

APPENDIX L-ASSESSING THE EFFECTS OF WELFARE REFORM INITIATIVES

INTRODUCTION

The 1996 welfare reform law set sweeping goals of reducing welfare dependency, and addressing both out-of-wedlock pregnancies and single parenthood. In creating the block grant of Temporary Assistance for Needy Families (TANF), the 1996 law gave States broad latitude to design programs that promote work among those receiving welfare assistance as a way to meet the goals. TANF was created at a time when a large number of States were already experimenting with welfare-to-work programs, and many State TANF programs are the product of these experiments. Further, the 1996 welfare law gave States the authority to use TANF funds to address other social issues commonly associated with welfare dependency but which extend beyond the immediate population receiving cash assistance.

No single study can provide a complete and definitive assessment of the effects of welfare reform and the broad social initiatives undertaken both before and after the enactment of the 1996 welfare law. However, a large body of data and research has been developed to help policy makers determine what is happening and which provides a sense of the likely impact that some of the changes in both Federal and State policy have had. Each data source or study is like a piece of a puzzle – a small piece of the overall picture with its own limitations and requiring caveats about the implications of its findings. However, when these pieces are put together, a picture does emerge of the changes that have taken place since the mid-1990s. As a whole, