68.9	2.9	65.7	66.3	-0.5	53.8	57.3	-3.6
Average amount of respondent's savings (\$)	211	387	-176 *	157	124	33	48	58	-10
Respondent has no health insurance (%)	17.8	24.7	-6.9 *	12.9	18.2	-5.3 ***	10.6	8.8	1.9
Children have no health insurance (%)	4.3	4.8	-0.5	4.0	4.5	-0.5	3.5	4.8	-1.2

Table 5.7 (continued)

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
Four or more neighborhood problems ^a (%)	25.1	22.1	3.0	24.1	23.0	1.1	27.6	34.7	-7.0
Two or more housing problems ^b (%)	14.7	12.2	2.5	18.5	19.3	-0.8	19.4	19.4	0.0
Four or more material hardships ^c (%)	18.6	20.1	-1.5	16.4	16.8	-0.5	12.7	10.6	2.1
Three or more social services used ^d (%)	18.9	20.1	-1.2	25.9	24.9	1.0	32.7	36.3	-3.6
Food insecure with hunger ^e (%)	21.8	21.7	0.1	21.9	21.8	0.1	21.8	19.9	1.9
Three or more severe hardships ^f (%)	13.7	8.7	4.9	12.3	12.6	-0.4	14.8	11.4	3.4
Sample size	220	255		820	748		194	152	

(continued)

Table 5.7 (continued)

SOURCE: MDRC calculations from the Three-Year Client Survey data.

NOTES: The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. The "Most Disadvantaged" were on welfare for 22 out of 24 months, did not work in the prior year, and had no high school diploma or GED. Sample members in the "Least Disadvantaged" group were not long-term welfare recipients, had recent prior work experience, and had a high school diploma or GED. Those in the "Moderately Disadvantaged" group had some, but not all, of the accumulation risk factors.

A two-tailed t-test was applied to differences between the Jobs First and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Rounding may cause slight discrepancies in the calculation of sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aNeighborhood problems include the following: unemployment; drug users or pushers; crime, assault, or burglaries; run-down buildings and yards; and noise, odors, or heavy traffic.

^bHousing problems include the following: leaky roof or ceiling; broken plumbing; broken windows; electrical problems; roaches/insects; heating system problems; and broken appliances.

^cMaterial hardships include the following (all over the prior year): could not pay full amount of rent or mortgage; evicted for not paying rent/mortgage; could not pay full amount of utility bills; electricity or gas turned off; telephone disconnected; unmet medical needs; and unmet dental needs.

^dSocial services include the following: rental assistance programs; utility assistance programs; prescription drug assistance programs; food banks; soup kitchens; and secondhand clothes.

^eThe six-item Food Security Scale recommended by the United States Department of Agriculture was used to measure food security. The items in the scale include questions about food consumed and the kind of things people resort to when money allocated for food is exhausted. The scale ranges from 1 to 6; two or more affirmatives indicate food insecurity, and five or more affirmatives indicates food insecurity with hunger.

^f"Severe hardships" are based on the categories above and include: four or more neighborhood problems; two or more housing problems; four or more material hardships; three or more social services used; and food insecure with hunger.

Table 5.7 reveals an impact that is not evident in the full survey respondent sample: Jobs First appears to have decreased savings among the least disadvantaged subgroup by nearly 45 percent.

As in the full survey respondent sample, there are few impacts on hardship measures across the levels of disadvantage subgroups. Though not shown in the table, further analysis found that Jobs First decreased the percentage of respondents with one or more neighborhood problems by nearly 11 percentage points among the least disadvantaged and by 4 and 8 percentage points, respectively, among the moderately and the most disadvantaged. Finally, Jobs First increased the percentage of respondents with three or more severe hardships among the least and the most disadvantaged subgroups, although neither increase is statistically significant.¹⁹

¹⁹Appendix Table I.6 shows impacts on noneconomic outcomes separately for New Haven and Manchester.

Chapter 6

The Effects of Jobs First on Children

With the institution of time limits on welfare benefits under welfare waivers beginning in 1994, and with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, many wondered about the effects of time-limited welfare on children. Supporters argued that increases in parents' employment, earnings, and income would benefit children. Others raised concerns that single mothers entering the labor force because of time limits and welfare-to-work requirements may be those least prepared to combine work and parenting, and that the stress of income loss would be considerable for those unable to maintain employment, resulting in negative impacts for their children. For policymakers, it is important to know how the various reforms are influencing families and children. This chapter informs both research and policy by examining how — three years after families enrolled in the program — Jobs First affected children's out-of-home environments (their use of child care and their involvement with their noncustodial fathers) and family and child functioning.¹

I. Summary of Findings

- **Jobs First increased the use of child care for children of all ages, including adolescents.**

This result follows from the increases in employment discussed in Chapter 4, although other studies have not found increases in care for adolescents, who are generally old enough to care for themselves. Increases in care were concentrated in relative care — primarily grandparent care — for children in middle childhood and adolescence, and in both formal and informal care, for very young children. Based on parental perceptions, there was some indication that Jobs First also increased the use of high-quality care.

- **Jobs First increased the receipt of child care subsidy assistance.**

A greater proportion of families in the Jobs First group received child care subsidy assistance than did those in the AFDC group, and families in the Jobs First group received subsidies for more months than families in the AFDC group did. Reflecting these impacts, the Jobs First group received a greater amount of child care subsidy assistance than the AFDC group. Notably, almost half of Jobs First families received child care subsidies for informal care arrangements for their elementary school-age children. For Jobs First children in care at the time of the Three-Year Client Survey, a little more than one-third were provided with a child care subsidy.

- **Few effects of Jobs First were found with regard to children's home environments, but the effects that were found were generally positive.**

Despite the increase in child support payments discussed in Chapter 4, there were almost no effects on children's involvement with their noncustodial biological fathers. Ratings of children's home environments, parental well-being, and parenting were generally similar between

¹Effect size is computed by dividing the impact by the standard deviation, or average variation, in the AFDC group, and can be used to understand the magnitude of the impacts. The effect sizes of all impacts presented in this chapter are provided in Appendix H.

the Jobs First and AFDC groups, except that parents in Jobs First reported more cognitively stimulating learning materials available to children in their homes and less harsh parenting than parents in the AFDC group.

- **Jobs First has positive effects on elementary-school-age children’s behavior but no effects on children’s academic outcomes.**

Children in Jobs First were rated by parents (but not teachers) as having fewer problem behaviors and more positive behaviors than children in the AFDC group. However, there were no differences between the Jobs First and AFDC groups on parents’ ratings of children’s academic outcomes or on teachers’ reports of children’s functioning in school. The benefits for children’s behavior as reported by parents were concentrated among the younger elementary school children, who were preschoolers at the time of random assignment. For these younger children, benefits to children’s achievement were also found.

- **Despite differences in the effects of Jobs First on parents’ employment, effects on children’s home environments, behavior, and academic achievement were generally similar in the most and the least disadvantaged subgroups.**

Jobs First dramatically increased the use of child care for children in the most disadvantaged subgroup, which is consistent with the employment gains for this subgroup of families.

- **Jobs First had mixed effects for adolescents.**

Consistent with other studies of welfare and work policies, adolescents in the Jobs First group were performing worse in school than adolescents in the AFDC group. At the same time, surprisingly, adolescents in the Jobs First group were less likely to have been convicted of a crime than those in the AFDC group. It is unclear why these contradictory effects occurred. Jobs First did increase the use of informal care for adolescents as it increased employment among their parents, so the adolescents did not lack supervision. Yet, after-school activities for the Jobs First adolescents were largely unstructured.

II. How Might Jobs First Affect Children and Families?

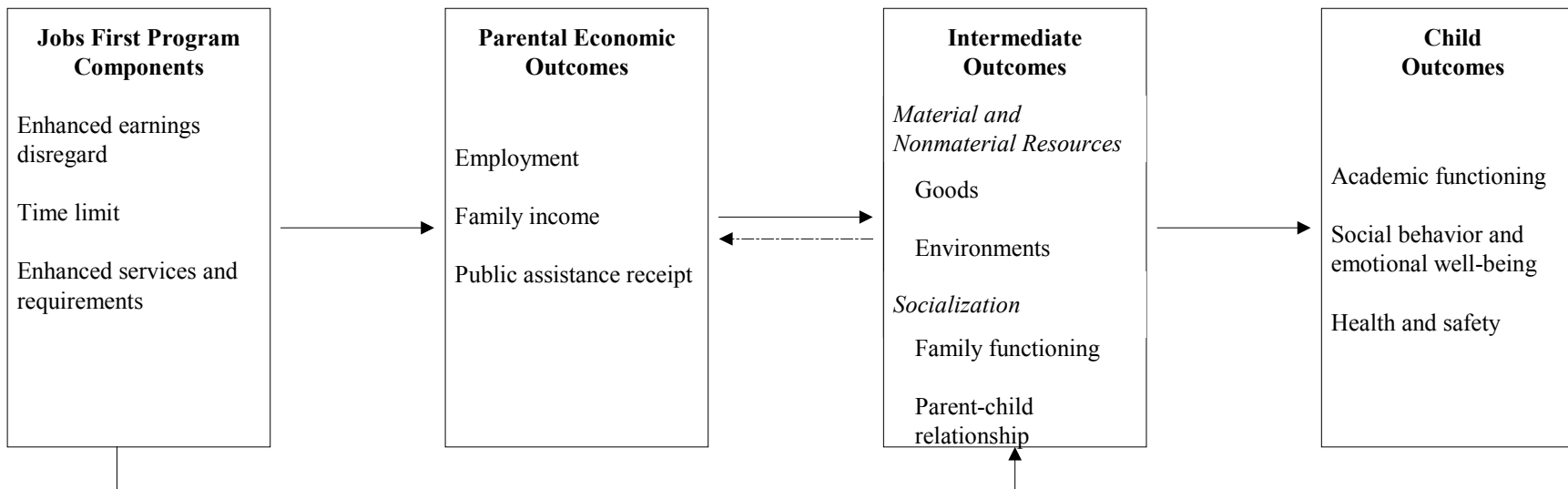
The model presented in Figure 6.1 illustrates some of the pathways by which Jobs First may affect child and family functioning. The three major *Jobs First program components* are listed in the first box on the left: (1) an enhanced earnings disregard, (2) a time limit, and (3) enhanced services and requirements. These three factors may directly affect the outcomes listed in the second box under *parental economic outcomes*: employment, family income, and public assistance receipt.

As indicated by the third box in Figure 6.1, changes in employment and assistance patterns may, in turn, affect the *intermediate outcomes*: the child care that children experience, the quality of their home environment, and other aspects of family functioning. In addition, the “messages” that the three program components convey to families may directly affect parental functioning and, in turn, children’s outcomes.

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Figure 6.1

Conceptual Model of the Effects of Jobs First on Child Outcomes



It is through changes in the intermediate outcomes that children are most likely to be affected by the earnings disregard, time limit, services, and requirements of Jobs First.² Intermediate outcomes are divided into two main categories: (1) *resources*, which include the material and nonmaterial resources that parents can provide for their children both by purchasing items (like books and toys) and by influencing the environments that children experience (like child care and after-school activities); and (2) *socialization*, which includes parental emotional adjustment and the relationships between parents and children.

In order to develop some initial hypotheses about how Jobs First may affect children and their families, the following sections review both experimental and nonexperimental research.

A. Experimental Research

A recent synthesis of the effects of welfare policies on children³ can inform our understanding of how Jobs First may affect children. The findings suggest that programs requiring parents to work, which increase employment but not income, have few effects on children, suggesting that such programs neither consistently help nor harm children. However, programs that increase both employment and income (by supplementing earnings) seem to have more consistent positive effects on children, at least for children in the middle-childhood age range. Unlike Jobs First, the programs that had these positive effects raised income across the follow-up period examined in these studies (two to three years). It is unclear whether the limited length of time that families experienced the increase in income due to Jobs First was sufficient to benefit children's outcomes.

The time limit is a key component of Jobs First, and yet little is known about how time-limited welfare programs affect children. One possible outcome of time limits is that they will boost families' employment, thereby increasing maternal self-esteem and benefiting children and the entire family. In contrast, some worry that time limits (particularly for hard-to-employ cases) will result in considerable stress for those who hit the limit — and sometimes a loss of income. One other study of time-limited welfare (in Florida's Family Transition Program [FTP])⁴ found few effects on children in families from a program that included time limits along with a modest earnings disregard and mandatory employment services. However, it is not clear whether FTP's limited effects on children were due to its less generous earnings disregard, which resulted in increased employment among parents without substantial effects on income, or to the time limit, which reduced any income gain that parents experienced throughout the follow-up. Jobs First provides a critical piece of information for this puzzle by examining how families and children may be influenced by a time limit on welfare benefits combined with a very generous enhanced earnings disregard.

The effects of welfare policies on older children have been less positive than for children in middle childhood. Some recently released studies have documented unfavorable effects of

²Notably, changes in child care, parenting, and child functioning can feed back and enhance the primary targets of the intervention — employment, public assistance, and income. However, for simplification, this discussion focuses on the way in which the primary targets, through changes in children's resources and socialization, affect child outcomes.

³Morris et al., 2001.

⁴Bloom et al., 2000a.

welfare and employment policy on adolescents' academic functioning and behavior.⁵ Some such unfavorable effects may be a response to increased parental employment. Findings from Jobs First are an important contribution to the body of emerging research regarding how adolescents are affected when single parents move into employment.

B. Nonexperimental Research

Another way to develop some hypotheses about how Jobs First might affect children is to review the findings from nonexperimental research about how the targets of Jobs First — employment, public assistance, and income — may affect children. The following review provides a framework for examining expectations about the effects of Jobs First on children.

1. How might the effects of Jobs First on employment affect children? Jobs First increased employment steadily for the three years after random assignment, up until the time that respondents were surveyed regarding child and family functioning. How might increases in employment over the follow-up period affect children and families? Employment may benefit children by increasing family resources, by providing a role model for children, and by increasing the regularity of routines in the home. On the other hand, employment may increase maternal stress, which may, through changes in parental behavior, negatively affect children's functioning.⁶

Except in the case of very young children, and perhaps of boys, nonexperimental research has found that maternal employment typically has neutral or positive associations with children's outcomes. Positive relations have been found in a few studies of children in low-income and single-mother families.⁷ However, these positive associations between maternal employment and child outcomes may be reversed when mothers have reservations about working,⁸ work very long hours early in a child's life,⁹ or work low-wage, service jobs.¹⁰ The enhanced training services provided under Jobs First were focused on rapid job placement and therefore may not lend themselves to helping mothers achieve higher-wage jobs. Moreover, the time limit for public assistance may pressure some mothers to move into employment before they feel prepared to do so.

Increases in employment are often associated with children's increased participation in child care, but the effects of care arrangements differ depending on the quality of the care. For young children, compensatory education programs have been found to benefit low-income preschool children, at least in the short term.¹¹ The cognitive and language skill development of children in low-income families benefit from high-quality care as compared with low-quality care.¹² In addition, formal, center-based child care is more beneficial to cognitive development than home-based care when the two are of comparable quality.¹³ With regard to health outcomes,

⁵Morris et al., 2001; Gennetian and Miller, 2000; Bos and Vargas, 2001.

⁶A very small proportion of the respondents to the Jobs First survey are male. Because the vast majority of single parents analyzed here are female, the respondents are referred to as mothers throughout the report, and research on the effects of maternal employment on children is reviewed here.

⁷Harvey, 1999; Moore and Driscoll, 1997; Vandell and Ramanan, 1992; Zaslow and Emig, 1997.

⁸Farel, 1980; Alvarez, 1985.

⁹Harvey, 1999.

¹⁰Parcel and Menaghan, 1994, 1997.

¹¹Lazar and Darlington, 1982; Lee, Brooks-Gunn, and Shnur, 1988; McKey et al., 1985.

¹²Burchinal et al., 2000; NICHD Early Child Care Research Network, 2000; Peisner-Feinberg et al., 1999; Ramey et al., 2000.

¹³NICHD Early Child Care Research Network, 2000.

infants who are placed in group child care arrangements have higher rates of contagious illnesses than do infants who are cared for at home.¹⁴ The effects of child care (whether of high or low quality) on children's social behavior, however, are much less consistently positive or negative.¹⁵

For older children, emerging research suggests that formal after-school activities are associated with positive outcomes for low-income children and children living in unsafe environments.¹⁶ It is believed that after-school activities help older children only when they provide a stimulating, academically focused environment and offer protection against a deviant peer group.

2. How might the effects of Jobs First on public assistance affect children and families? Jobs First increased families' reliance on welfare in the first part of the follow-up period (because of the enhanced earnings disregard) and reduced families' reliance on welfare after families began reaching the time limit. It is not clear how these increases and decreases in welfare use would affect children. In theory, because of the stigma associated with its receipt, welfare income may be more detrimental to family and child well-being than other forms of income, particularly income from earnings. However, many studies found no relation between welfare receipt and children's cognitive and social development once demographic and family characteristics were taken into account; and, in rare cases, positive relations were found.¹⁷ Other studies revealed that children in families receiving welfare had lower-quality home environments,¹⁸ lower academic achievement,¹⁹ and lower completed schooling²⁰ than children in other poor families. It is unclear whether and to what extent it is welfare income, per se, that negatively affects children or whether the effects are caused by the family factors that lead to welfare receipt in the first place. Some studies suggest that transitions on and off welfare that may be more strongly associated with difficulties for children: Several studies observed higher levels of behavior problems (as reported by mothers) among children whose families had recently made a transition into welfare²¹ and among children whose families had recently left welfare²² than among children whose families had not recently changed status. To the extent that Jobs First increased or decreased such transitions, Jobs First may have affected children.

3. How might the effects of Jobs First on income affect children and families? Research has found that low-income children typically perform more poorly on cognitive and behavioral measures than their middle-class and more affluent peers.²³ The negative effects of poverty appear to be particularly strong for young children and for children who are persistently poor. Also, poverty may be particularly detrimental for children's academic and cognitive functioning — more so than for their social behavior, emotional adjustment, and health outcomes. Research has suggested that poverty may impinge on children's development by limiting the resources that parents can provide for their children (like food, clothes, and books) and by increas-

¹⁴NICHD Early Child Care Research Network, 2001.

¹⁵NICHD Early Child Care Research Network, 1998b; Peisner-Feinberg et al., 1999.

¹⁶Pettit, Bates, Dodge, and Meece, 1999; Posner and Vandell, 1994, 1999.

¹⁷Butler, 1990; Haveman and Wolfe, 1995; Levine and Zimmerman, 2000; Ratcliffe, 1996; Yoshikawa, 1999; Zill et al., 1995.

¹⁸Moore, Morrison, Zaslow, and Gleib, 1994; Smith and Brooks-Gunn, 1994.

¹⁹Smith and Brooks-Gunn, 1994; Hofferth, Smith, McLoyd, and Finkelstein, 2000.

²⁰Duncan and Yeung, 1995.

²¹Smith and Brooks-Gunn, 1994; Moore, Morrison, Zaslow, and Gleib, 1994.

²²Hofferth, Smith, McLoyd, and Finkelstein, 2000.

²³Duncan, Brooks-Gunn, and Klebanov, 1994; Duncan and Brooks-Gunn, 1997.

ing parental stress and, in turn, negative parenting practices.²⁴ However, some researchers have suggested that the effects of income are relatively small.²⁵ In the case of Jobs First, families experienced an increase in income that declined by the end of the follow-up period. It is unclear whether a short-term gain in income is sufficient to bring about positive effects on children.

III. Sample and Measures

The sample for most of the outcomes for children and families comes from the Three-Year Client Survey, which included in-depth interviews about the “focal” child of 1,469 parents. To be eligible for the child study, families had to have one child between the ages of 2 and 9 at random assignment (who would be 5 to 12 at the three-year interview). For families with only one child in this age range, that child was the focus of many of the survey questions discussed in this chapter and thus is referred to as the “focal child.” If a family had more than one child in this age range, one of these children was randomly selected to be the focal child. Conservative estimates of the response rate on the focal child survey were 72 percent for the Jobs First group and 70 percent for the AFDC group. For all focal children, a detailed child care history was collected from a parent (usually the mother), along with information about the child’s involvement with and support from the noncustodial biological father. In addition, numerous questions in the survey focused on parents’ reports of the quality of the home environment, their parenting behavior, and focal children’s behavior and functioning. For a very few measures, interviewer observations are included as well, to enhance the findings based on maternal reports. A small number of focal children were selected to participate in a teacher survey, in which one teacher of each focal child was selected to complete a questionnaire about the child’s academic and behavioral functioning in school. 70 percent of the children who were selected for a teacher survey had the survey completed. (See Appendix D for more information regarding the response rates for the focal child and teacher survey.)

Finally, all 2,272 respondents who had a child under age 18 at the time of the three-year survey were asked about the child care experiences and school achievement of all their children and about the police involvement and fertility of older children. This allows for the examination of the child care experiences and functioning of younger children and adolescents, as well as for a larger sample of 5- to 12-year-olds (rather than just the single focal child in each family). Figure 6.2 presents the derivation of these samples.

Notably, Jobs First’s effects on parents’ economic outcomes for the focal child sample are similar to economic effects for the sample of families who participated in the Three-Year Client Survey — families who provided information on family and child functioning.²⁶ For these families, as for the full report sample, Jobs First increased employment steadily throughout the follow-up period; increased income, but only in the middle of the follow-up period; and reduced public assistance, but not until families began reaching the time limit.

²⁴Bradley and Caldwell, 1984; Smith, Brooks-Gunn, and Klebanov, 1997; Sugland et al., 1995; McLoyd, Jayartne, Ceballo, and Borquez, 1994.

²⁵Mayer, 1997.

²⁶See Appendix Table D.5 for economic impacts among the focal child sample.

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Figure 6.2

Samples and Subsamples Used in Chapter 6

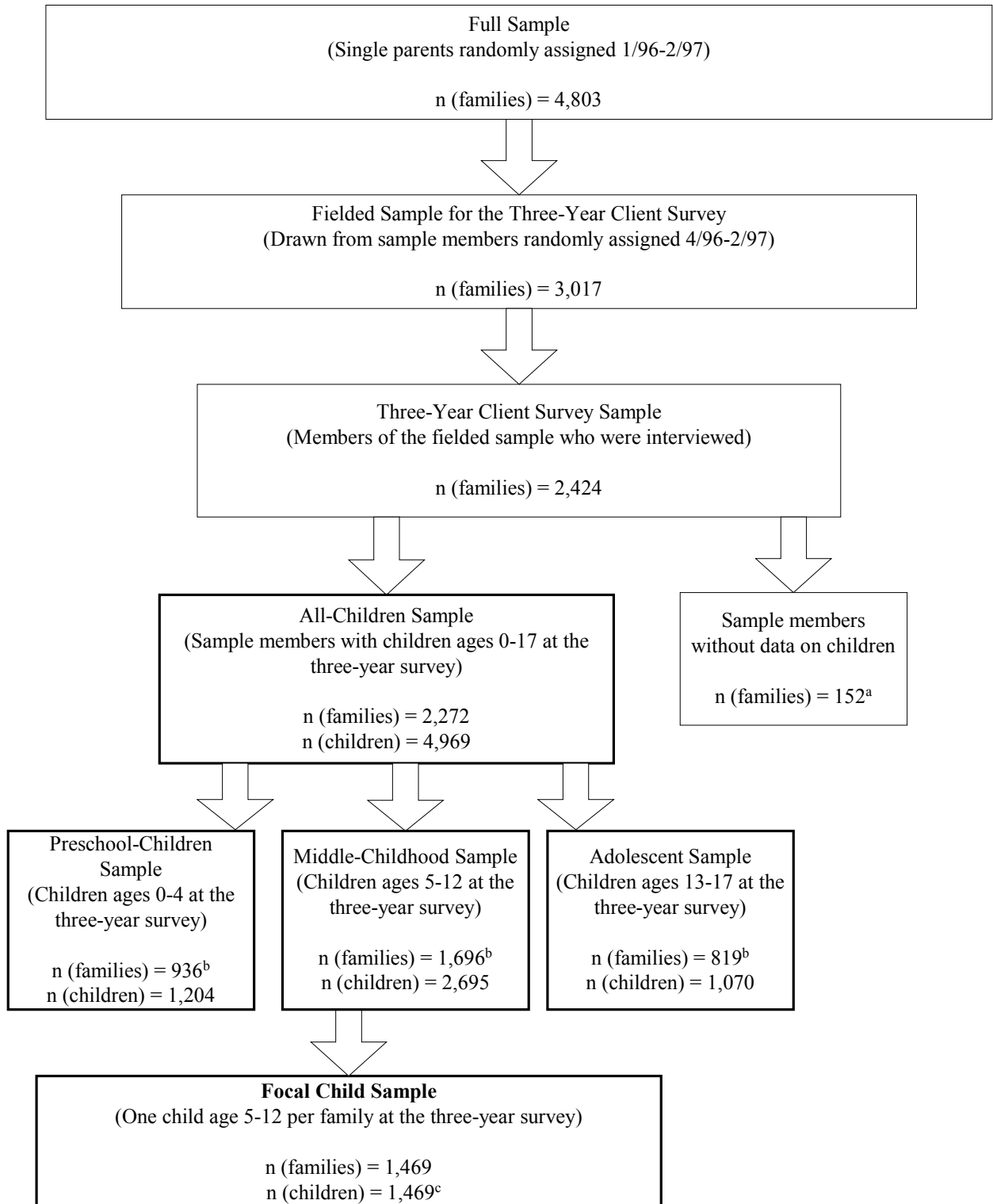


Figure 6.2 (continued)

NOTES: ^aThis number includes a small number of families without children and families who did not provide information on their children.

^bBecause children of more than one age group may come from the same family, the total number of families (2,272) across the three age groups is smaller than the sum of the families in each of the age groups.

^cNot all families with children ages 5-12 completed enough of the survey to be included in the focal child sample.

IV. Impacts of Jobs First on Child Care Arrangements and the Use of Child Care Subsidies

A. Impacts of Jobs First on Child Care Arrangements

As indicated earlier, because Jobs First increases employment, it might be expected to have impacts on child care arrangements, inasmuch as Jobs First and AFDC families have differing needs for child care. Moreover, the increase in income from Jobs First earlier in the follow-up may help parents seek higher-quality care for their children, which may have important implications for the effects of Jobs First on children's development. For example, parents may seek to put their elementary school children into structured after-school activities like lessons, sports, and clubs, which may provide enrichment opportunities for the children in addition to fulfilling parents' child care needs. For adolescents, however, one would expect welfare policies to have few impacts on child care use, since older children are generally able to care for themselves.

1. Child care for preschoolers, elementary school children, and adolescents at the three-year follow-up. As indicated earlier, child care arrangements at the time of the three-year interview were assessed for preschool children (up to age 4 at the time of the Three-Year Client Survey; most preschoolers were born after random assignment), for middle-childhood children (ages 5 to 12), and for adolescents (ages 13 to 17). All statistical tests were adjusted to account for the fact that more than one child was analyzed in each family. The results of this analysis are presented in Table 6.1. The measures of child care use are described in Box 6.1.

As indicated in Table 6.1, a larger proportion of preschool-age than of elementary-school-age or adolescent children used some form of care at the time of the three-year follow-up; this is not surprising, given that school accounts for much of the day for older children. For all age groups, children were more likely to be in informal (home-based) care arrangements than in formal care arrangements, and they were more likely to be in relative care arrangements than nonrelative ones. In addition, more than one-third of both middle-childhood and adolescent children participated in after-school activities, including lessons, sports, and clubs.

Jobs First increased the use of child care for all three age groups, and by a similar magnitude. (Although not shown, employment impacts were smallest in years 3 and 4 of the follow-up for parents with children in the two younger groups; there was approximately a 6 percentage point impact on the proportion of quarters they were employed, compared with about a 10 percentage point impact for parents of adolescents.) Jobs First also increased the hours that children spent in care, for all age groups. Given the limited child care needs of older children, it is surprising that Jobs First increased child care use by a similar amount for both adolescents and preschool children. However, impacts for very young children include both formal and informal care arrangements, while impacts for older children are concentrated in relative care arrangements (impacts for elementary school children include both forms of arrangements). Perhaps families living with relatives consider their adolescents to be in "child care" when they come home after school and are supervised by relatives in the home. As discussed in Chapter 5, parents in the Jobs First group were more likely to be living with their own parents than those in the AFDC group. The fact that this increase in informal care is due, in part, to an increase in grandparent care (not shown in Table 6.1) is consistent with this hypothesis about parents' understanding of "child care."

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Table 6.1

Summary of Impacts on Child Care at the Three-Year Follow-Up
for All Children, by Child Age at the Three-Year Follow-Up

Outcome	Ages 0-4			Ages 5-12			Ages 13-17		
	Jobs First Group	AFDC Group	Difference ^a	Jobs First Group	AFDC Group	Difference ^a	Jobs First Group	AFDC Group	Difference ^a
<u>Type of child care arrangement^b in last month (%)</u>									
Currently any child care ^c	66.1	57.5	8.6 ***	55.0	45.1	9.9 ***	15.7	8.2	7.5 ***
Currently any informal care	56.0	49.1	6.9 **	50.3	41.7	8.6 ***	15.1	8.0	7.1 ***
Currently any relative care	45.3	41.2	4.2	43.5	35.3	8.2 ***	13.8	6.8	7.0 ***
Currently any nonrelative care	13.3	10.6	2.7	10.2	8.3	1.9	1.4	1.4	0.0
Currently any formal care	16.8	12.7	4.1 **	8.3	4.6	3.7 ***	0.7	0.1	0.6
<u>Extent of child care in a typical week</u>									
Number of hours in child care	22.1	18.8	3.2 ***	13.3	12.0	1.4 **	3.6	1.8	1.8 ***
0 hours in child care (%)	32.7	40.3	-7.6 ***	42.6	52.0	-9.5 ***	84.7	91.7	-7.0 ***
Less than 20 hours in child care (%)	10.6	12.9	-2.3	26.8	20.0	6.8 ***	7.9	4.0	3.9 **
20 or more hours in child care (%)	56.7	46.8	9.9 ***	30.7	28.0	2.7	7.3	4.3	3.0 *
<u>Out-of-school activities (%)</u>									
In any after-school activity ^{bd}	4.1	2.8	1.3	38.7	37.0	1.8	38.5	38.8	-0.2
Sample size (total = 4,969)	616	588	1,204	1,356	1,339	2,695	578	492	1,070

(continued)

Table 6.1 (continued)

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

NOTES: The sample includes children ages 0-17 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSample size in this column is the sum of the AFDC group and the Jobs First group sample sizes.

^bSee Box 6.1 for more information on these measures.

^cChild care types are not mutually exclusive.

^dSample sizes are smaller for this measure because responses were collected for all children but only in those families with a focal child.

Box 6.1

Measures of Child Care Use

Type of child care. Child care arrangements are categorized into formal care and informal care (which consists of relative care and nonrelative care arrangements). These categories are not mutually exclusive; that is, children in informal care may have also been in formal care arrangements. *Formal care* includes center or group care, summer daycare, and extended day programs. *Informal care* includes home-based care provided by a relative or nonrelative. *Relative care* includes care by the child's sibling, father, or grandparent; the mother's spouse or partner; or any other relative. *Nonrelative care* includes family daycare or a baby-sitter not related to the child who provides care in the child's home or another home. At the time of the three-year interview, parents reported on all their children's care arrangements (used at least once per week for the last four weeks). For focal children, parents also reported on care in the last year of the follow-up period (months 24 to 36).*

Out-of-school activities. Children's participation in after-school activities at the time of the three-year interview is constructed from three separate questions about (1) lessons, such as music, dance, language, or computer; (2) clubs or organizations, such as scouts, religious groups, or girls' or boys' clubs; and (3) sports teams. This measure may capture children's participation in structured activities that may not serve as "child care."

*At the 36-month follow-up interview, the parent was asked about child care information for the two years prior to the interview. However, because some families were interviewed later than 36 months after random assignment, comparable child care data for all families are available only from months 24 to 36 after random assignment.

While Jobs First increased child care for all age groups, the program did not increase participation in after-school activities for elementary school children or for adolescents. These structured activities are thought to be beneficial for children, primarily by keeping them away from a deviant peer group.²⁷ Perhaps the decline in Jobs First's income impacts made it more difficult for parents to purchase such structured care arrangements for their children at the time of the three-year follow-up interview.

2. Child care for focal children ages 5 to 12 at the three-year follow-up. Table 6.2 presents data on focal children's primary care arrangements at the time of the three-year survey. Because most of these children were in school, their care arrangements reflect primarily after-school and summer care arrangements. By far, the largest proportion (15 percent) of parents in the AFDC group relied on grandparent care. As was found for the larger sample of elementary school children when examining all the child care arrangements, the increase in relative care arrangements as a primary form of care for focal children is attributable to the higher level of grandparent care among the Jobs First group compared with the AFDC group. For all other forms of informal care, there are no significant differences between the two groups. However,

²⁷Petit, Bates, Dodge, and Meece, 1999; Posner and Vandell, 1994, 1999.

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Table 6.2

**Impacts on Primary Child Care Arrangements at the Three-Year Follow-Up
for Focal Children Aged 5-12 at the Three-Year Follow-Up**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>Type of primary child care arrangement^a (%)</u>				
Any informal care	52.3	45.9	6.4 **	13.9
Any relative care	44.1	38.3	5.8 **	15.2
Care by parent's partner	3.3	3.9	-0.6	-15.8
Care by noncustodial biological parent	4.7	4.1	0.6	14.5
Care by grandparent	20.2	15.4	4.7 **	30.6
Sibling care	6.7	6.3	0.4	6.2
Care by other relative	9.3	8.6	0.7	8.6
Any nonrelative care	8.2	7.6	0.6	7.6
Any formal care	8.6	7.3	1.3	17.3
Center care	2.6	0.9	1.6 **	172.3
Extended day programs	4.3	4.6	-0.2	-5.3
Summer care, camp, or school	1.7	1.8	-0.1	-6.0
<u>Characteristics of care</u>				
Child in high-quality care (mothers' report) ^b (%)	57.5	49.9	7.7 ***	15.3
Child in low-quality care (mothers' report) ^b (%)	3.9	4.2	-0.3	-7.9
For those in care, characteristics of primary care arrangement				
Group size	4.3	4.7	-0.3	-7.2
Child-staff ratio	2.7	2.8	-0.2	-5.5
Primary caregiver is under 18 years old (%)	8.0	7.5	0.5	6.5
Provider is licensed/regulated (%)	21.7	20.7	1.0	4.9
Sample size (total = 1,469)	748	721		

SOURCE: MDRC calculations using data from the Three-Year Client Survey.

NOTES: The sample includes focal children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSee Box 6.1 for more information on these measures.

^bSee Box 6.2 for more information on these measures.

Jobs First did have a small impact on the proportion of children in center care (probably for the youngest children in this age group).

Mothers were also asked about their perceptions of the quality of their child's primary day-care arrangement (see Box 6.2). While these are not the perceptions of trained observers, they do reflect parents' comfort with the care provided to their children. Jobs First increased the proportion of mothers reporting that their children were in high-quality care (as opposed to low-quality or no care). Interestingly, with just under 50 percent of children in the AFDC group reported to be in high-quality care arrangements, rates of high-quality care (as perceived by parents) are higher in this study than in other studies of children in welfare programs.²⁸ However, despite parents' perceptions of a greater proportion of high-quality care, the levels of structural measures of child care quality (group size, child-staff ratio, teacher characteristics) are similar for both groups.

A more detailed child care history was collected for focal children ages 5 to 12 at the time of the three-year survey. Impacts on these measures are presented in Table 6.3. As indicated in the table, almost all — about 80 percent — of children in the AFDC group used some form of child care at some point over the last year of the follow-up period (although, at any point during this year, rates of child care use were likely much lower). Despite these high levels of child care use in the AFDC group, Jobs First increased the use of child care, by 7 percentage points. The use of both informal and formal care arrangements increased during the last year of follow-up.

In considering how children may be affected by their experience in care, it is critical to examine not only the type of care but also its stability. (See Box 6.2 for information about the measure of child care stability. Notably, because of data limitations, this measure actually reflects stability in a *type* of child care arrangement, not necessarily stability with a particular provider. However, this measure likely closely reflects stability with a particular provider.) Three-quarters of children in the AFDC group were in care for six consecutive months or more, and Jobs First increased children's participation in stable care arrangements; the increase, however, reflects an increase in stable informal care, not stable formal care.

At the bottom of the table, impacts are presented for focal children's self-care in the two years prior to the three-year follow-up. Only 5 percent of children in the AFDC group had taken care of themselves during this period. Jobs First slightly increased this small proportion of children with experience in self-care. Further analyses, however, suggest that half the children took care of themselves only one and a half hours or less per week, and the impact is concentrated among older rather than younger focal children, as discussed later in this chapter.

B. Impacts of Jobs First on Child Care Subsidy Assistance

1. Types and use of child care subsidies. As stated in Chapter 2, both Jobs First and AFDC group members were eligible for child care assistance if they worked or participated in activities while receiving cash assistance. AFDC group members were eligible for one year of transitional child care if they left welfare for work, as long as their income did not exceed 75 percent of the state median income, whereas Jobs First group members were ensured of transitional child care assistance indefinitely (again, if they left welfare for employment and their income did not exceed 75 percent of the state median income). In practice, however, the difference between these two policies was minimal, because AFDC group members who reached the end of

²⁸Bloom et al., 2000a; Gennetian and Miller, 2000.

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Table 6.3

**Impacts on Past Child Care Use at the Three-Year Follow-Up for Focal Children
Aged 5-12 at the Three-Year Follow-Up**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>Type of child care arrangement,^a months 24-36 (%)</u>				
Ever any child care	86.6	79.4	7.2 ***	9.0
Ever any informal care	77.3	70.4	7.0 ***	9.9
Ever any relative care	69.8	63.1	6.7 ***	10.7
Ever any nonrelative care	17.3	14.4	2.9	20.3
Ever any formal care	40.8	35.8	5.1 **	14.1
<u>Extent of child care use, months 24-36</u>				
Total months in informal care	7.6	6.9	0.7 **	10.0
Total months in formal care	2.9	2.4	0.5 **	18.9
<u>Stable child care,^b months 24-36 (%)</u>				
In a care arrangement continuously for 6 months	79.7	73.5	6.2 ***	8.5
In a formal care arrangement continuously for 6 months	28.9	26.8	2.1	7.7
In an informal care arrangement continuously for 6 months	70.4	63.9	6.5 ***	10.2
<u>Self-care (%)</u>				
Ever in self-care in last two years	7.1	4.8	2.3 *	47.5
Sample size (total = 1,469)	748	721		

SOURCE: MDRC calculations using data from the Three-Year Client Survey.

NOTES: The sample includes focal children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSee Box 6.1 for more information on these measures.

^bSee Box 6.2 for more information on these measures.

their eligibility for transitional child care could move directly into the child care certificate program (income-eligible child care) for low-income working parents.

Box 6.2

Measures of Child Care Stability and Quality

Child care quality. The measure of child care quality was constructed from a four-item scale developed by Emlen.* Mothers reported (on a 4-point scale) the extent to which they felt their child feels safe and secure, their child gets individual attention, the extent to which the provider was open to new information, and the extent to which the provider plans activities. Notably, this measure of child care quality is more subjective than those based on observers' assessments. This information was collected for both formal and informal child care arrangements, but only in reference to the focal child's "primary" child care arrangement (the one the child spent the most time in) at the time of the three-year interview. Scores across the four items were summed. Scores at or above 12 were considered "high quality." Scores below 12 were considered "low quality." For both measures outcomes are equal to zero for those who did not report using child care in the week prior to the interview.

Stable child care. Parents of focal children completed a calendar about their use of child care over months 24 to 36 after random assignment.† From this calendar, a month-by-month history of child care use was constructed. From this child care history, an outcome was constructed reflecting the total number of consecutive months the child was in a particular type of child care arrangement (grandparent care, center care, etc.). In most cases, this likely corresponds to stability with a particular provider (which could not be coded directly). Families were divided into two groups: those in which the child was in a particular type of care arrangement for six or more consecutive months (those in stable child care) and those in which the child was in a particular care arrangement for less than six consecutive months (including those children not in any care arrangement).

*Emlen, 1996.

†The child care calendar information was collected on a computer that could be viewed by the parent. To help recall child care use, interviewers marked on each month whether the mother was working, in job training, or in school and whether the child was in school or on summer break.

During the first year of follow-up, subsidy payments were provided to parents directly; however, beginning in the second year of follow-up, payments were generally issued directly to child care providers. Note that the data in this section report only on subsidy payments made to providers and do not include Head Start, other early-childhood enrichment programs, or situations in which child care costs were based on a sliding fee.

During this study, there were four different types of assistance streams for the provision of child care subsidies. The first three were related to receipt of cash assistance benefits:

- **Program-related child care subsidies** (job connection), which were accessible for parents who were attending an approved training program while receiving cash assistance, allowed a maximum payment of \$325 per child per month (\$435 for children with documented special needs).

- **Work-related child care subsidies**, which required a parent to be working while receiving cash assistance, allowed a maximum payment of \$325 per child per month (\$435 for children with documented special needs).
- **Transitional child care subsidies** required that parents leave cash assistance within six months of the date on which they apply for child care assistance, that they receive cash assistance for at least three of the six months prior to the closing date for it, that they be employed, and that their income not exceed 75 percent of the state median income. The amount of the subsidy was based on the hours that child care was needed, and recipients were responsible for a copayment that was based on total household income and family size.

The final child care subsidy program was directed toward low-income working families and teen parents attending high school who were not receiving cash assistance:

- **Income-eligible child care subsidies** (child care certificate program) were accessible for parents who were not eligible for the other three child care subsidies described above. For initial eligibility, parents were required to be employed and had to be earning at most 50 percent of the state median income; for continued eligibility, they could earn up to 75 percent of the state median income. The subsidy amount was based on hours of need, for up to 35 hours per week, and a copayment was required, based on total household income and family size.

Parents were given the opportunity to select from a wide range of child care categories and provider types. To be eligible for child care subsidies, family daycare homes, child care group homes, and child care centers had to be licensed by the Department of Public Health; school-based, church-based, and summer day-camp programs were not required to be licensed. With regard to informal care, close relatives were eligible for subsidies if the care was provided in the home of the child or their own home; a nonrelative was eligible for subsidies only if the care was provided in the child's home. Parents or stepparents of the child, individuals receiving cash assistance on the same award as the child, and other children under 18 residing in the same house were not eligible for child care subsidies.

Table 6.4 presents information on the provision of each of the four different forms of child care subsidies for families over years 2 and 3 of the follow-up period. Because only limited information is available from the first year of follow-up, only data on the second and third years are presented. (In assessing the benefits and costs of Jobs First, all the years of follow-up are examined; see Chapter 7. Impacts of Jobs First on child care subsidy use for each of the four years of follow-up are presented in Appendix B.)

In the AFDC group, over one-third of families received a child care subsidy at some point over the second and third years of follow-up. About 25 percent of families were receiving work-related subsidies, but only 6 percent received program-related subsidies, probably because more families were working than in program activities while receiving welfare at this point in the follow-up. Almost 21 percent of AFDC families were receiving transitional child care subsidies, while only 12 percent received income-eligible child care assistance. Families received subsidies for about 5 months, on average.

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Table 6.4

**Impacts on Child Care Subsidy Assistance over the Three-Year Follow-Up
for Families with Children Aged 0-17 at the Three-Year Follow-Up**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>Overall subsidy receipt in years 2-3</u>				
Received any subsidy, years 2-3 (%)	42.0	38.7	3.3 *	8.6
Average amount received year 2 (\$)	1,399	1,111	288 ***	26.0
Average amount received year 3 (\$)	1,352	1,101	252 ***	22.9
Number of months received subsidy, years 2-3	5.6	4.7	0.9 ***	19.0
Length of longest continuous spell (in months, years 2-3)	4.9	4.1	0.8 ***	19.1
<u>Subsidy receipt in years 2-3 by type</u>				
Program-related child care subsidy				
Received subsidy, years 2-3 (%)	6.3	6.4	-0.1	-1.1
Average amount received year 2 (\$)	44	59	-15	-26.1
Average amount received year 3 (\$)	46	46	0	-1.0
Work-related child care subsidy				
Received subsidy, years 2-3 (%)	32.6	24.5	8.2 ***	33.3
Average amount received year 2 (\$)	999	569	430 ***	75.7
Average amount received year 3 (\$)	514	400	114 **	28.4
Transitional child care subsidy				
Received subsidy, years 2-3 (%)	23.7	20.4	3.3 **	16.3
Average amount received year 2 (\$)	323	341	-18	-5.3
Average amount received year 3 (\$)	714	360	354 ***	98.4
Income-eligible child care subsidy				
Received subsidy, years 2-3 (%)	4.5	12.0	-7.4 ***	-62.1
Average amount received year 2 (\$)	34	142	-108 ***	-76.1
Average amount received year 3 (\$)	79	295	-216 ***	-73.2
Sample size (total = 2,272)	1,101	1,171		

(continued)

Table 6.4 (continued)

SOURCE: MDRC calculations based on child care payment data from Maximus.

NOTES: The sample includes families with children ages 0-17 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

For some participants a complete year of data is not available for year 2 using this data source. Therefore, the data for year 2 presented in this table do not match those presented in Appendix table B.4 that rely on an additional source of child care subsidy payment data.

As shown in Table 6.4, Jobs First significantly increased the proportion of families receiving any type of child care subsidy over the second and third years of follow-up, and Jobs First affected the amount and kind of subsidies that families were receiving. Jobs First families received, on average, almost \$300 more in subsidies than their AFDC counterparts. Jobs First families received subsidies for more months than their AFDC counterparts. Thus, the greater dollar of subsidy receipt received by families was due, in part, to the greater number of families receiving subsidies as well as to the greater number of months families received them. Moreover, reflecting some increasing stability in the receipt of child care subsidies, Jobs First increased the length of the longest continuous spell of subsidy receipt for families by almost a month in length on average.

Jobs First had no effect on program-related child care subsidies, possibly because the effects on participation in job search activities were small in the second and third years of the follow-up. At the same time, however, Jobs First had its largest impact (8 percentage points) on the proportion of Jobs First families using work-related child care subsidies while on welfare. Because of the increased earnings disregard, more parents in the Jobs First group than the AFDC group were combining work and welfare. It appears that some parents were taking advantage of their eligibility for a child care subsidy once they were working.

Jobs First produced a small increase (3 percentage points) in the proportion of families receiving transitional child care subsidies. However, it reduced the proportion of Jobs First families receiving income-eligible subsidies. While 12 percent of AFDC families received the income-eligible subsidy, only 5 percent of Jobs First families did. There are two potential explanations for this decline in income-eligible assistance. First, because Jobs First families were more likely than AFDC families to combine work and welfare, they were more likely to be eligible for work-related assistance and, therefore, may not have qualified for income-eligible assistance by the time of the third year of follow-up. Second, AFDC families may have moved into income-eligible care after reaching the end of the one-year transitional child care assistance period, whereas some of the Jobs First families may have continued to use transitional care, which was guaranteed indefinitely.

2. Child care subsidy receipt by age of child. Although child care subsidy payments were given to parents, the payments were linked to individual children, allowing for analyses of child care subsidy payments by child age. Table 6.5 presents information on the receipt of child care subsidies for families throughout years 2 and 3 of the follow-up period, by the age of the child for whom the subsidy was provided. Children through age 12 at follow-up are analyzed here, since these parents of these children were eligible to receive subsidies throughout the follow-up period.

In addition to showing impacts on the receipt of child care subsidies by age of child, the data also allow for an examination of the two major types of care for which subsidies were provided: formal (which includes center-based care) and informal (which includes care by a relative or nonrelative in a home setting). Recall that rates of subsidy use for formal care arrangements are likely underestimated since they do not include payments made directly to provider or subsidized child care slots including Head Start. For formal arrangements, Table 6.5 indicates whether the subsidy was provided to an accredited center that was eligible for a “quality bonus” and, thus, a higher reimbursement rate. For informal arrangements, it indicates whether the subsidy was provided for relative or for nonrelative care arrangements.

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Table 6.5

Summary of Impacts on Child Care Subsidy Use and Receipt at the Three-Year Follow-Up for Children Aged 0-12, by Child Age at the Three-Year Follow-Up

Outcome	Ages 0-4			Ages 5-12		
	Jobs First Group	AFDC Group	Difference ^a	Jobs First Group	AFDC Group	Difference ^a
<u>Subsidy receipt years 2-3 (%)</u>						
Received subsidy, years 2-3	42.2	39.4	2.8	45.7	36.4	9.3 ***
Received subsidy, year 2	29.9	27.4	2.4	37.3	28.6	8.8 ***
Received subsidy, year 3	38.3	33.6	4.8 *	39.0	28.0	11.0 ***
<u>Type of child care subsidy received in years 2-3 (%)</u>						
Formal	9.5	5.9	3.7 **	6.1	3.7	2.4 ***
Quality bonus received	1.2	1.3	-0.1	1.2	0.9	0.3
Informal	39.5	37.0	2.5	43.5	34.8	8.7 ***
Relative	29.4	28.5	0.9	34.9	25.8	9.1 ***
Nonrelative	20.2	14.9	5.3 **	19.3	16.0	3.3 **
Sample size (total = 3,899)	616	588	1,204	1,356	1,339	2,695

SOURCE: MDRC calculations based on child care payment data from Maximus.

NOTES: The sample includes children ages 0-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSample size in this column is the sum of the AFDC group and the Jobs First group sample sizes.

For children up to age 4 at follow-up, child care subsidies were provided for 40 percent of children in the AFDC group during years 2 and 3 combined. Keep in mind that some of these children were born during the follow-up and that, therefore, not all of these families may have needed child care during years 2 and 3. The rate of child care subsidy use was similar for the children who were in elementary school at the three-year follow-up. For children in child care at the time of the Three-Year Client Survey, a little over one-third received a child care subsidy (not shown in the table).

For the youngest children, although Jobs First slightly increased the proportion for whom a subsidy was provided during year 3, the program did not significantly affect the receipt of subsidies for years 2 and 3 combined. Only for children ages 5 to 12 did Jobs First increase the proportion for whom subsidies of any type were provided throughout years 2 and 3 of the follow-up (by 9 percentage points).

Larger percentages of families with children in the AFDC group received subsidies for informal care arrangements (about 35 percent) than for formal care arrangements (about 4 to 6 percent). These differences partly reflect the higher rates of informal than formal care being used by families, but they also likely reflect the promotion of subsidies for informal care. In addition — and importantly — the rates of subsidy use for formal care may be underestimated, since these data do not include a number of types of subsidized formal care arrangements.

While Jobs First did significantly increase (by 2 to 3 percentage points) the proportion of children ages 0 to 4 and 5 to 12 who were provided with subsidies for formal care arrangements, there were no differences between the Jobs First and AFDC groups in the percentage of subsidies for formal care arrangements that involved a quality bonus, for either age group. Thus, it is unlikely that higher payments for child care arrangements in the Jobs First group account for the greater amount that these families received in child care subsidies relative to families in the AFDC group.

With regard to informal care arrangements, Jobs First significantly increased subsidy use for elementary-school-age children but not for younger children. For children ages 5 to 12, subsidies were provided for informal care to 35 percent of the AFDC group, compared with 44 percent in the Jobs First group. For the 5 to 12 year olds, a larger proportion of the informal child care subsidies was paid to relatives than to nonrelatives, and Jobs First significantly increased the subsidies for both kinds of informal care. This pattern of subsidy use for the middle-childhood group mirrors the pattern for types of child care arrangements presented earlier. It seems that parents were more likely to leave their children in the care of relatives while they went to work, and they were receiving subsidies for relative care either because they preferred it or because subsidies for informal care were available.

V. Impacts of Jobs First on Father Involvement

One goal of the Jobs First program is to increase child support payments to families. First, recipients in Jobs First receive a check for the *full* amount of any child support collected (although, with electronic payments, they may not know how much of that check consists of public assistance as opposed to the child support payment). In contrast, AFDC recipients receive only the first \$50 of child support that is collected each month. Second, under Jobs First, the child support disregard was raised from \$50 under AFDC rules to \$100 per month, so that the

first \$100 of child support collected each month is not counted when calculating the welfare payment. Together, these policies provide a financial benefit to families. In addition, the time limit on receipt of welfare benefits may force some recipients to rely on other sources of income, such as child support payments. Thus, the time limit may encourage some recipients to help the child support enforcement agency establish and enforce support orders.

In this study, as indicated in Chapter 4, families in Jobs First received more money from child support payments than AFDC families, although as noted in Chapter 4, some of this increase may reflect differences in what the two groups knew about the payments they were receiving. Research has found associations between child support payments and father involvement.²⁹ However, it is unclear whether paying child support results in greater father involvement or whether highly involved fathers are more likely to pay child support. The effects of father involvement may depend on the quality of the interaction between the mother and the noncustodial father. Increasing the interactions between a conflicted couple can expose their child to more frequent negative interactions between them, which can have negative effects on the child's development.³⁰

Table 6.6 presents data on the involvement of the noncustodial biological fathers of the focal children ages 5 to 12 at the three-year point.³¹ In general, levels of father involvement were relatively low. In the past year, about 41 percent of the children in the AFDC group had noncustodial biological fathers who purchased something for them; 30 percent had fathers who provide care by baby-sitting or staying with them overnight; and 53 percent were contacted by their noncustodial biological father by phone or letter at least once. While 26 percent of mothers in the AFDC group indicated that the child saw the father weekly in the past year, 30 percent indicated that the child never saw the father.

Although 45 percent of mothers in the AFDC group had a formal child support order in place, only 29 percent reported receiving child support payments, and only 13 percent reported receiving money directly and informally from the child's father in the past year.

Jobs First had almost no impacts on children's care and support from their noncustodial biological fathers, increasing only the proportion of families in which such fathers had purchased something for their children in the past year. While Chapter 4 reports an increase in receipt of child support for all families, that effect — though of the same magnitude — is not statistically significant when considering the smaller sample of focal children 5 to 12 years old. Moreover, that increase in child support payments did not play out in increases in the contact that Jobs First children had with their noncustodial biological father.

²⁹Seltzer, Schaeffer, and Charng, 1989.

³⁰Hetherington and Parke, 1999; Gottman and Katz, 1989.

³¹For children whose biological father was deceased or whose biological father lived in the household, all questions regarding the involvement of the noncustodial biological father were scored as zero. In this way, all items indicate the proportion of noncustodial biological fathers who engaged in the behavior indicated.

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Table 6.6

**Impacts on Father Contact at the Three-Year Follow-Up for Focal Children
Aged 5-12 at the Three-Year Follow-Up**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>Noncustodial biological father's contact (%)</u>				
Bought something for child in last year	45.5	40.6	4.9 *	12.1
Cared for child in last year	30.2	29.9	0.3	1.0
Contacted child by phone/letter in last year	54.3	53.3	1.0	1.9
Sees child weekly	29.7	26.0	3.6	13.9
Sees child monthly	10.4	12.0	-1.6	-13.4
Sees child 1-11 times per year	23.4	24.4	-1.0	-4.2
Does not see child	27.8	29.7	-1.9	-6.6
<u>Noncustodial biological father's financial support (%)</u>				
Has formal child support order	48.8	44.8	4.0	8.9
Received money from father through child support agency in the last year	31.9	29.2	2.7	9.2
Received money directly from father in the last year	15.9	13.4	2.5	18.8
Sample size (total = 1,469)	748	721		

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

NOTES: The sample includes children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

VI. Comparison of Children in the AFDC Group with Children in a National Sample

Before turning to the impacts of Jobs First on children's home environment and child well-being, it is important to put low-income families in context — to understand how they are faring in the absence of the intervention. To this end, children in Jobs First were compared with low-income children across 13 states and in the neighboring states of New York and New Jersey (similar data were not available for children in Connecticut), using data from the National Survey of America's Families (NSAF) for a small set of measures of children's environment and child functioning. This comparison illustrates how representative the low-income families in Jobs First are, and the results of this analysis are presented in Table 6.7.

With regard to children's environments — though examined only with respect to a few measures — children in the AFDC group of the Jobs First evaluation experienced somewhat different environments than children in the NSAF study, whether considering low-income families or families at all income levels. Children in the AFDC group were much more likely to be read to (despite the fact that children in the AFDC group were older than children in the NSAF study). In addition, they participated in extracurricular activities (like lessons, sports, and clubs) much less often; only 39 percent of AFDC children participated in extracurricular activities, compared with about three-quarters of children in low-income samples nationally and in neighboring states. However, the rates of parental aggravation were similar for the AFDC group and the other samples.

With regard to children's functioning, children in the AFDC group were similar to, or better than, low-income children in neighboring states. The proportion of children in the AFDC group with high levels of behavioral problems was similar to the proportions of low-income children in neighboring states but was slightly lower than the proportion of low-income children nationally. However, the proportion of children highly engaged in school was considerably higher in the AFDC group (65 percent, compared with 39 percent of children in low-income families nationally and 42 percent of children in families of all income levels). Moreover, when parents were asked about the proportion of children in fair or poor health, the rate for the AFDC group was lower than rates for poor families, but it was comparable to rates for families of all income levels.

These findings suggest that while children in the AFDC group of the Jobs First evaluation may have had somewhat different environments than other poor children, their functioning was rated by parents to be similar to, or better than, low-income children in neighboring states and in 13 states across the United States. The next sections examine the impacts of Jobs First on these and other measures of children's home environments and well-being.

VII. Impacts on Home Environment, Family Functioning, and Parenting Practices

By increasing employment and income, Jobs First may have affected families in a number of ways. Increased employment may benefit families by increasing the regularity of routines in the home. In addition, higher income may result in more learning materials being provided to children at home. Mothers may gain satisfaction from working, which may translate into improved emotional well-being and more positive parenting practices. On the other hand, working

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Table 6.7

Selected Characteristics of Children in the Jobs First Study and in the National Survey of America's Families

Outcome (%)	AFDC ^a Group	NSAF, Less Than 200 Percent of Poverty			NSAF, All Income levels		
		New Jersey	New York	All 13 States	New Jersey	New York	All 13 States
<u>Child environment</u>							
Reading stories to children ^b	41.9	21.6	19.3	24.1	15.6	14.4	17.6
Children who participated in extracurricular activities	38.6	76.5	73.0	67.5	88.9	80.4	81.1
Children living with a parent who felt highly aggravated ^{cd}	15.7	19.4	15.4	13.9	11.7	11.7	9.9
<u>Child functioning</u>							
Children with high levels of behavioral and emotional problems ^e	7.4	7.8	7.8	9.3	4.5	5.6	6.3
Children highly engaged in school ^f	64.5	35.1	41.3	38.9	45.6	41.2	41.7
Children in fair or poor health	4.7	12.2	8.1	6.7	4.4	4.7	4.0

SOURCES: MDRC calculations from the Three-Year Client Survey. Urban Institute calculations from "Snapshots of America's Families," National Survey of America's Families, 1999, <http://newfederalism.urban.org>.

NOTES: ^aThe sample for this column includes focal children ages 5-12 at the time of the three-year interview, in families randomly assigned from April 1996 to January 1997.

^bThe measure created with the NSAF is for children ages 1-5.

^cThis outcome is created from the sum of four items. Mothers were asked if they felt the child is hard to care for, the child does things that bother her, she feels like she is giving up her life for her child, or if she felt angry with her child. The range of the sum is 4 to 16. Being highly aggravated is defined as 11 or lower, with higher scores indicating less aggravation.

^dThe measure created with the NSAF is for children ages 0-17.

^eThe NSAF collected six items for this variable with scores which range from 6 to 18, with 12 or less measuring "greater behavioral and emotional problems." The equivalent measure using the Jobs First three-year survey data is created from five of the six NSAF items and ranges from 5 to 15, with 10 or less measuring "greater behavioral and emotional problems."

^fThe measure created with the NSAF ranges from 4 to 16, with 15 or greater indicating "highly engaged." The measure created with the Jobs First three-year survey data ranges from 4 to 12, with 11 or greater meaning "highly engaged." When using a score of 12 as meaning "highly engaged" for the Jobs First three-year survey data, children highly engaged decreases to 50.8 percent.

mothers may become more stressed by longer hours on the job, which may or may not be mitigated by the higher income they earn. Finally, children may be left unsupervised after school hours, and their schoolwork may be negatively affected by the lack of supervision.

A. Home Environment for All Focal Children

In the Jobs First evaluation, mothers of focal children ages 5 to 12 were asked about several aspects of their home environment. These measures are described in detail in Box 6.3 and in Appendix G. The impacts of Jobs First on these measures are presented in Table 6.8. Mothers of focal children were asked about the extent to which there were regular routines for the child (like eating breakfast, dinner, going to bed, and doing household chores); cognitively stimulating activities for the child (like reading, trips to the library, and lessons); and expectations for the child (such as in doing household chores). High scores on each of these scales reflect a better home environment (for example, more regular routines, more activities, greater expectations). In addition to parents' reports of the home environment, two subscales of the home environment are based on interviewer ratings. Interviewers assessed the quality of the home and neighborhood and the quality of the interactions between the parent and child. The total HOME scale reflects the sum across the three parental rating subscales and the two interviewer rating subscales. As indicated by the AFDC group levels, total scores on the HOME scale were quite high (80 on a scale that ranges from 32 to 96), and very high scores were recorded on many of the subscales.

Jobs First had few impacts on the quality of the HOME environment, although the single impact found suggested positive effects of the program. There were no impacts of Jobs First on the total HOME scale or on either of the interviewer-reported subscales (the physical environment and parent-child interaction). Jobs First did increase the cognitive stimulation provided by the parent — that is, the extent to which the parent provided learning experiences, like books, in the home — perhaps due to the income gain from the program. However, there were no impacts on the other two parent-reported subscales (routines and expectations).

B. Family Functioning and Parenting Practices for All Focal Children

Data on parental domestic abuse, emotional well-being, and parenting behavior are presented in Table 6.9. Greater detail about these measures is provided in Box 6.4 and in Appendix G.

Mothers were asked a series of questions about abuse since random assignment, about when that abuse occurred, and about who was the perpetrator of the abuse. Abuse includes both verbal abuse (yelling, threatening) as well as more extreme forms of physical and sexual abuse. Rates of domestic abuse were relatively high. As shown in the top panel of Table 6.9, one-fifth of mothers in the AFDC group reported some form of domestic abuse in the past year by an intimate partner, and about one-third reported some form of domestic abuse since random assignment. By far, the most common form of abuse was a less severe form of abuse (yelling). Jobs First had no impact on the proportion of mothers reporting any abuse following random assignment, nor on the proportion of mothers reporting abuse by an intimate partner, but did slightly increase the proportion of mothers reporting abuse by another person. Further investigation revealed that this impact is due to an increase in verbal abuse by someone at the mothers' place of employment. Perhaps parents in the Jobs First group were more likely to experience verbal abuse by employers and coworkers because they are more likely to be working than their AFDC counterparts; the analysis in Chapter 4 found that they were not more likely to be in lower-quality jobs, based on either wages or benefits.

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Table 6.8

**Impacts on Home Environment at the Three-Year Follow-Up
for Focal Children Aged 5-12 at the Three-Year Follow-Up**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
Total HOME scale	80.5	80.3	0.2	0.3
HOME routines subscale	17.6	17.8	-0.2	-1.0
HOME cognitive stimulation subscale	22.6	22.2	0.3 *	1.5
HOME expectations subscale	13.7	13.8	-0.1	-0.5
HOME parent-child interaction subscale	13.2	13.3	-0.1	-0.7
HOME physical environment subscale	13.6	13.5	0.0	0.2
Sample size (total = 1,469)	748	721		

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

NOTES: The sample includes children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

See Box 6.3 and Appendix G for more information on all measures presented in the table.

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Table 6.9

**Impacts on Domestic Abuse, Emotional Well-Being, and Parenting Behavior
at the Three-Year Follow-Up for Parents of Focal Children Aged 5 to 12**

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>Parental domestic abuse (%)</u>				
Abuse by intimate partner last year	21.6	20.8	0.9	4.2
Abuse by other person last year	18.5	14.9	3.6 *	23.9
Ever any abuse since random assignment	35.8	35.4	0.4	1.0
<u>Parental emotional well-being^a</u>				
Depression scale	13.8	13.4	0.5	3.4
At risk of clinical depression (%)	34.2	33.7	0.4	1.2
Aggravation scale	1.6	1.6	0.0	-1.3
Highly aggravated (%)	4.5	5.3	-0.8	-15.0
<u>Parenting behavior^a</u>				
Warmth scale	2.8	2.9	0.0	-1.2
Harsh-parenting scale	1.7	1.7	-0.1 **	-4.0
Supervision scale	4.8	4.8	0.0	0.0
Sample size (total = 1,469)	748	721		

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

NOTES: The sample includes parents of children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSee Box 6.4 and Appendix G for more information on these measures.

Box 6.3

Measures of the Quality of the Home Environment

Parents were asked about a number of characteristics of their home and interactions with their children. Also, interviewers rated the quality of parent-child interactions and the quality of the physical environment. All home environment items were recoded to range from “1,” an unfavorable score, to “3,” the most favorable score.* From these multiple items, a total score and five internally consistent subscores of the home environment were constructed. Further details about these outcomes and the internal consistency of the HOME scales can be found in Appendix G.

Total HOME score. As an overall measure of the quality of the child’s home environment, a total HOME score was constructed out of 32 items. This score ranges from 32 to 96.

The HOME routines subscale. The HOME routines subscale measures the extent to which the focal child engages in similar activities at the same time during the day and includes items such as going to bed at a regular time each night or doing homework at the same time each evening. This score is the sum of seven items, and the range of this score is 7 to 21.

The HOME cognitive stimulation subscale. The HOME cognitive stimulation subscale measures the quality of the child’s environment that is cognitively stimulating and includes items such as reading to the child, going to the library, and involvement in activities and lessons. This score is the sum of ten items, and the range of this score is 10 to 30.

The HOME expectations subscale. The HOME expectations subscale measures the extent to which the mother has expectations of the child to complete household tasks, like making one’s bed, cleaning one’s room, and picking up after oneself. This score is the sum of five items, and the range of this score is 5 to 15.

The HOME parent-child interaction subscale. The HOME interviewer assessment subscale measures the quality of the parent-child interactions as assessed by the interviewer and includes items, such as the extent to which the parent conveyed positive feeling about the child, answered the child’s questions, and encouraged the child to contribute to the conversation.† This score is the sum of five items, and the range of this score is 5 to 15.

The HOME physical environment subscale. The HOME physical environment score measures the quality of the physical interior and exterior of the child’s home and neighborhood as assessed by the interviewer and includes items such as the presence of health hazards in the home, the darkness and cleanliness of the home, and the presence of litter and garbage in the neighborhood.†† This score is the sum of five items, and the range of this score is 5 to 15.

*Polit, 1996.

†Scores are available for only 787 families because this scale could only be completed if the child was present during the interview and if the interview was conducted in person.

††Interviewer assessments of the physical environment are available for only 1,350 families because this scale could only be completed when interviews were conducted in person.

The middle panel of Table 6.9 reports the findings on mothers' emotional well-being. A sizable proportion of mothers in the AFDC group (one-third) reported symptoms that suggest that they were at risk of clinical depression. At the same time, very few mothers (5 percent) reported feeling highly aggravated with their children. Jobs First did not affect either mothers' level of depressive symptoms or their level of parenting aggravation. The changes that families experienced because of the program — increases in employment, changes in family income, and other impacts such as the increase in verbal abuse — did not seem to play out in negative effects on parents' mental health.

The bottom panel of Table 6.9 presents the findings on mothers' parenting behavior. Mothers reported on their warmth (how often they hugged, praised, and showed affection to the focal child) and their harsh parenting (how often they spanked, scolded, or got angry with the focal child). Jobs First appears to have reduced the incidence of harsh parenting, which should have positive implications on children's well-being. Parents were also asked about their supervision of their children at the time of the three-year interview. The questions concerning supervision asked about the extent to which parents knew about the child's activities (homework, TV-watching) and whereabouts (when they were arriving home, who they were with). Despite the increase in employment due to Jobs First, parents in both research groups reported similar levels of supervision of their focal children. Perhaps Jobs First parents were able to monitor their elementary-school-age children by relying on informal child care providers.

VIII. Impacts on Children's Outcomes

This section examines the effects of Jobs First on focal children ages 5 to 12 at the three-year follow-up. For these children, Jobs First increased the use of child care but had little impact on other aspects of the home environment — although the impacts that were found were positive (less harsh parenting and more cognitive stimulation in the home). This section examines how such impacts, along with the impacts on parents' employment and income, played out for children's well-being.

A. Parents' Reports of Academic Functioning, Social Behavior, and Health Outcomes for Focal Children

Jobs First may have benefited children by providing parents with greater resources during the first part of the follow-up period. However, it is unclear whether a limited period of income gain is sufficient to benefit children. As discussed earlier, Jobs First did increase children's use of child care, which may benefit children if that care provides a safe learning environment. Jobs First increased the proportion of parents reporting that the care was high quality, and there was some indication that Jobs First increased the proportion of children in stable care arrangements. This all bodes well for the effects of Jobs First on children. However, there were few effects on parents' parenting or children's home environments — two of the main pathways by which children may be affected by changes in parents' employment and income.

Box 6.4

Measures of Emotional Well-Being and Parenting Behavior

Depression. Maternal depression was measured from maternal responses to a 20-item CES-D (Center for Epidemiological Studies-Depression) scale.* Mothers were asked about the frequency of a set of 20 depressive symptoms over the last week. Sample items include how often mothers were “bothered by things,” “felt fearful,” and “had crying spells” during the past week. Maternal responses were collected on a score of 0 (“rarely or none of the time”) to 3 (“most or all of the time”). These items were summed, with a higher score indicating more depressive symptoms. The range of this score is 0 to 60. Mothers with scores at or above a threshold of 16 were considered at-risk of clinical depression.†

Aggravation. Aggravation in the parenting role includes maternal responses to six questions, each measured on a 4-point scale (ranging from “none of the time” to “all of the time”), including: “Is child harder to care for than most?” “Does child do things that really bother you?” “Have you felt you are giving up more of your life to meet your child’s needs?” and “Have you felt angry with your child?” A mean score of these items was created for the aggravation scale, with a higher score indicating more aggravation. A measure of high aggravation was also created if a mother scored at or above a score of 16.5 on a summary score created from the aggravation scale (ranging from 6 to 24).

Maternal warmth. Mothers were asked about the number of times they showed the focal child physical affection, praised the focal child for doing something worthwhile, and told another adult something positive about the focal child during the past week. These items were recoded to range from 1 to 4, with 4 indicating “very often.” The total score reflects the mean across these three items.

Harsh parenting. Mothers were asked about the number of times they spanked the focal child; scolded, yelled, or threatened the focal child; and got really angry at the focal child during the past week. These items were recoded to a scale ranging from 1 to 4 (with 4 indicating more frequent harsh parenting), from which a mean score was created.

Supervision. Mothers were asked a series of seven items about parental supervision of their children’s whereabouts and activities, including how often they knew who the focal child was with when he or she was away from home, knew where the focal child was when she was away from home, if the focal child arrived back home when she was supposed to, whether the focal child finished any homework, and what TV programs the child watched. For each item mothers responded on a 1-to-5 scale, where 1 indicated “almost never” and 5 indicated “always.” A mean score of these items was created, with a higher scores indicating greater parental supervision.

*Radloff, 1977.

†This is consistent with the work of Radloff, 1977.

1. School outcomes. The findings on children’s school outcomes are presented in the top panel of Table 6.10. Children’s average achievement in school was assessed using a 5-point scale ranging from “poor” to “very good.” In general, parents rated their children as performing well in school. Mothers also rated their children’s engagement in school. This scale includes items tapping the extent to which the child cares about school and does schoolwork. (See Box 6.5.) Jobs First had no impact on children’s achievement or engagement in school, on children’s school progress (with 15 percent of children in special education and 22 percent of children having ever repeated a grade), or on the proportion of children with any school suspensions.

Box 6.5

Measure of School Engagement

Engagement in school. Mothers were asked to react to four statements describing their child’s level of engagement in school, such as, (“My child cares about doing well in school”). Their responses could range from 1 (“not true”) to 3 (“often true”). The child’s engagement in school was measured by the sum of the mother’s responses ranging from 4 to 12, with a higher number indicating a higher level of school engagement.

2. Children’s behavioral outcomes. In addition to answering questions about their children’s academic functioning, parents reported on children’s social behavior and emotional adjustment. Positive as well as negative aspects of children’s behavior were assessed. Positive behaviors include children’s social interactions with peers. Behavior problems include both negative peer interactions (like beating up other children; also called “externalizing problems”) and problems with emotional adjustment (like depression and anxiety; also called “internalizing problems”). Details about the measures examined in this section are presented in the Box 6.6 and in Appendix G.

Findings on children’s behavioral outcomes are presented in the middle panel of Table 6.10. In general, parents reported relatively low levels of behavior problems and high levels of positive behavior for their children. The impacts of Jobs First on children’s behavior were small but consistently positive. Jobs First reduced total behavior problems as well as both externalizing and internalizing problems. At the same time, Jobs First had a small positive effect on children’s total positive social behavior. However, the program had no significant impact on the proportion of children rated as high on either behavior problems or positive behavior.

The bottom panel of Table 6.10 shows findings related to mothers’ ratings of children’s general health. Mothers rated their children’s health functioning on a 5-point scale ranging, where 1 is “poor” and 5 is “very good.” In general, parents rated their children’s health very highly, with 81 percent of families in the AFDC group indicating that their children’s health was good or very good. Although children in Jobs First were similar in average health to their AFDC peers, they were significantly more likely to be rated in good health. These findings are surprising, given that there were no significant effects of Jobs First on children’s health insurance coverage or on the recency of children’s visits to the doctor or dentist.

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Table 6.10

Impacts on School, Behavior, and Health at the Three-Year Follow-Up for Focal Children Aged 5-12 at the Three-Year Follow-Up

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>School outcomes</u>				
Average achievement	4.2	4.2	0.0	-0.3
Above average (%)	76.8	76.2	0.6	0.8
Below average (%)	4.9	6.2	-1.4	-22.1
Engagement in school ^a	10.8	10.6	0.1	1.1
Since random assignment, child (%):				
Ever in special education	15.3	14.0	1.2	8.9
Ever repeated a grade ^b	21.6	20.3	1.2	6.0
Ever suspended	7.8	9.1	-1.2	-13.5
<u>Behavioral outcomes^c</u>				
Total behavior problems	8.3	9.2	-0.9 **	-9.4
Externalizing subscore	4.1	4.5	-0.4 *	-9.3
Internalizing subscore	2.9	3.2	-0.4 **	-11.1
High behavior problems (%)	25.4	28.8	-3.4	-11.9
Total positive behavior	61.9	60.8	1.0 *	1.7
High positive behaviors (%)	26.2	26.1	0.0	0.0
<u>Health</u>				
General health	4.4	4.3	0.1	1.2
In good health (%)	84.5	81.2	3.3 *	4.1
Sample size (total = 1,469)	748	721		

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

NOTES: The sample includes children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aSee Box 6.5 and Appendix G for more information on this measure.

^bThis measure assesses whether the child has ever repeated a grade since kindergarten.

^cSee Box 6.6 and Appendix G for more information on this measure.

Box 6.6

Measures of Social Behavior and Emotional Adjustment

Behavioral Problems Index (BPI). Mothers responded to a series of questions designed to assess problem behavior of the focal child. The 28-item scale includes items such as “My child is disobedient at home” and “My child is too fearful or anxious,” and responses can vary from 0 (“not true”) to 2 (“often true”).* A total score was created as the sum of responses to all 28 questions.

Two subscales of behavior problems were also computed: The *externalizing subscale* measures the extent to which the child demonstrates more aggressive behavioral problems, such as bullying and cheating, and the *internalizing subscale* measures the extent to which the child feels unhappy, anxious, or depressed.

High behavior problems. Children who scored at the top 25th percentile on the total behavior problems score were scored as high on behavior problems.

Positive Behavior Scale (PBS). Mothers were asked a series of questions designed to measure positive aspects of the child’s behavior. This seven-item scale, developed by Polit,† includes items such as “My child is helpful and cooperative” and “My child is warm and loving,” and responses ranged from 0 (“not at all like my child”) to 10 (“completely like my child”). A total score was created as the sum of responses to the seven questions.

High positive behavior. Children who scored at the top 25th percentile on the positive social behavior score were scored as high on positive behavior.

*For details, see Peterson and Zill, 1986.

†Polit, 1996.

B. Teachers’ Reports of School Outcomes for Focal Children

In Jobs First, teachers as well as parents reported on the focal children’s school outcomes. A survey was conducted with a small subset of the focal children to gather information on teachers’ assessments of children’s academic functioning and behavior in school. The results for teacher-reported outcomes are presented in Table 6.11. The measures are described in detail in Box 6.7 and Appendix G.

Assessments of children’s academic functioning comprised 10 items on which teachers compared the performances of focal children with other students in the same classroom; both academic and motivational skills were assessed and were scored on a 5-point scale. Teachers also rated, on a scale from 1 to 5, children’s classroom skills, to assess their behavior in the classroom. Consistent with parents’ reports of academic outcomes, Jobs First had no impacts on teachers’ reports of children’s academic functioning, grade repetition, and classroom skills.

Teachers also rated children’s positive and negative behaviors on 5-point scales. As in the rating of children’s problem behaviors by parents, teachers’ reports assessed children’s externalizing behaviors (such as acting out and bullying) and their internalizing behaviors (such as being depressed and withdrawn); teachers’ reports also included items to assess children’s hyperactive-

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Table 6.11

Impacts on Teacher's Report of Children's School and Behavioral Outcomes at the Three-Year Follow-Up for Focal Children Aged 5-12 at the Three-Year Follow-Up

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>School outcomes</u>				
Repeated grade (%)	10.3	13.8	-3.5	-25.1
Academic functioning	3.0	3.0	0.0	0.3
<u>Classroom skills</u>				
Total classroom skills	3.8	3.8	0.0	0.7
<u>Positive behavior</u>				
Social competence	3.8	3.7	0.0	1.3
Compliance	3.6	3.6	0.1	1.5
Autonomy	3.5	3.5	0.1	2.2
<u>Behavior problems</u>				
Total behavior problems	2.2	2.2	0.0	-0.3
Frequency of disciplinary action	2.4	2.5	-0.1	-4.5
<u>Tardiness and absenteeism</u>				
Number of days tardy	3.0	4.1	-1.1	-27.5
Number of days absent	6.7	7.2	-0.4	-6.2
Sample size (total = 466)	244	222		

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

NOTES: The sample includes children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

See Box 6.7 and Appendix G for more information on all measures presented in the table.

ity. Children's positive behavior was rated on a 25-item scale that comprises three subscales: social competence (how well the child gets along with other children), compliance (the extent to which the child listens to what others ask), and autonomy (the extent to which the child is self-reliant). There were no significant impacts of Jobs First on any of the measures of teacher-reported behavior (or on any of the individual subscales; data not shown in table). Finally, there were no impacts on teachers' reports about the number of days in the school year that the child had missed school or been tardy.

Box 6.7

Measures of Child's School and Behavioral Problems, as Reported by Teacher

Academic Functioning Scale. Teachers responded to a series of questions designed to rate the child's performance relative to other students in the classroom. The 10-item scale includes items such as a ranking of reading skill, math skill, and intellectual functioning, and responses ranged from 1 ("bottom 10 percent") to 5 ("top 10 percent"). A total score was created as the mean of responses to all 10 questions.

Total Classroom Skills Scale. Teachers responded to a series of questions designed to rate the child's study skills and classroom behavior. The 12-item scale includes items such as "Complies with teacher requests" and "Behaves so as not to disturb peers," and responses ranged from 1 ("Almost Never") to 5 ("Almost Always"). A total score was created as the mean of responses to all 12 questions.

Positive Behavior Scale. Teachers responded to a series of questions designed to rate the child's level of positive behavior. The 25-item scale, which was divided into three subscales, includes items such as "Gets along well with other children" and "Is self-reliant," and responses ranged from 1 ("Never") to 5 ("All of the time"). The three subscales of the Positive Behavior Scale were: The 11-item social competence subscale, which measures children's social skills and regard for others; the 9-item compliance/self-control subscale, which measures children's complacency and impulsiveness; and the 5-item autonomy subscale, which measures children's self-reliance. For each of the subscales, a total score was created as the mean of responses to all items included within the respective subscale.

Total Behavior Problems Scale. Teachers responded to a series of questions designed to rate the child's level of negative behavior. The 18-item scale includes items such as "fights with others" and "threatens or bullies others," and responses ranged from 1 ("Never") to 5 ("All of the time"). A total score was created as the mean of responses to all questions, with higher scores meaning higher levels of behavior problems.

Frequency of Disciplinary Action. Teachers were asked, "How often do you take any disciplinary action regarding this student?" Responses ranged from 1 ("Never") to 5 ("Several times a week").

While Jobs First had small benefits on children's behavior as reported by parents, it had no impacts according to teachers' ratings of children's behavior. Given that there were also no impacts on school-related outcomes as reported by parents, it is not surprising that teacher-reported outcomes (which reflect children's functioning in school) were also nonsignificant. Differences in

parents' and teachers' ratings of behavior often reflect differences in children's behavior at home and in school.³² The two measures are not highly related to each other in this sample.³³

C. Impacts on Focal Children by Subgroups

This section presents impacts on two subgroups of focal children defined by (1) parent's level of disadvantage and (2) child's age.

1. Impacts of Jobs First by parent's level of disadvantage. As discussed in Chapter 4, impacts on employment were much larger for the most disadvantaged subgroup sample members without a high school diploma who had no earnings and were receiving welfare for two or more years at the time of random assignment) compared with the least disadvantaged subgroup (sample members without none of those risk factors). This section examines the impacts of Jobs First on child care, parenting and parental well-being, and child outcomes for the subgroups defined by level of disadvantage. The impacts are presented in Table 6.12.

Consistent with the patterns of employment across the three subgroups, the most disadvantaged subgroup had the lowest rates of child care use in the AFDC group, with 66 percent of children in care, compared with over 80 percent of children in care for the moderately and the least disadvantaged AFDC subgroups. Moreover, consistent with the patterns of impacts on employment, Jobs First had its largest impacts on child care use for this most disadvantaged subgroup — increasing the child care participation rates by 16 percentage points. This impact on child care use was due to a large increase (22 percentage points) in informal care arrangements provided primarily by relatives.

The effects of child care on child outcomes depend on the stability and quality of care. The findings in this area bode well for the effects of Jobs First for the most disadvantaged families, with a 17 percentage point impact on the proportion of children continuously in a particular type of care arrangement and a 13 percentage point impact on the proportion of children in care arrangements that the parents perceived as “high quality.” Thus, Jobs First increased stable child care and high-quality child care (as perceived by parents).

Despite these large differences in impacts on use of child care for the three subgroups of families, impacts on the proportion of children who had cared for themselves during the last two years are not significant and similar in magnitude (2 to 3 percentage points) across the three subgroups defined by level of disadvantage.

The middle panel of Table 6.12 shows impacts on the focal child's home environment and the parent's emotional well-being and parenting behavior. In general, for all three subgroups, Jobs First had no effect on these measures. With regard to parental depression, parents in the most disadvantaged subgroup in Jobs First were at greater risk than their AFDC counterparts, but there were no impacts for the other subgroups. It is possible that this impact is related to the

³²While the small sample for the teacher-reported outcomes offers another explanation for the lack of significant impacts on teacher-reported measures (and, in fact, the parent-reported measures are nonsignificant in this smaller teacher-reported subsample), the fact that the levels in the Jobs First and AFDC groups are so similar suggests that there are no effects rather than that there is a lack of power to detect them.

³³Correlation between parent and teacher ratings of children's academic performance is the highest — at .48 — while the two ratings of children's problem behaviors are correlated at .39, and the ratings by parents and teachers of children's positive behavior have the lowest correlation, at .27.

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Table 6.12

Summary of Impacts on Child Care and Child Outcomes at the Three-Year Follow-Up for Focal Children Aged 5-12 at the Three-Year Follow-Up, by Level of Disadvantage

Outcome	Least Disadvantaged			Moderately Disadvantaged			Most Disadvantaged			Variation in Subgroup Impacts
	Jobs First Group	AFDC Group	Difference ^a	Jobs First Group	AFDC Group	Difference ^a	Jobs First Group	AFDC Group	Difference ^a	
<u>Child care, months 24-36 (%)</u>										
Ever any child care	93.7	85.3	8.5 **	85.9	81.5	4.4 *	81.7	65.5	16.2 ***	
Ever any informal care ^b	84.3	77.9	6.4	75.4	72.0	3.5	77.5	55.7	21.8 ***	**
Ever any formal care ^b	51.1	35.9	15.2 **	41.2	38.2	3.0	29.8	27.1	2.6	
<u>Child care stability and quality^c (%)</u>										
Any care continuously for 6 months	90.6	85.4	5.2	78.8	75.2	3.7	71.4	54.8	16.6 ***	
Perception of high-quality care	70.1	61.8	8.3	59.1	53.5	5.6 *	52.5	39.6	12.9 *	
<u>Self-care (%)</u>										
Ever in self-care in last two years	6.6	3.7	2.9	7.4	5.2	2.2	6.8	3.9	2.9	
<u>Children's home environment</u>										
Total HOME score ^d	81.4	80.7	0.8	80.5	80.7	-0.2	79.3	78.4	0.9	
At risk of clinical depression ^e (%)	36.1	30.2	5.8	32.0	34.7	-2.7	43.0	31.5	11.5 *	*
Harsh-parenting scale ^e	1.7	1.7	0.0	1.6	1.7	-0.1 **	1.6	1.7	-0.1	
Warmth scale ^e	2.8	2.9	-0.1	2.8	2.9	-0.1	2.8	2.8	0.0	
Supervision scale ^e	4.8	4.8	0.0	4.8	4.8	0.0	4.8	4.8	0.0	
<u>Children's outcomes</u>										
Average academic achievement	4.2	4.3	-0.1	4.2	4.2	0.0	4.2	4.3	0.0	
Below-average academic achievement (%)	6.8	6.1	0.6	4.5	6.6	-2.1	3.8	5.5	-1.8	
Total behavior problems ^f	8.3	9.3	-1.0	8.3	9.0	-0.6	8.1	9.9	-1.9 *	
Externalizing problems ^f	4.1	4.5	-0.4	4.2	4.4	-0.3	3.9	5.1	-1.2 **	
Internalizing problems ^f	2.8	3.3	-0.5	2.9	3.1	-0.2	2.9	3.4	-0.6	
Total positive behavior ^f	60.9	60.8	0.0	62.1	61.0	1.1	61.9	60.6	1.3	
Sample size (total = 1,469)	110	142	252	506	468	974	132	111	243	

(continued)

Table 6.12 (continued)

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

NOTES: The sample includes focal children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

^aSample size in this column is the sum of the AFDC group and the Jobs First group sample sizes.

^bSee Box 6.1 for more information on this measure.

^cSee Box 6.2 for more information on these measures.

^dSee Box 6.3 and Appendix G for more information on this measure.

^eSee Box 6.4 and Appendix G for more information on these measures.

^fSee Box 6.6 and Appendix G for more information on this measure.

higher level of employment experienced by the Jobs First group relative to the AFDC group. However, it is notable that this increase in depression was not playing out in negative effects on parents' interactions with their children.

How have the large increases in employment and relative care arrangements affected children's development? The bottom panel of Table 6.12 presents impacts (based on parental reports) on children's achievement and behavioral outcomes for the three subgroups. Although no impacts across all three subgroups are statistically significant, significant reductions in problem behavior (as reported by parents, and particularly regarding children's externalizing problem behavior) were found for the children in the most disadvantaged subgroup. For the other two subgroups, the effects are in the same direction but are not statistically significant.

These findings suggest that, despite the large increases in employment and child care due to Jobs First for the most disadvantaged subgroup, the impacts on measures of children's well-being in this and the other subgroups are similar.

2. Impacts of Jobs First by child's age. Table 6.13 presents impacts for younger and older focal children. Research on the effects of poverty on children has suggested that income may have stronger positive effects during the preschool years than during the elementary school or adolescent years.³⁴ If this is the case, we might expect stronger positive effects of Jobs First on younger rather than older focal children, since the younger children were preschool-age at the time of parents' enrollment in the study and the older focal children were in early elementary school.

Impacts on the use of child care were similar across the two age subgroups during the last year of follow-up, with Jobs First primarily increasing the use of informal care arrangements. However, increases in parents' perceptions of high-quality care were more pronounced for younger than for older children. Notably, increases in self-care are statistically significant only for the older children.

Impacts on the focal child's home environment and the parent's emotional well-being and parenting behavior are generally similar for the two age subgroups. However, although benefits to children are generally not statistically significantly different for the two subgroups, they are more pronounced for the younger than for the older focal children. For the younger subgroup, but not the older one, Jobs First reduced the proportion of children performing below average in school. Jobs First also reduced both externalizing and internalizing problem behaviors for the younger subgroup. For the older subgroup, effects on children's behavior are in the same direction but are not statistically significant.

The fact that the few benefits of Jobs First for children were more pronounced for younger focal children than for older focal children is consistent with research on the effects of income and poverty on children.

3. Impacts on other subgroups. Jobs First's impacts on focal children in three other subgroups were also examined but are not presented here. These subgroups were defined by race/ethnicity (white, black, Hispanic); welfare status (applicant, recipient); and city of residence (Manchester, New Haven). Findings are presented in Appendix I. For the race/ethnicity subgroups, the benefits for children due to Jobs First were somewhat more pronounced for whites

³⁴Duncan and Brooks-Gunn, 1997.

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Table 6.13

**Summary of Impacts on Child Care and Child Outcomes at the Three-Year Follow-Up
for Focal Children, by Age Group**

Outcome	Younger Focal Children ^a			Older Focal Children ^b			Variation in Subgroup Impacts
	Jobs First Group	AFDC Group	Difference ^c	Jobs First Group	AFDC Group	Difference ^c	
<u>Child care, months 24-36 (%)</u>							
Ever any child care	88.2	80.3	7.8 ***	85.0	78.2	6.9 **	
Ever any informal care ^d	77.0	70.8	6.2 **	77.8	69.6	8.2 **	
Ever any formal care ^d	42.1	37.9	4.3	39.3	33.2	6.2	
<u>Child care stability and quality^e (%)</u>							
Any care continuously for 6 months	82.1	76.3	5.8 **	77.1	69.9	7.2 **	
Perception of high-quality care	66.7	56.2	10.5 ***	52.5	47.8	4.7	
<u>Self-care (%)</u>							
Ever in self-care in last two years	1.6	0.7	0.9	13.7	9.4	4.3 *	
<u>Children's home environment</u>							
Total HOME score ^f	80.2	80.1	0.1	80.8	80.7	0.1	
At risk of clinical depression ^g (%)	32.4	32.6	-0.2	36.4	35.0	1.4	
Harsh-parenting scale ^g	1.7	1.8	-0.1	1.6	1.7	-0.1 *	
Warmth scale ^g	2.9	2.9	0.0	2.8	2.8	0.0	
Supervision scale ^g	4.9	4.9	0.0	4.7	4.7	0.0	
<u>Children's outcomes</u>							
Average academic achievement	4.3	4.3	0.0	4.1	4.1	0.0	
Below-average academic achievement (%)	3.3	6.9	-3.6 **	6.5	5.6	0.9	*
Total behavior problems ^h	7.9	9.1	-1.2 **	8.7	9.3	-0.6	
Externalizing problems ^h	3.9	4.4	-0.5 *	4.3	4.7	-0.3	
Internalizing problems ^h	2.8	3.3	-0.6 **	3.0	3.2	-0.2	
Total positive behavior ^h	62.0	61.0	1.0	61.8	60.5	1.2	
Sample size (total = 1,468)	392	412	804	356	308	664	

(continued)

Table 6.13 (continued)

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

NOTES: The sample includes focal children ages 5-12 at the time of the three-year interview.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

^aThese children were 2-5 at random assignment and 5-9 at the three-year follow-up.

^bThese children were 6-9 at random assignment and 9-12 at the three-year follow-up.

^cSample size in this column is the sum of the AFDC group and the Jobs First group sample sizes.

^dSee Box 6.1 for more information on this measure.

^eSee Box 6.2 for more information on these measures.

^fSee Box 6.3 and Appendix G for more information on this measure.

^gSee Box 6.4 and Appendix G for more information on these measures.

^hSee Box 6.6 and Appendix G for more information on this measure.

than for blacks and Hispanics, although differences across subgroups are generally not statistically significant. With regard to the impacts by welfare status and site, differences in impacts emerged in some cases for the use of child care (particularly with regard to impacts for applicants versus recipients); the patterns of impacts on children's home environments and children's outcomes are similar across the subgroups.

IX. Impacts on Adolescents' Outcomes

Data from the Three-Year Client Survey also allows us to examine how Jobs First may have affected adolescents. In a recent comparison of two evaluations — one with a time limit and the other with an earnings supplement — scattered negative effects on adolescent children were found.³⁵ In the earnings supplement program, adolescents were more likely to be drinking and smoking, although only half of the adolescents responded to the survey; and in the time-limited program, adolescents were doing slightly worse in school and were more likely to be suspended. Moreover, in a third study (of the effects of earnings supplements and participation mandates), adolescents in families who had recently applied to the welfare system were doing more poorly in school on several measures, although no differences were found for adolescents in families who had been receiving welfare for a longer period of time.³⁶ Jobs First contributes to these emerging findings about the potential detrimental effects of welfare and employment policies on outcomes for adolescents.

1. School outcomes. Table 6.14 presents the data on outcomes for all adolescents age 13 to 17 in the survey sample. As with the elementary-school-aged children, adolescents' achievement was assessed on a 5-point scale ranging from 1 ("poor") to 5 ("very good"). Parents reported that, in general, very few adolescents (8 percent in the AFDC group) were performing below average in school. However, 27 percent in the AFDC group were reported to have been suspended since random assignment (only 2 percent had been expelled). Sixteen percent of adolescents in the AFDC group children had received special education services, and 29 percent had repeated a grade since random assignment.

On a couple of measures of school outcomes, adolescents in the Jobs First group scored more poorly than those in the AFDC group. On average, adolescents in Jobs First had lower parent-reported achievement in school than adolescents in the AFDC group, and they were more likely to be performing below average in school. Jobs First had no impacts on the proportion of adolescents who were suspended or expelled or on the proportion who ever repeated a grade or received special education services.

These negative effects on school outcomes are consistent with findings from the programs mentioned earlier, and they suggest that programs with the goal of moving parents into employment may, indeed, have negative effects on adolescent's school achievement.

2. Police involvement and fertility outcomes. Parents also reported on adolescents' police involvement. Parents were asked whether their adolescent children had ever been arrested

³⁵Morris et al., 2001.

³⁶Gennetian and Miller, 2000.

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Table 6.14

Summary of Impacts on Child Outcomes at the Three-Year Follow-Up for All Children Aged 13-17 at the Three-Year Follow-Up

Outcome	Jobs First Group	AFDC Group	Difference (Impact)	Percentage Change
<u>School outcomes</u>				
Average achievement	3.7	3.9	-0.3 ***	-6.6
Below average (%)	12.7	7.9	4.8 **	60.5
Since random assignment, child (%):				
Ever in special education	19.7	15.5	4.2	27.0
Ever repeated a grade ^a	32.2	29.0	3.2	11.2
Ever suspended	27.3	27.4	-0.1	-0.4
Ever expelled	3.9	2.2	1.6	73.4
<u>Police involvement outcomes (%)</u>				
Since random assignment, child:				
Ever arrested	8.9	11.9	-3.0	-25.4
Ever found guilty	4.2	8.1	-3.9 **	-48.0
<u>Fertility outcome (%)</u>				
Since random assignment, child:				
Ever had a baby	4.2	3.3	0.9	28.4
Sample size (total = 1,070)	578	492		

SOURCE: MDRC calculations using data from the Three-Year Client Survey.

NOTES: The sample includes children ages 13-17 at the time of the three-year interview.

A two-tailed t-test is applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Results in this table were weighted to make them more representative of the full sample.

^aThis measure assesses whether the child has ever repeated a grade since kindergarten.

or convicted, for any offense other than minor traffic violations.³⁷ Of adolescents in the AFDC group, 12 percent had been arrested, and 8 percent had been convicted of an offense since random assignment. Despite the negative effects of Jobs First on school outcomes for adolescents, the program significantly reduce (by almost 4 percentage points) the proportion of adolescents ever convicted of an offense, although the rates of convictions for both groups are very low. Finally, parents were asked whether their teenage children had had any children of their own. In both the AFDC and the Jobs First groups, less than 5 percent of teenagers had had a baby during the follow-up period. While the findings with regard to adolescents' school outcomes are consistent with other welfare evaluations, these benefits are not. In the studies cited earlier, the programs had no impacts, either positive or negative, on adolescents' major delinquency, including their police involvement.

These findings suggest that Jobs First may have had some negative consequences for older children's school functioning but may have had positive effects on their behavior. The negative effects of Jobs First on school outcomes for adolescents add to the growing set of studies suggesting that older children may face increased difficulties in school when parents go to work. Several hypotheses were laid out by the authors of those studies to explain the negative effects. For one, researchers pointed to the lack of supervision that adolescents experienced when single parents increased their employment.³⁸ Interestingly, however, what sets apart Jobs First from previous studies is that it increased child care use for adolescents as it increased employment; therefore, the lack of supervision of adolescents is less likely an explanation for the reductions in school achievement observed in this study. Notably, though, the supervision in Jobs First was provided through informal care arrangements — and research has linked formal care (like structured after-school programs) to benefits for adolescents, rather than informal care.³⁹ Whether these informal arrangements were responsible for the observed reduction in crime is unclear.

X. Conclusion

For elementary-school-age children, Jobs First increased the use of child care, particularly informal care by relatives, but it had few impacts on children's home environments, family relations, and functioning (although a couple of impacts suggest positive effects). While there is some concern that a time-limited welfare program might increase parental stress or depression, there is no evidence of such negative effects from Jobs First overall, at least during the three-year follow-up. At the same time, however, declines in welfare payments and increases in employment did not produce consistent positive outcomes for families. In sum, it is still unclear what the long-term effects of time limits may be.

Children in the AFDC and Jobs First groups were performing similarly in school, based on a variety of measures provided by both parents and teachers. The only differences between the two groups were in children's behavioral outcomes: Children in Jobs First were rated by parents (but not teachers) as demonstrating fewer behavior problems and more positive behaviors

³⁷Although all families were asked whether any of their children between the ages of 10 and 17 had been involved with the police since random assignment, only children in families with a focal child were asked about arrests and convictions. For this reason, the sample sizes for measures of police involvement are smaller than those for the measures of school achievement and fertility.

³⁸Morris and Michalopoulos, 2000; Bloom et al., 2000a; Morris et al., 2001.

³⁹Posner and Vandell, 1994, 1999.

than their AFDC peers, and these effects were most pronounced for the youngest focal children — those who were preschoolers when their parents entered the program.

Recent research on the effects of welfare and employment programs on elementary-school-age children has found that programs that increase income and employment (throughout two to three years of follow-up) may benefit children.⁴⁰ As in these other welfare and employment programs, few changes were observed in children's home environments to account for the positive effects on children, although family income increased. Benefits in these other programs were hypothesized to reflect the increase in formal, structured care arrangements. In this study, fewer benefits to children were observed, even though parents again experienced an increase in income. Perhaps the period of time that parents experienced the increase in income due to Jobs First was not sufficiently long to bring about strong positive changes in children's development.

Jobs First also provides information about the effects on children of a time-limited welfare program. It is unclear whether the time limit, with the increased stress it places on parents, may have reduced some of the positive effects of the earnings supplement on children, even beyond the time limit's effect of reducing the increase in family income. A previous study of time-limited welfare conducted in Florida found few effects on children,⁴¹ although it was not clear whether the lack of effects was due to the time limit or to the modest size of the earnings disregard that was linked to it. The Jobs First evaluation adds an important piece to this puzzle, by examining the effects of a time limit when combined with a generous earnings disregard and by finding that such a combination leads to a few positive effects for children.

It is reassuring that the development of early-school-age children was not adversely affected by Jobs First in the short term. At the same time, these findings, along with those from the time-limited welfare program in Florida,⁴² suggest that coupling a time limit with a generous earnings disregard may benefit children more than a program that combines a time limit with a modest disregard.

The effects of Jobs First on adolescents were more mixed. Although the program decreased the proportion of adolescents convicted of a crime (according to maternal reports), there is some suggestion that Jobs First had negative effects on parental report measures of adolescents' school outcomes: Adolescents were performing worse in school, although there were no differences between the Jobs First and AFDC groups on other measures of school functioning. Moreover, Jobs First had no effect on fertility outcomes. It is unclear how important parental reports of achievement are for adolescent development, although reductions in convictions likely have long-term benefits.

Other welfare and employment programs have also been found to produce negative effects on adolescents.⁴³ Explanations for some of these findings have centered on the lack of supervision that adolescents may experience when single parents go to work.⁴⁴ However, in Jobs

⁴⁰Morris et al., 2001.

⁴¹Bloom et al., 2000a.

⁴²Bloom et al., 2000a.

⁴³Gennetian and Miller, 2000; Morris et al., 2001.

⁴⁴It is not clear from the available analyses whether or not this is a potential explanation for the findings in the Minnesota Family Investment Program (MFIP). Other possible explanations include the greater household responsibilities that adolescents have when their single parents go to work (Morris and Michalopoulos, 2000).

First, parents seem to have relied on relatives for child care, even for their adolescent children, making it less likely that adolescents were unsupervised during after-school hours. While informal child care arrangements may not provide all the benefits of structured arrangements for adolescents, they may keep adolescents off the streets and prevent interaction with peers who may engage in delinquent behavior.

In sum, neither the greatest fears nor the greatest hopes regarding time-limited welfare programs were realized in this study: Young children were generally not harmed by a program that included a time limit along with an enhanced earnings disregard. At the same time, the positive effects of the program were limited to a single area of child functioning. The findings suggest that time limits can be instituted in such a way that they have minor effects (and, in fact, some positive effects) on young children's development. The long-term story, however, has yet to unfold.

Chapter 7

The Costs and Benefits of Jobs First

Preceding chapters describe the implementation of the Jobs First program and its effects on sample members and their families. In sum, Jobs First increased participation in work-promoting activities such as job club and had positive effects for participants, including higher earnings and income. The program did not, however, decrease cash assistance payments, and it actually slightly increased Food Stamp payments. (Overall, Jobs First had little impact on the well-being of participants' children, although the effects that were found were slightly positive for younger kids and mixed for adolescents.) This chapter presents an analysis of the cost of providing Jobs First services and producing those positive effects. Then it uses the results of the cost analysis to examine the net financial benefits and costs of Jobs First from the perspective of four groups: individuals subject to the program (the Jobs First group), the government, individuals in society not subject to the program, and society as a whole. The benefit-cost analysis includes key financial effects discussed in earlier chapters, such as effects on earnings, cash assistance payments, and Food Stamp payments; and it expands the scope to consider such effects as fringe benefits from employment, unemployment insurance (UI) benefits, and Medicaid payments.

The analyses presented in this chapter were designed to answer the following main questions:

- What was the cost of providing Jobs First services, over and above the cost that would have been incurred in the absence of the program?
- What were the costs of the different components of Jobs First, including employment-related activities, support services, and post-time-limit services?
- How much of Jobs First's cost was paid for by Jobs First agencies and how much was picked up by other community agencies?
- From the perspective of welfare recipients in the program, did Jobs First result in net financial gains or losses?
- From a budgetary standpoint, did Jobs First result in net costs or savings?

After a summary of findings, Sections II through VII present details on the analysis of the costs of running Jobs First. Beginning with Section VIII, the rest of the chapter discusses the financial benefits of Jobs First and compares the benefits and costs of the program from the four perspectives identified above.

I. Summary of Findings

The main findings presented in this chapter include the following:

- **Jobs First was moderate in cost: The program's gross cost over a five-year follow-up period was \$8,040 per Jobs First group member.**

The costs presented in this chapter consist of all costs associated with providing employment services and related support services to sample members as well as the cost of the Safety Net program. The gross cost per Jobs First group member consists of costs paid by the Jobs First agencies (including the welfare department) and non-Jobs First agencies while sample members were enrolled in the program as well as costs for employment and support services after they exited it and left the welfare rolls. Jobs First agencies paid about 84 percent of the gross cost of these services; the remainder was paid by schools and other agencies.

Jobs First's gross cost is in the midrange of employment-focused program costs estimated in other MDRC evaluations of welfare-to-work programs. Although total program costs were similar to other studied programs, support service costs — specifically, child care subsidies to working sample members on and off cash assistance — were particularly high, while the program operating costs (the costs of employment-related activities) were relatively low. This is not surprising, given the combination of low-cost, short-term program activities and relatively generous child care subsidies.

- **The net cost of Jobs First, over and above what was spent on the AFDC program, was about \$2,250 per person.**

The net cost per Jobs First group member is the gross cost per Jobs First group member minus what would have been spent in the absence of Jobs First — that is, the gross cost per AFDC group member for AFDC services. The gross cost per AFDC group member was \$5,790, nearly three-fourths the Jobs First gross cost. Approximately two-fifths of the net cost per Jobs First group member were spent on employment services, while three-fifths were spent on related support services and the Safety Net program. This net cost is relatively low compared with net costs found in other MDRC evaluations.

- **The benefit-cost findings show that Jobs First benefited participants: Over five years, program group members experienced considerable gains in income and services. These participant gains exceeded the government's investment in the program.**

Over five years, relative to the AFDC group, Jobs First group members gained just over \$2,900 per person in income from earnings, the Earned Income Credit (EIC, less payroll and sales taxes), and Food Stamps, and they gained nearly \$2,300 per person in nonmonetary benefits and support services, including Medicaid and child care. The total value of the increases in earnings, transfer programs, and services was about \$5,700, while the net loss to the government per Jobs First group member — in other words, the *net government investment* — was about \$4,200. Thus, the net government loss was considerably smaller than the net gain per Jobs First group member, indicating that Jobs First was a relatively efficient program. Said another way, the net gain per Jobs First group member was about \$1.30 per each net dollar invested in the program.

- **The benefit-cost findings indicate that Jobs First benefited disadvantaged sample members considerably more than sample members without barriers to work.**

Jobs First group members who were moderately disadvantaged at the time of study entry experienced the largest gains in income and services. However, from the government budget per-

spective, the program was most efficient for the most disadvantaged subgroup, largely because of substantial transfer program savings that were not found in the other two subgroups, the moderately and the least disadvantaged sample members.

II. Issues in the Cost Analysis

The primary purpose of the cost analysis is to estimate the cost of Jobs First services, over and above the cost that would have been incurred in the absence of the program — that is, to estimate the average *net cost per Jobs First group member*. The net cost is the difference between the average cost per Jobs First group member and the average cost per AFDC group member of (1) all services that sample members used in the Jobs First and AFDC programs and (2) the education and training services that they used outside the programs, when they were no longer receiving cash assistance. In other words, the cost for the AFDC group is the benchmark to determine the additional costs incurred as a result of Jobs First. Costs were estimated for the five-year period following sample members' entrance into the study. Later in the chapter, to assess whether Jobs First has been cost-effective from the perspective of the government's budget, this five-year net cost is compared with the value of any tax revenue increases associated with the additional earnings of Jobs First group members.¹

As mentioned earlier, the Connecticut Department of Social Services (DSS) is responsible for administering the state's welfare system. Prior to July 1998, DSS also maintained responsibility for providing employment-related services to cash assistance recipients. After that date, responsibility for administering these activities was shifted to the Connecticut Department of Labor (DOL), which now administers employment services through a network of agencies known as the CTWorks system. In this chapter, expenditures by both DSS and DOL are referred to as *Jobs First agency expenditures*. This analysis separates expenditures made by Jobs First agencies from those made by other agencies, such as schools in the community, because such information may be useful to administrators and planners who want to understand the government's investment in Jobs First.

The costs presented here include the costs of the Jobs First and AFDC program services as well as the costs of employment-related services that sample members used outside the programs when they were not receiving AFDC or Temporary Family Assistance (TFA). The off-welfare costs are important because they represent an additional investment of resources that could have differentially affected Jobs First and AFDC group members' future earnings and AFDC/TFA receipt (effects that are accounted for in the benefit-cost analysis).

This cost analysis differs in several key respects from others conducted as part of MDRC evaluations of welfare-to-work programs. First, unlike many welfare-to-work programs previously evaluated by MDRC, the control group in this evaluation was subject to a welfare-to-work program. In the Jobs First evaluation, the control group (the AFDC group) was subject to the

¹Typically, welfare-to-work programs are expected to generate savings to the government as a result of reductions in transfer payments. Since Jobs First did not decrease cash assistance on average over the four-year follow-up period for the impact analysis, the program did not have this effect.

welfare rules that existed before Jobs First was implemented, and thus some of its members were required to participate in welfare-to-work activities. Chapter 2 notes some important differences between the two programs: AFDC group members were subject to broader exemption rules than the Jobs First group; they were not required to participate in the specific Jobs First activity sequence; and the program mandates were not strongly enforced for them. As a result, the AFDC group had somewhat lower overall participation than the Jobs First group, particularly in Jobs First-specific activities like Job Search Skills Training (JSST). However, since Jobs First was the statewide employment services model, *participants* in both research groups received employment services from the same providers. Thus, this analysis assumes that the costs of participating in specific activities were the same for the two research groups.

Second, as noted, a major change in the administration of the Jobs First program occurred in mid-1998: Responsibility for providing employment-related services to cash assistance recipients was shifted from DSS to DOL. Typically, expenditure data from one relatively stable year of program operations are used to estimate program costs. However, in order to make this analysis sensitive to the programmatic changes that occurred during follow-up, the costs in this chapter were estimated using expenditure data from two different steady-state periods: (1) July 1997 to June 1998 and (2) July 1999 to June 2000. The former year represents a period of relatively stable program operations during the time that employment services were administered by DSS, while the latter represents a period of stable program operations during the time that the services were administered by DOL. Expenditures for the first steady-state year were used to develop program costs for the period from random assignment to July 1998, while expenditures for the second steady-state year were used to develop program costs for the period from July 1998 through the end of follow-up. The total cost per sample member is the sum of these two costs. For ease of discussion, Jobs First agency costs include program costs to both departments. Unit costs (described below) are presented separately for each time period, while the gross and net program costs always include the total costs incurred by both departments over the five-year follow-up period.

The *unit cost* of an activity is an estimate of the average cost of serving one person in a specified activity for a specified unit of time (such as one month or, in the case of short-term activities, one “spell”). In general, unit costs in this analysis were calculated by dividing expenditures for an activity (or service) during the steady-state period by the total number of *participant-months* in that activity during the same period. The number of participant-months was obtained by counting the number of participants in that activity in each month of the steady-state period and summing across the months. In some cases, monthly expenditure and participation data were not available, and so unit costs were calculated by dividing expenditures for an activity (or service) during each steady-state year by the total number of participants in that activity during the same period to determine the cost *per participant*.

Once the unit cost of an activity was determined, it was multiplied by the *behavioral variable* specific to that activity — either the average number of months that sample members spent in the activity or the percentage of sample members who participated in the activity — to determine the average cost incurred per Jobs First group member or AFDC group member during the follow-up period. Just as expenditure data were collected for the two steady-state years to capture the different costs of program activities before and after July 1998, separate behavioral

variables were calculated, using the Three-Year Client Survey data, for the two time periods. The behavioral variables used in this analysis cover the five-year period following each sample member's entry into the study. Because five full years of data were not available, the data that were available were used to project the behavioral variables to five years. (Three years of participation data were available from the 36-month survey, and welfare and child care payment records were available for nearly five years for many sample members. The following sections provide more detail on the projections.)

As was true in estimating program impacts in earlier chapters, all Jobs First group members and AFDC group members — not just those who participated in employment services — were included in calculating the net cost. The requirement to participate may have affected some recipients' behavior; for example, some people may have chosen to avoid the participation mandate by finding a job on their own or by leaving the AFDC/TFA rolls. In addition, sample members who did not participate in *program* services may have taken part in education and training services on their own. Moreover, the sample includes some people who were applying for cash assistance at the time of random assignment. Individuals who were not approved to receive assistance would not have incurred costs for Jobs First or AFDC, but excluding these sample members could introduce bias into the cost analysis because Jobs First might have influenced which types of people received assistance.

III. Major Components of the Cost Analysis

Figure 7.1 illustrates the cost components in the present analysis and summarizes the cost estimates for each component. For each research group, costs were calculated for employment-related services that sample members took part in when they were receiving AFDC/TFA and for employment-related services that sample members participated in when they were not receiving AFDC/TFA. The two categories of employment-related services are divided into those that were paid for by Jobs First agencies, either directly or indirectly, and those that were paid for by other agencies in the community. Costs were also calculated for the post-time-limit Safety Net program.² (Following sections describe the services that each category encompasses.)

The rest of the cost analysis is organized to move through the boxes in Figure 7.1 beginning with employment-related service costs for the Jobs First group and the AFDC group (boxes 1 and 5) and ending with the net cost per Jobs First group member (box 8), which is the sum of the Jobs First costs less the costs of AFDC.

IV. Expenditures for Employment-Related Services While Sample Members Received AFDC/TFA (Figure 7.1, Boxes 1 and 5)

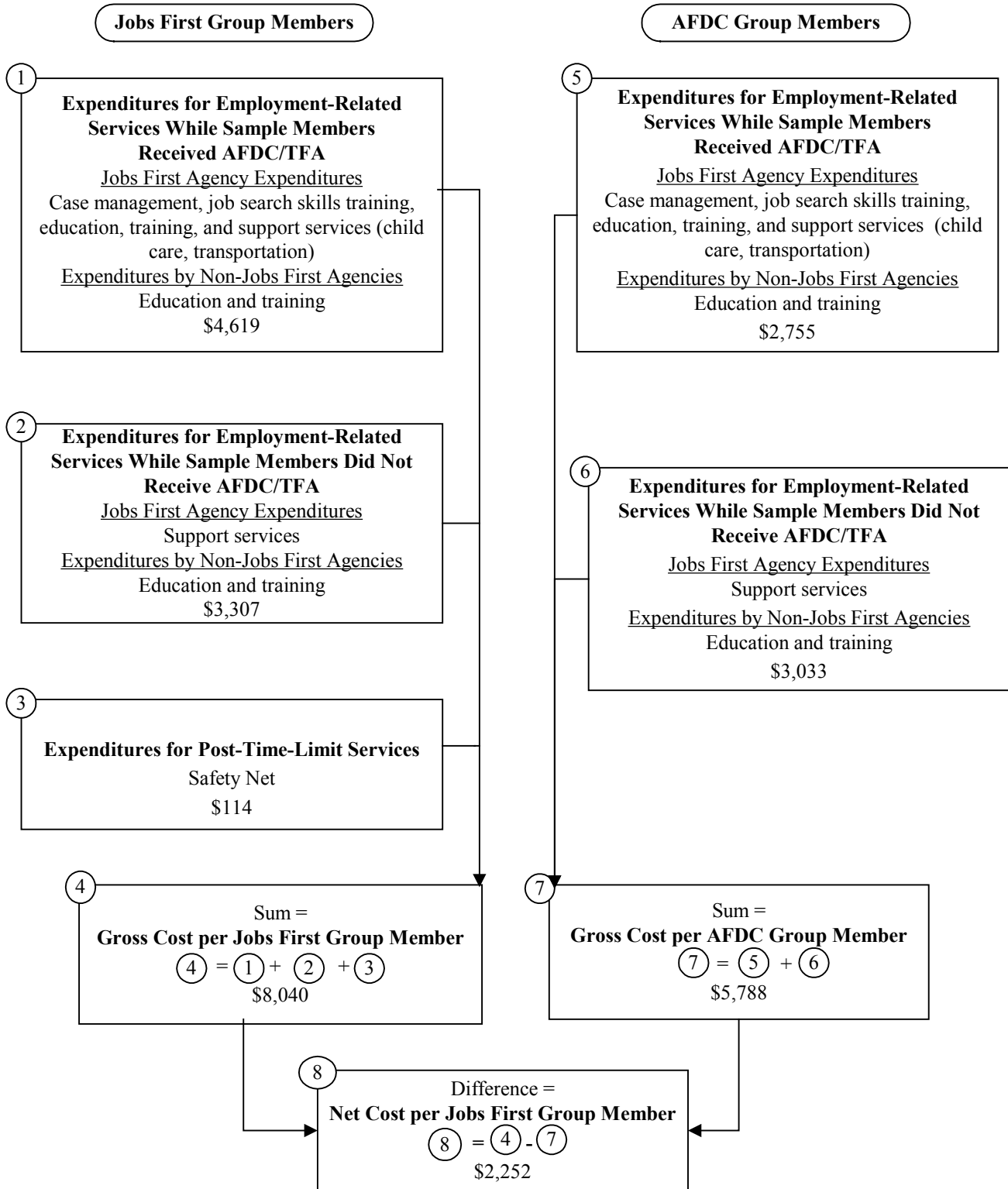
A total of \$4,619 was spent per Jobs First group member for employment-related services that sample members took part in when they were on cash assistance; \$2,755 was spent per

²Due to data limitations, this analysis does not include an estimate of the cost of the time-limited rental assistance program.

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Figure 7.1

Major Components of Gross and Net Costs



AFDC group member (see Figure 7.1, boxes 1 and 5). For both groups, most of these dollars were spent by Jobs First agencies, with the remainder being picked up by various other agencies in the community. This section examines these expenditures in more detail.³

A. Expenditures by Jobs First Agencies

Jobs First agency costs consisted of program operating costs and the costs of support services that sample members received to enable their participation in employment and employment-related activities. Summing the operating costs and support service costs (presented below) shows that these agencies spent about 70 percent more per Jobs First group member than per AFDC group member on employment-related services while sample members received AFDC/TFA benefits (\$3,971 per Jobs First group member, compared with \$2,329 per AFDC group member; these summary numbers are presented in the first column of Table 7.2.)

1. Operating costs. Jobs First agencies paid for day-to-day Jobs First and AFDC program operating costs, including expenditures for employment-related case management services, overhead, and other activities. These expenditures cover services provided directly by DSS and DOL staff as well as services provided by other agencies under contract. During the first steady-state period (July 1997 through June 1998), DSS staff conducted the initial program orientation and monitored clients' participation in Self-Directed Job Search (SDJS). At the time, DSS had contracts with community agencies to provide JSST and occupational training to those recipients who did not become employed after a few months of job search. Jobs First agencies also contributed funds to the statewide Coordinated Education and Training Opportunities (CETO) program, which provided basic education for welfare recipients. Lastly, Jobs First agencies also funded Individual Performance Contract (IPC) services through a contract with the United Way of Connecticut-Infoline. (The IPC program is described in detail in Chapter 3.)

Two main categories of expenditure data were collected from DSS for Jobs First operating costs during the first steady-state period: expenditures for DSS staff (and related overhead) and contracted expenditures. Because of data limitations, operating costs for individual components (activities) could not be calculated accurately, and thus costs were calculated for two categories of expenditures: *case management* and *employment-related activities*.⁴ As shown in Table 7.1, the cost to DSS of providing one month of case management in either program was \$12, and the cost of providing one month of service in any employment-related activity in the Jobs First

³Note that this analysis does not include the cost of employment services provided by the Connecticut Council of Family Service Agencies (CCFSA) from November 1997 to September 1998 to Jobs First sample members who were granted extensions after 21 months of welfare receipt. Due to data limitations, it is impossible to calculate with precision either the proportion of Jobs First sample members referred for these services or the cost per sample member referred. However, by substituting a unit cost for similar services and using county participation data as a proxy behavioral variable for the sample, it was possible to estimate an approximate cost for these services. The resulting cost per sample member — approximately \$40 — was negligible. Thus, it is not likely that including the cost of these services would significantly affect the cost estimates presented in this chapter.

⁴Case management costs include the costs of providing services pertaining to employment and training, such as assessment, employment plan development, brokering services, and referrals to education and training providers. Case management costs do not include the cost of administering transfer programs. These costs are captured in Table 7.6.

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Table 7.1

Estimated Unit Costs for Program Services, by Program (in 1999 Dollars)

Program and Service	Jobs First Agency Unit Cost		Non-Jobs First Agency Unit Cost	
	Pre-1998 Cost per Month (\$)	Post-1998 Cost per Month (\$)	Pre-1998 Cost per Month (\$)	Post-1998 Cost per Month (\$)
<u>Jobs First Program</u>				
Case management	12	57	0	0
Employment-related activities	301	269	331	417
<u>AFDC Program</u>				
Case management	12	57	0	0
Employment-related activities	281	274	244	401

SOURCES: MDRC calculations based on fiscal and participation data from the following sources: the State of Connecticut Department of Social Services, the State of Connecticut Department of Labor, the State of Connecticut Board of Adult Education, Connecticut Regional Vocational-Technical School System, specific postsecondary education institutions attended by sample members, and MDRC Three-Year Client Survey.

NOTE: Case management costs include the costs of providing services pertaining to employment and training such as assessment, employment plan development, brokering services, and referrals to E&T providers. Case management costs do not include the cost of administering transfer programs.

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Table 7.2

**Estimated Cost per Sample Member, Within a Five-Year Follow-Up
Period, by Program and Agency (in 1999 Dollars)**

Program and Service	Cost While Sample Member on AFDC/TFA		Cost While Sample Member Not on AFDC/TFA		Gross Cost per Sample Member (\$)
	Jobs First Agency Cost (\$)	Non-Jobs First Agency Cost (\$)	Jobs First Agency Cost (\$)	Non-Jobs First Agency Cost (\$)	
<u>Jobs First Program</u>					
Case management	591	0	0	0	591
Employment-related activities	538	648	0	648	1,834
Child care	2,589	0	2,485	0	5,074
Child care administration	181	0	174	0	355
Transportation and ancillary services	71	0	0	0	71
Safety Net	0	0	114	0	114
Total	3,971	648	2,773	648	8,040
<u>AFDC Program</u>					
Case management	54	0	0	0	54
Employment-related activities	411	426	0	604	1,441
Child care	1,688	0	2,270	0	3,958
Child care administration	118	0	159	0	277
Transportation and ancillary services	57	0	0	0	57
Total	2,329	426	2,429	604	5,788

SOURCES: See Tables 7.1 and 7.3.

NOTE: Rounding may cause slight discrepancies in calculating sums.

program was \$301.⁵ While AFDC group members were, on average, less likely than Jobs First group members to receive case management services (this issue is discussed in more detail, below), those who did so received the same services as Jobs First group members, and thus the cost of one month of case management was identical in the two programs.⁶ The cost to DSS of providing one month of employment-related services in the AFDC program (\$281) was slightly less than it was in the Jobs First program, reflecting the fact that AFDC group members participated less often in DSS-funded occupational training programs (which were more expensive than job search). All these estimates are on the low end of previously studied welfare-to-work programs. The case management unit cost is low because of high caseloads. (As noted in Chapter 2, the Jobs First treatment did not require much interaction between case managers and participants.) The employment-related activity unit cost is low because of the program emphasis on job search, which is generally a low-cost activity, particularly when compared with the costs of education and training services provided by some programs that emphasize education and skills-building. The unit cost of any employment-related activity is within the range of job search unit costs found in other employment-focused programs.⁷

As of July 1, 1998, DOL assumed responsibility for administering employment-related services to welfare recipients. DOL staff provided some services directly, including Jobs First program orientations and some job search services. However, the bulk of the state's funds for employment services for cash assistance recipients was distributed by DOL to the state's eight Regional Workforce Development Boards (RWDBs), which, in turn, allocated the majority of the funds to community-level organizations for employment-related services.⁸ As shown in Table 7.1, the case management unit cost (\$57) was considerably higher during the later period, primarily because DOL began to contract out case management services to community agencies. As in the earlier period, the case management unit cost was the same for the AFDC group because both groups were served in the same system. In contrast to the case management unit cost, the employment-related activities unit cost for each group was somewhat lower during the later period, reflecting slightly different provider costs.

⁵In essence, the employment-related activities unit cost is the average cost of one month of welfare department-funded employment services (including JSST, vocational training, and on-the-job training) weighted by each individual activity's proportion of the total number of participant months in *any* activity.

⁶Jobs First group members likely received case management services in every month that they were not exempt and receiving welfare, whereas the AFDC group most likely received case management services only in months in which they were not exempt, receiving welfare, *and* participating in a program activity. To make the cost analysis sensitive to this difference, the case management behavioral variable for the Jobs First group is the average number of months in which sample members were not exempt and receiving welfare, for each respective period; for the AFDC group, the case management behavioral variable is the average number of months in which sample members met all three of the conditions listed above.

⁷For example, in the three employment-focused Labor Force Attachment (LFA) programs studied in the National Evaluation of Welfare-to-Work Strategies (NEWWS), the cost to the welfare department of one month of participation in job search ranged from \$259 to \$759 (in 1999 dollars).

⁸The RWDBs provided some case management services, but their contracts stipulated that they could not serve as activity providers. Rather, their role was to administer local-level employment service programs for welfare recipients.

The total cost to DOL of case management is presented in Table 7.2. As shown, this cost was \$591 per Jobs First group member and \$54 per AFDC group member.⁹ The total cost of employment-related activities was \$538 per Jobs First group member and \$411 per AFDC group member.

2. Support service costs. Both the Jobs First and the AFDC program paid for child care and transportation to support welfare recipients' participation in employment and employment-related activities. For this analysis, automated, individual-level child care payment data were collected from Maximus (the contracted provider) and DSS for all sample members.¹⁰ Individual-level expenditure data were not available for transportation services. Instead, costs were estimated using data on aggregate state DSS and DOL expenditures for these services during the steady-state period.¹¹

Table 7.3 shows detailed information on support service costs for Jobs First and AFDC.¹² (To allow a tally of all program costs, support service costs are also summarized on Table 7.2.) The first row of Table 7.3 shows information on child care assistance provided to Jobs First group members while they were receiving TFA and working (*work-related* child care). The first row of the lower panel of the table shows similar information for the AFDC group. The average monthly child care payments for Jobs First and AFDC were roughly similar, but Jobs First group members received more benefits for more months: Two-fifths of Jobs First group members received work-related child care for an average of nearly 12 months, whereas about one-third of AFDC group members received work-related child care for an average of 9 months, yielding a work-related child care cost per Jobs First sample member that was about 60 percent higher than

⁹Total Jobs First program case management costs were calculated as follows: The case management behavioral variable for random assignment through July 1998 (14.9 months on welfare and nonexempt) was multiplied by the DSS case management unit cost (\$12 per month) to determine the cost of case management for this period (\$181). Then the case management behavioral variable for July 1998 through the end of follow-up (7.2 months on welfare and nonexempt) was multiplied by the DOL case management unit cost (\$57 per month) to determine the cost of case management for that period (\$410). The total cost (\$591) is the sum of these two calculations.

The same methodology was used to calculate employment-related activity costs. For both research groups, the behavioral variable for employment-related activities is average total months of participation.

¹⁰Between 53 and 60 months of child care payment data were available for all sample members. Based on patterns of payments over time, payment values were imputed to 60 months for each sample member. Data were collected from DSS for the period covering January 1996 through July 1997, and from Maximus from July 1997 through the end of follow-up (December 2000).

¹¹Jobs First and AFDC group members were eligible for bus passes and mileage reimbursement while they were participating in employment services activities. In addition, the welfare department provided some stipends to cover baby-sitting and transportation for sample members in independent (self-directed) job search and short-term employment service activities. Statewide expenditure and recipient data were used to estimate the cost per month of receipt. Since Jobs First and AFDC group members were eligible for these benefits when they were participating in employment services activities, the number of months in any program-related activity was used as the behavioral variable.

¹²There are some important differences between the child care findings presented in this chapter and those presented in Chapter 6. First, this chapter examines child care receipt and payment records for the full research sample for five years of follow-up, whereas Chapter 6 limits the analysis to years 3 and 4. Furthermore, findings in Chapter 6 are presented both at the case and child level, whereas child care findings in this chapter are presented exclusively at the case level. It is worth noting that the pattern of findings is similar between the two chapters, despite these differences in samples, follow-up, and presentation.

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Table 7.3

Estimated Support Service Costs, Within a Five-Year Follow-Up Period, by Program (in 1999 Dollars)

Program and Support Service	<u>Per Sample Member Who Received Service</u>			Percentage of Sample Members Who Received Service	Cost per Sample Member (\$)
	Average Monthly Payment (\$)	Average Months of Payments	Cost per Person Who Received Service (\$)		
<u>Jobs First Program</u>					
Child care					
Work-related	482	12.3	5,905	40.6	2,395
Transitional	482	16.8	8,107	27.1	2,199
Income-eligible	344	10.0	3,440	8.3	286
Program-related	356	3.0	1,059	18.3	194
Transportation and ancillary services	39				71
Total					5,146
<u>AFDC Program</u>					
Child care					
Work-related	471	9.4	4,451	33.8	1,503
Transitional	473	10.7	5,035	26.4	1,328
Income-eligible	379	14.9	5,636	16.7	941
Program-related	363	4.3	1,548	12.0	185
Transportation and ancillary services	39				57
Total					4,016

SOURCES: MDRC calculations based on data from the following sources: the State of Connecticut Department of Social Services, the State of Connecticut Department of Labor, and Maximus.

NOTE: Rounding may cause slight discrepancies in calculating sums.

the corresponding cost per AFDC group member (\$2,395, compared with \$1,503). This difference reflects one of the key findings of Chapter 4: As a result of the income disregard, the Jobs First program increased the percentage of Jobs First group members combining work and welfare prior to reaching the time limit.

Both Jobs First and AFDC group members were also eligible for child care if they participated in a program-approved employment-related service (such as job search) while they were receiving welfare (*program-related* child care). Jobs First did increase the overall rate of program-related child care receipt, just as it increased overall participation in training activities. However, recipients in the AFDC group received, on average, a greater number of months of program-related child care relative to the Jobs First group, likely because they tended to participate in training activities for more months than Jobs First group members.

Both Jobs First and AFDC group members were eligible for transitional child care once they became employed and left welfare. Jobs First group members were eligible for an unlimited number of months of transitional child care as long as they met an income standard, whereas AFDC group members were eligible only for 12 months of transitional child care. Jobs First and AFDC group members' average transitional child care monthly payments and take-up rates were more similar than those described above for work-related child care. However, the average transitional child care recipient in the Jobs First group received over 16 months of transitional child care, while recipients in the AFDC group received, on average, just over 10 months.

B. Expenditures by Non-Jobs First Agencies

As previously noted, Jobs First agencies paid for some basic education through their contribution to the CETO program, and they paid for some vocational training through contracts with community agencies. The non-Jobs First agency cost of in-program basic education reflects the total cost of basic education that Jobs First group members participated in while they were receiving AFDC, less the Jobs First agencies' contribution to CETO. Similarly, the non-Jobs First agency cost of in-program vocational training reflects the total cost of vocational training that Jobs First group members participated in while they were receiving AFDC, less the Jobs First agencies' expenditures on these programs. Jobs First agencies did not pay for postsecondary education for Jobs First participants. The non-Jobs First agency expenditures for postsecondary education thus represent the total cost of providing these services.¹³

To estimate the cost of non-Jobs First agencies' expenditures, statewide average costs for basic education, postsecondary education, and vocational training were collected from Connecticut's Department of Education. Estimates based on these data, presented in Table 7.1, show that the non-Jobs First agency cost of providing one month of any employment-related activity to Jobs First participants was \$331 prior to July 1998 and was \$417 after July 1998. The unit costs for providing services to AFDC group participants were \$244 and \$401, respectively. The gross cost of these services, shown in Table 7.2, was \$648 per Jobs First group member and \$426 per AFDC group member.

¹³These services were funded by the providers, other government agencies, and student grants.

V. Expenditures for Employment-Related Services While Sample Members Did Not Receive AFDC/TFA (Figure 7.1, Boxes 2 and 6)

Jobs First and AFDC group members participated in some employment-related activities when they were not receiving AFDC/TFA benefits. With the exception of the Safety Net program, these services were not part of Jobs First or the traditional AFDC program.¹⁴ However, if Jobs First and AFDC group members participated in different activities or participated at different rates, the off-welfare services would have the potential to differentially increase sample members' earnings and reduce their welfare receipt, and so these expenditures are included in the cost estimates. Both groups also received child care assistance from the welfare department if they left welfare for work.

A total of \$3,307 was spent per Jobs First group member for off-welfare services, and \$3,033 was spent per AFDC group member (see Figure 7.1, boxes 2 and 6). For each group, roughly half of this cost was paid by non-welfare agencies. These expenditures are examined in more detail below.

A. Expenditures by Jobs First Agencies

Jobs First offered an unlimited number of months of transitional child care assistance to parents who left welfare for work, as long as their income fell below a need standard, and the AFDC program offered up to one year of assistance. As shown in the right-hand column of Table 7.3, the availability of unlimited months of transitional child care assistance resulted in a much higher average cost for this care per Jobs First group member (\$2,199) than per AFDC group member (\$1,328).

Income-eligible child care was available for employed parents earning up to 75 percent of the state median income, who were not eligible for any of the other three types of child care. As shown in Table 7.3, the proportion of the AFDC group who received income-eligible child care (16.7 percent) was more than double the proportion of the Jobs First group (8.3 percent), likely because some AFDC group members used income-eligible child care after their transitional child care eligibility expired.

Summing expenditures for transitional and income-eligible child care for each program (see Table 7.2) shows that Jobs First agencies paid a total of \$2,485 per Jobs First group member for off-welfare child care services and \$2,269 per AFDC group member.

As discussed in Chapter 3, United Way and the Connecticut Council of Family Service Agencies (CCFSA), under contract to the DSS and, later on, DOL, provided the Safety Net program to assist families whose cash benefits were closed because of the time limit. Safety Net provided basic needs assistance (including rental and utility payment assistance), case management, and referrals to employment services, counseling, and other services. Expenditure data on

¹⁴The Transitional Rental Assistance Program (T-RAP) was another service available to Jobs First group members who were not receiving welfare (specifically, sample members whose TFA grants were closed and who were over income). Because of data restrictions, this analysis does not include the cost of this program (which, as noted in Chapter 3, was provided by Community Action Agencies under contract to DSS).

both program operating costs and basic needs payments were obtained from United Way and CCFSA. Costs were divided by the total number of program referrals to estimate the cost per referral. (This estimate, \$2,348, is not shown in any table.) As discussed in depth in Chapter 3, few sample members — approximately 5 percent through mid-2001 — were referred to the Safety Net program during follow-up, and thus the \$114 cost per Jobs First member (shown in Table 7.2) was relatively low.

B. Expenditures by Non-Jobs First Agencies

When sample members were not receiving AFDC/TFA benefits, they most commonly participated in basic education, postsecondary education, and vocational training; some sample members participated in other activities (job search, unpaid work experience, and on-the-job training). The non-Jobs First agency cost for providing employment-related activities represents the average cost of these activities.¹⁵ As shown in Table 7.2, the non-Jobs First agency cost for these activities per Jobs First group member was \$648, and the cost per AFDC group member was \$604.¹⁶

VI. Gross Costs of Jobs First and AFDC (Figure 7.1, Boxes 4 and 7)

The gross cost of Jobs First was obtained by adding the cost of services while Jobs First group members received cash assistance to the cost of services while Jobs First group members did not receive cash assistance. This total investment must be compared with the total gross cost per AFDC group member to determine the government's net investment per Jobs First group member and, in the benefit-cost analysis, the net payoff of that investment.

As shown in Table 7.2, a total of \$8,040 was spent per Jobs First group member over the five-year follow-up period. This cost includes \$4,619 for employment services while Jobs First group members were on TFA (box 1 of Figure 7.1), and \$3,307 for employment services while Jobs First group members were off TFA (box 2). Nearly 60 percent of the gross cost was for services that Jobs First group members received when they were on TFA. Of the total gross cost per Jobs First group member, 84 percent, or \$6,664, was funded by Jobs First agencies, with the remainder being picked up by other agencies. This total cost is comparable to program costs found in other MDRC evaluations of welfare-to-work programs.¹⁷ Notably, however, Jobs First program costs represent a unique pattern: Employment services costs were modest, while support service costs were significantly higher than have been found in other programs.

¹⁵Unit costs were estimated using statewide average costs for basic and postsecondary education and vocational training. Average in-program provider costs were used to estimate the cost of job search and on-the-job training in which sample members participated when they were not receiving AFDC/TFA.

¹⁶The Three-Year Client Survey, along with AFDC/TFA payment records, was used to estimate participation in employment-related activities that sample members took part in when they were not receiving welfare. Based on participation patterns over time, participation was imputed to five years (60 months).

¹⁷Specifically, the gross cost is within the midrange of the costs of the five employment-focused programs recently studied as part of the NEWWS Evaluation (corresponding five-year gross costs in these five programs ranged from \$5,990 to \$8,940), and the cost is very similar to the five-year gross cost of the employment-focused Minnesota Family Investment Program (MFIP), which was \$7,506.

The gross cost per AFDC group member (box 7 of Figure 7.1) was \$5,788, or nearly three-fourths the Jobs First gross cost. About half these dollars paid for services that AFDC group members received when they were on AFDC. Of the total gross cost per AFDC group member, approximately 80 percent, or \$4,710, was funded by Jobs First agencies.

VII. Net Cost of Jobs First (Figure 7.1, Box 8)

As shown in Table 7.4, the net cost per Jobs First group member was \$2,252. Compared with the AFDC program, Jobs First spent \$929 more for employment-related activities, \$1,208 more for support services, and \$114 more for Safety Net services. In other words, 41 percent of the net cost was spent on employment-related activities, 54 percent was spent on support services, and 5 percent was spent on Safety Net services. The total net cost per Jobs First group member can be divided between the net cost to Jobs First agencies and the net cost to other agencies: The net cost to Jobs First agencies was \$1,986, and the net cost to non-Jobs First agencies was \$266.

The net cost of Jobs First was used in the benefit-cost analysis to help gauge the financial gains and losses of Jobs First from the perspective of different groups in society. The rest of the chapter presents results from the benefit-cost analysis.

VIII. Analytical Approach for the Benefit-Cost Analysis

The analytical approach used in the Jobs First benefit-cost analysis is similar to that used in previous MDRC evaluations.¹⁸ The general approach is to place dollar values on Jobs First's effects and its use of resources whenever possible, either by directly measuring them or by estimating them.

Jobs First's effects on earnings, AFDC/TFA and Food Stamp payments, and Medicaid eligibility were measured directly. Effects on earnings were based on quarterly earnings reported by employers to Connecticut's unemployment insurance (UI) system, and effects on AFDC/TFA payments and Food Stamp payments were measured using the state's computerized administrative records. (The same data sources were used in the impact analysis presented in Chapter 4.) Jobs First's effects on Medicaid eligibility were based on state computerized administrative records. Effects on fringe benefits, federal income taxes, state income taxes, state sales taxes, and the costs of administering transfer programs could not be measured directly but were estimated or imputed using various data sources (details are provided below).

All these effects were considered, along with the estimated cost of Jobs First, presented above, to ascertain the net gains and losses of the program to Jobs First group members, the government, individuals in society who were not subject to Jobs First, and society as a whole.

¹⁸Many of the techniques were originally developed for the benefit-cost analysis conducted as part of MDRC's Demonstration of State Work/Welfare Initiatives (for additional information, see Long and Knox, 1985). This report's description of the analytical approach was adapted from previous MDRC reports (Riccio, Friedlander, and Freedman, 1994; Kemple, Friedlander, and Fellerath, 1995; Miller et al., 2000; and Bloom et al., 2000a). Minor differences in the present analysis reflect the available data and the unique features of Jobs First and its context.

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Table 7.4

**Estimated Gross Costs and Net Costs, Within a Five-Year
Follow-Up Period (in 1999 Dollars)**

Service	Gross Cost per Jobs First Group Member (\$)	Gross Cost per AFDC Group Member (\$)	Net Cost per Jobs First Group Member (\$)
Employment-related activities	2,424	1,495	929
Child care	5,074	3,958	1,116
Child care administration	355	277	78
Transportation and ancillary services	71	57	14
Safety Net	114	0	114
Total	8,040	5,788	2,252

SOURCES: See Tables 7.1 and 7.3.

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

A. Accounting Methods

The benefit-cost estimates cover a five-year time horizon starting with the quarter after random assignment (quarter 1) for each sample member. This time frame is similar to that used in most previous MDRC evaluations of welfare-to-work programs. The five-year time horizon includes an observation period and a projection period. For many reasons, projecting beyond five years is problematic. However, preliminary 10-year projections were estimated and — even with liberal assumptions regarding over-time decay in welfare receipt rates — for the full sample, long-term savings in transfer programs did not exceed the net government investment in the program.

The *observation period* for each sample member encompasses the portion of the follow-up period for which benefits were estimated from “observed” or recorded data. It extends from quarter 1 through the last month of available data. The observation period for AFDC/TFA, Food Stamp payments, earnings, and UI compensation payments covers at least four years for almost all sample members.¹⁹ Gains and losses observed at the end of these periods were then projected to the end of year 5, using several assumptions about the size of future effects. The *projection period* for each sample member is relatively brief, ranging from 0 to 12 months, depending on the data source.

The benefit-cost estimates in this analysis are expressed in terms of *net present values per Jobs First group member*. The “net” in net present value means that, like impacts, the estimated amounts represent differences between estimates for Jobs First and AFDC group members. The estimates are in “present value” terms because the accounting method of discounting was used to express the dollar value today of program effects that occur in the future.²⁰ As in the cost analysis, all estimated amounts in the benefit-cost analysis are expressed in 1999 dollars, eliminating the effects of inflation on the values.

B. Analytical Perspectives

An important issue in benefit-cost analyses of government programs is determining who bears any benefits or costs of the program. A program effect can generate gains from one per-

¹⁹When the benefit-cost analysis was conducted, data on AFDC/TFA, Food Stamps, and Medicaid eligibility were available through December 2000. As mentioned in Chapter 4, 30 sample members did not have UI data available for the last quarter in year 4.

²⁰In programs such as Jobs First, many costs are incurred early, when welfare receipt is heaviest; however, many benefits, such as earnings gains, continue to be realized in later years. Simply comparing the nominal dollar value of program costs with benefits over multiple years would be problematic because a dollar’s value is greater in the present than in the future: A dollar available today, either to Jobs First group members or the government, can be invested and may produce income over time, making it worth more than a dollar available in the future. In order to make a fair comparison between benefits and costs over multiple years, it is essential to determine their value at a common point in time — for example, the present. In benefit-cost analyses, this is often accomplished by discounting, a method for reducing the value of benefits and costs accrued in later years relative to benefits and costs accrued in early years. In the Jobs First analysis, the end of the first year following random assignment was used as the comparison point for the investment period. In other words, gains that were accrued after that point were discounted to reflect their value at the end of year 1. In calculating these discounted values, it was assumed that a dollar invested at the end of year 1 would earn a real rate of return of 5 percent annually (this assumption was used in other MDRC benefit-cost analyses). (All the effects of Jobs First were discounted, but only the costs of Jobs First for which the month of accrual could accurately be determined — child care expenditures — were discounted.)

spective while generating losses from another. For example, an increase in Medicaid or Food Stamp payments is a financial gain from the perspective of the Jobs First group but a financial loss from the perspective of the government. This makes it important to consider the perspectives of all directly affected groups when assessing each main program effect.

This analysis presents the net benefits and costs of Jobs First from the perspective of the following groups: program participants (the Jobs First group); the government budget; individuals who were not subject to Jobs First (nonparticipants); and society as a whole. Box 7.1 shows the main financial effects of Jobs First as a gain or benefit (+), as a loss or cost (-), or as neither a benefit nor a cost (0), based on impacts found in the observed follow-up period. (The tables presented in following sections show the actual dollar gains and losses.)

Box 7.1				
The Main Financial Effects of Jobs First				
Financial Effects of Jobs First	Accounting Perspective			
	Participants	Government Budget	Non-Participants	Society
Increased earnings and fringe benefits	+	0	0	+
Decreased tax payments	+	-	-	0
Differential use of transfer programs	0	0	0	0
Jobs First operating costs	0	-	-	-
Increased use of support services	+	-	-	0

The *participant perspective* identifies net gains or losses for members of the Jobs First group, indicating how they fared as a result of the program. Note that, in this chapter, the term “participant” is used to identify all Jobs First group members, including those who never participated in a program activity; this definition differs from the definition used in Chapter 2 and elsewhere in the report. As illustrated in Box 7.1, positive impacts on earnings, tax payments (because of increases in the Earned Income Credit [EIC] accompanying earnings increases), and support services represent gains for participants.²¹ Most prior benefit-cost analyses of welfare-to-work programs conducted by MDRC have found that, from the participant perspective, losses occur from decreased transfer payments and/or tax increases, and thus net gains occur only if these decreases are offset by earnings increases. However, because of the increased EIC and the earned income disregard, participants in the Jobs First program were not expected to incur losses as a result of decreased transfer payments or increased tax payments. Thus, it was not expected that they would incur any losses as a result of the program. The net cost of providing eligibility and employment-related services to participants has no direct effect on their income.

²¹Several other benefit-cost analyses conducted as part of MDRC evaluations of Florida’s Family Transition Program (FTP), the Minnesota Family Investment Program (MFIP), and the National Evaluation of Welfare-to-Work Strategies (NEWS) have found that the Earned Income Credit (EIC) can offset increased tax payments and actually result in an income gain to participants (Bloom et al., 2000a; Miller et al., 2000; and Hamilton et al., 2001).

The *government budget perspective* identifies net gains and losses incurred by a combination of federal, state, and local government budgets. In theory, net gains to the government budget could occur through higher taxes paid by Jobs First group members compared with AFDC group members and through savings in transfer payments and their related administrative costs. However, the same factors limiting Jobs First participants' losses (the increased EIC and the earned income disregard) limited government gains. Thus, the Jobs First program was not expected to generate any gains for the government. Jobs First group members' earnings gains do not directly affect the government budget's net gains or losses.

The *nonparticipant perspective* identifies benefits and costs from the standpoint of everyone in society other than those subject to Jobs First. Estimates of net gains and losses from the nonparticipant perspective are the same as those from the government budget perspective, except in the treatment of Social Security and Medicare. The government budget gains from both participants' and their employers' contributions to Social Security and Medicare payroll taxes, but nonparticipants, who include employers, gain only from employee contributions to those two taxes.

The *perspective of society as a whole* combines the perspectives of the groups: participants and nonparticipants (and the government budget). For a given component, a net gain to society occurs only when a gain to one group is not at the expense of another group. As shown in Box 7.1, for example, impacts on earnings represent a gain to participants and are neither a gain nor a loss to nonparticipants or the government budget; this results in a gain to society as a whole. Net losses to society occur when a loss from one perspective is not a benefit from another. For example, the net cost of Jobs First represents a loss to nonparticipants and the government budget but is neither a gain nor a loss to participants; this cost is thus considered a loss to society. Program effects that constitute a net gain from one perspective but a net loss from another, such as the increased use of support services, represent a transfer from one group to another and simply cancel each other out. Thus, they have no financial consequences from the societal perspective.

When adopting the societal perspective, it is assumed that the value or importance of a dollar lost by one group is equivalent to that of a dollar gained by another group; however, this assumption may not be valid. Typically, participants in programs such as Jobs First have much lower incomes, on average, than nonparticipants. Thus, a dollar is likely to be worth more to an average sample member than to an average nonparticipant or the government. Although this benefit-cost analysis treats each dollar the same, no matter whom in society it accrues to, readers should be aware of the limitations in this assumption.²²

C. Limitations of the Analysis

Some limits on the comprehensiveness of the benefit-cost analysis should be recognized. Some program effects — the costs and benefits of which are difficult to quantify or to express in

²²An alternative approach is to use a distributional weighting scheme in which participants' gains and losses are given a weight greater than nonparticipants' (and the government's) gains and losses. Although this approach may sound advantageous, typically benefit-cost analyses of programs such as Jobs First do not use weighting because the appropriate values of the weights are not known (for further discussion, see Boardman, Greenberg, Vinning, and Weimer, 1996).

dollars — are not estimated. For example, the estimates in this chapter reflect the direct effects of Jobs First and do not consider secondary effects. These secondary effects include the possible displacement of other workers by the increased employment of Jobs First group members; such displaced workers may, as a result, become unemployed or be employed in lower-paying jobs. In addition, the analysis does not consider the sample members' forgone personal and family activities that are replaced by increased work or the intrinsic benefits of education that are not reflected in earnings. The analysis does not place a dollar value on family or child well-being or on the clear but difficult-to-monetize benefits associated with society's (or participants') preference for work over welfare.

IX. Jobs First's Effects for Participants

This section presents estimates of the financial benefits of Jobs First per program group member during the observation period.²³ It presents an account of the two main benefit components: earnings and fringe benefits, and personal taxes.

A. Earnings and Fringe Benefits

As reported in Chapter 4, Jobs First produced gains in employment and earnings for Jobs First group members (compared with AFDC group members) during the follow-up period for the impact analysis. Table 7.5 shows that, over the observation period, the value of the earnings gains for the benefit-cost analysis was \$1,878 per Jobs First group member (in 1999 dollars).²⁴

Fringe benefits — employer-provided health and life insurance, pension contributions, and workers' compensation — were part of sample members' total compensation from working and thus are included in the benefit-cost analysis. Using published data, these were estimated at the rate of 13.7 percent of earnings.²⁵ The average increase in earnings plus an additional \$257 in fringe benefits yielded an average increase in total work-related compensation of \$2,134 per Jobs First group member during the observation period.

B. Personal Taxes

Since Jobs First increased earnings, one would expect it also to increase federal and state income taxes, payroll taxes, and sales and excise taxes. However, the program might also increase receipt of the Earned Income Credit (EIC), thereby offsetting some of the increased personal taxes. Tax payments, along with the EIC,²⁶ were imputed from the relevant earnings base

²³This report's presentation of benefit-cost results was adapted from previous MDRC reports (Miller et al., 2000; and Bloom et al., 2000a).

²⁴The observation period for the earnings effects ranges from four to five years.

²⁵This percentage is based on information on employers' compensation costs for low-wage workers from the U.S. Department of Labor, Bureau of Labor Statistics. In 1999, employers of low-wage workers in the Northeast region of the United States paid an average of 13.7 percent of their employees' earnings for health and life insurance, pension contribution, and workers' compensation (United States Department of Labor, 1999).

²⁶The federal EIC is a credit against federal income taxes for taxpayers with annual earnings below a certain level. For 1999, taxpayers with earnings up to \$30,580 were eligible for the EIC. Not all eligible taxpayers receive the EIC; for this analysis, the EIC was estimated using survey responses. See Appendix C for an explanation of the methodological approach used to estimate EIC take-up.

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Table 7.5

**Estimated Jobs First/AFDC Group Differences in Earnings, Fringe Benefits,
and Personal Taxes for the Observation Period,
per Jobs First Group Member (in 1999 Dollars)**

Component of Analysis	Jobs First Group (\$)	AFDC Group (\$)	Difference (\$)
Earnings	27,751	25,873	1,878
Fringe benefits ^a	3,791	3,534	257
Total earnings and fringe benefits	31,542	29,408	2,134
Personal taxes			
Social Security tax ^b	2,125	1,967	157
Federal income tax	940	933	7
State tax	36	36	0
State sales and excise tax	779	737	42
EIC	3,730	3,070	661
Total taxes	149	604	-455
Sample size (total = 4,803)	2,396	2,407	

SOURCES: MDRC calculations from the State of Connecticut earnings and benefits records and from published data on tax rates and employee fringe benefits. The end of the observation period was December 2000 for all outcome measures.

NOTES: Estimates reflect discounting and adjustment for inflation.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Tests of statistical significance were not performed.

^aThese include employer-paid health and life insurance, pension contributions, workers' compensation, and paid leave.

^bEmployee's portion only.

using tax rates and rules for 1999.²⁷ As shown in Table 7.5, Jobs First group members paid \$159 more in personal taxes, on average, than AFDC group members, but they received an average of \$661 more in the EIC. Thus, Jobs First group members paid an average of \$455 less in total taxes than did AFDC group members.

C. Transfer Payments

As discussed in Chapter 4, the Jobs First program had no effect on AFDC/TFA payments over the impact follow-up period, and the program actually slightly increased Food Stamp payments. Whereas most welfare-to-work programs that increase earnings from employment simultaneously decrease cash assistance payments as sample members replace cash assistance with earnings, the earned income disregard in Jobs First actually led to an increase in cash assistance payments early in the follow-up period. While welfare savings were generated later in the follow-up period, after sample members began to reach the time limit and leave welfare, these savings were not enough to offset the earlier increases. (See Chapter 4.) Table 7.6 shows that the value of the AFDC/TFA gains for participants during the observation period for the benefit-cost analysis was \$216. During the same period, the Jobs First group gained \$288 in Food Stamp payments. Relative to the AFDC group, Jobs First group members also had higher rates of Medicaid eligibility, and this increase in Medicaid eligibility was valued at \$1,035. In total, Jobs First group members gained an average of \$1,539 in transfer payments, including Medicaid, over the observation period.²⁸

Jobs First also resulted in an increase in the cost of administering these three programs.²⁹ These changes, presented in the lower half of Table 7.6, yielded a total increase of \$136.

X. Net Gains and Losses, by Accounting Perspective

Table 7.7 summarizes Jobs First's main financial effects from the perspectives of participants, the government budget, nonparticipants, and society. Jobs First group/AFDC group differences were defined as gains (indicated by positive values) and losses (indicated by negative values). These results were then summed to attain an estimate of the overall net gain or loss of Jobs First from each perspective, shown in the bottom row of the table.

A. Perspective of Participants

The first column of Table 7.7 presents the benefit-cost results from the perspective of participants. The column presents Jobs First group/AFDC group differences in average earnings, fringe benefits, taxes, and transfer payments. It also shows the difference between the average child care assistance that group members received while they were off welfare or employed (work-related, transitional, and income-eligible child care, as shown in Table 7.3). For partici-

²⁷Income from earnings and UI compensation was used in calculating federal income taxes. Income from earnings, UI compensation, and AFDC/TFA benefits was used in calculating sales and excise taxes. Sales and excise tax rates were based on information from the State of Connecticut.

²⁸The observation periods for all transfer payment data sources ranged from four to five years.

²⁹The costs of administering Food Stamps, UI compensation, and Medicaid benefits were estimated using state-wide administrative cost data.

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Table 7.6

Estimated Jobs First/AFDC Group Differences in Transfer Payments and Administrative Costs for the Observation Period, per Jobs First Group Member (in 1999 Dollars)

Component of Analysis	Jobs First Group (\$)	AFDC Group (\$)	Difference (\$)
Transfer payments			
AFDC/TFA	11,184	10,968	216
Food Stamps	6,223	5,935	288
Medicaid	14,443	13,408	1,035
Total	31,851	30,312	1,539
Administrative costs			
AFDC/TFA	1,007	987	19
Food Stamps	1,436	1,370	66
Medicaid	711	660	51
Total	35,004	33,329	1,676
Sample size	2,396	2,407	

SOURCES: MDRC calculations from the State of Connecticut AFDC/TFA and Food Stamp payment records, Medicaid eligibility records, earnings and benefits records, and published data on administrative costs. The end of the observation period was December 2000 for all data sources.

NOTES: Estimates reflect discounting and adjustment for inflation.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Tests of statistical significance were not performed.

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Table 7.7

**Five-Year Estimated Net Gains and Losses per Jobs First
Group Member, by Accounting Perspective
(in 1999 Dollars)**

Component of Analysis	Accounting Perspective			Society (\$)
	Participants (\$)	Government Budget (\$)	Non-participants (\$)	
Earnings	2,116	0	0	2,116
Fringe benefits ^a	289	0	0	289
Tax payments				
Payroll taxes	-178	357	178	0
Income taxes ^b	765	-765	-765	0
Sales tax	-42	42	42	0
Transfer programs				
AFDC/TFA payments	-10	10	10	0
Food Stamps	288	-288	-288	0
Medicaid	1,202	-1,202	-1,202	0
Transfer program administration	0	-125	-125	-125
Net cost of Jobs First (minus support service costs)	0	-929	-929	-929
Support service costs ^c	1,221	-1,323	-1,323	-101
Net gain or loss (net present value)	5,651	-4,222	-4,401	1,250

SOURCES: MDRC calculations from the State of Connecticut AFDC/TFA, Food Stamp, and Medicaid payment records; earnings and benefits records; and published data on tax rates, employee fringe benefits, and transfer program administrative costs.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Results include estimates of projected program effects beyond the observation period (see Tables 7.5 and 7.6).

^aThese include employer-paid health and life insurance, pension contributions, and workers' compensation.

^bThis includes state and federal income taxes and the EIC.

^cThe net cost of providing all support services — child care, transportation and ancillary support, and Safety Net — was counted as a cost to the government and to nonparticipants. The net cost of child care provided while sample members were participating in a mandatory program was not counted as a benefit to participants.

pants, this support was valued at its cost to Jobs First; its actual monetary value to participants might have been higher or lower, but this figure is very difficult to determine. (Support services provided to Jobs First participants when they were participating in a mandatory activity were not considered financial benefits; the services were part of the Jobs First package of in-program services, none of which was counted as a financial benefit.)

The overall financial effect from the participants' perspective was estimated by subtracting the value of transfer payment losses from the value of gains in earnings, fringe benefits, taxes, and support services. As would be expected, given the income increases reported in Chapter 4, the benefit-cost analysis shows that Jobs First group members, on average, experienced a net financial gain over the five-year period as a result of the program. As shown at the bottom of Table 7.7, the total value of the income and service gains that participants experienced as a result of Jobs First was \$5,651. This aggregate amount reflects two broad categories of gains: *monetary*, or *income*, gains in earnings, the EIC, and Food Stamps; and *nonmonetary* gains in benefits and support services. Notably, gains in benefits and support services were roughly equivalent to income gains: Participants gained an average of \$2,939 in earnings, the EIC (less payroll and sales taxes), and Food Stamps; and they gained an average of \$2,712 in benefits and support services. The latter estimate includes the estimated value of increases in fringe benefits (\$289), Medicaid eligibility (\$1,202), child care (\$1,107), and Safety Net services (\$114).

B. Perspectives of the Government Budget and Nonparticipants

The second column of Table 7.7 presents the benefit-cost findings from the perspective of the government budget. On average, Jobs First produced a net loss to the government of \$4,222 per Jobs First group member. This loss is due both to the expense of operating the program and to the increased cost of transfer payments and support services.³⁰ It is worth noting that it is exceptionally rare for a welfare-to-work program to generate government savings and that, in fact, this was not an explicit aim of Jobs First. One way to interpret the government loss incurred as a result of a welfare-to-work program is to view it as the investment made in the program and to compare this investment with participants' gains. A program that generates participant gains that exceed the government's investment in the program is an efficient one. Jobs First was an efficient program: For every dollar that the government invested, participants gained over \$1.30.

The third column of Table 7.7 shows the benefit-cost results from the perspective of nonparticipants. As discussed earlier, results from this perspective are almost identical to the results from the government budget perspective, except for the treatment of payroll taxes: Employers' contributions to Social Security and Medicaid are not shown as a benefit for nonparticipants, because this perspective includes employers. Similar to the results for the government, nonparticipants lost an average of \$4,401 per Jobs First group member.

³⁰The Jobs First costs presented in Table 7.7 — the net cost of Jobs First plus the support service costs — are slightly lower than the net cost of Jobs First presented in Table 7.3, because child care expenditures were discounted for the benefit-cost analysis.

C. Perspective of Society

The right-hand column of Table 7.7 presents the benefit-cost findings from the societal perspective. As explained earlier, the estimates for society constitute the sum of the results for the participant and nonparticipant perspectives. Benefits accrued to society through gains in participants' earnings and fringe benefits and through savings in transfer program administrative costs, and losses to society accrued from the net cost of Jobs First services. All other effects of Jobs First constitute a gain from one perspective and a loss from another, thus resulting in no effect for society as a whole. The net present value of Jobs First to society was \$1,250.³¹ In other words, participants' gains outweighed nonparticipants' losses.

D. Subgroup Findings

Benefit-cost findings were also analyzed for the three subgroups defined by level of disadvantage (see the tables in Appendix I). Notably, net program operating costs increased with level of disadvantage. For the least disadvantaged subgroup, the net operating cost per Jobs First group member was less than \$600; the corresponding cost for the moderately disadvantaged subgroup was approximately \$1,000; and the cost for the most disadvantaged subgroup was even higher: approximately \$1,300 per Jobs First group member. Subgroup differences in program costs reflect differences in participation rates and patterns.³²

Although program operating costs were considerably lower for the least disadvantaged, findings from the benefit-cost analysis indicate that the total government investment was considerably higher for this subgroup because of substantial increases in transfer program costs relative to the AFDC group. Government losses incurred as a result of Jobs First group members' increased TFA, Food Stamps, and Medicaid eligibility (and related administrative costs) contributed to a net transfer program loss of nearly \$4,100 for the least disadvantaged subgroup. The combined loss to the government budget of transfer programs and of operating and related support service costs was \$6,209 per Jobs First group member. The net participant gain was, on average, approximately \$1,020 less than the government investment.

The Jobs First program was substantially more efficient at generating participant gains for sample members who were moderately disadvantaged at the time of study entry. For these individuals, losses from the government budget perspective were roughly equivalent to losses found for the full sample (\$4,548, compared with \$4,222 for the full sample). However, participants in this subgroup gained an average of \$7,128; roughly half of this gain (\$4,099) was in income. Thus, individuals in the moderately disadvantaged subgroup had considerable income gains and considerable gains in benefits and support services, including Medicaid, child care, and fringe benefits.

³¹The benefit-cost estimates presented in Table 7.7 assume no (0 percent) decay in program effects during the projection period. The assumption at the opposite extreme, *full* decay of effects during the projection period, does not yield markedly different benefit-cost results. Assuming full (100 percent) decay, the net present values from the four perspectives are as follows: participant, \$5,349; government budget, -\$4,145; nonparticipant, -\$4,305; society, -\$1,045.

³²Program costs and benefits were also analyzed separately by country (see Appendix Tables I.13 and I.14). Participant gains and government budget losses were both somewhat higher in Manchester than in New Haven, although in each regional office the ratio of participant gains to government losses was roughly equivalent to that found for the full sample (\$1.40 of participant gains per dollar of government investment).

This pattern was even more striking for the most disadvantaged subgroup. As a result of transfer program savings (which were not found for any other subgroup), the government loss per Jobs First group member in this subgroup was only \$619. Participants' gains were over \$4,200. Said another way, the most disadvantaged Jobs First group members gained an average of \$7.00 for every dollar that the government invested in the program. It is important to note, however, that because individuals in this subgroup experienced considerable decreases in cash assistance and Food Stamps, average income gains were considerably smaller than those found for the moderately disadvantaged subgroup. Approximately two-thirds of the gain to participants in the most disadvantaged subgroup was in income, with the remaining one-third consisting primarily of fringe benefits and child care assistance.

XI. Jobs First's Benefits and Costs: Conclusions

The results of the benefit-cost analysis indicate that the government investment made in the Jobs First program was considerably different than has been found in other previously studied welfare-to-work programs. Owing to a combination of factors — including the time limit, the earned income disregard, and the strength of the economy — Jobs First planners anticipated that many Jobs First group members would be able to find employment with minimal assistance, and so they did not invest heavily in education or training activities. This is reflected in the program's low gross cost for employment-related activities. However, the program did invest heavily in support services. In fact, over two-thirds of the cost to the welfare department was for support services, and as much was spent on services for sample members who were not receiving TFA as was spent on those who were. The benefit-cost findings indicate that, for more disadvantaged sample members, this was an efficient investment. Participants in both the moderately and the most disadvantaged subgroups experienced moderate income gains and considerable gains in benefits and support services. However, largely as a result of increases in cash assistance, the program was considerably less efficient for the least disadvantaged subgroup.

It is important to note, however, that the benefit-cost analysis does not comprehensively account for all of Jobs First's effects. The benefit-cost analysis does not address the issue of income *stability*. Five-year income estimates may mask important patterns in income growth or decline over time. In addition, Chapter 6 reported that Jobs First had some small positive effects for elementary school children and had mixed effects for adolescents; neither of these effects is accounted for in this analysis. Finally, this analysis does not attempt to value any benefits of increased participation in education, nor does it consider the effects of lost personal and family time that resulted from Jobs First group members' increased work. Thus, the results presented in this chapter should be considered an approximation of Jobs First's complete costs and benefits.

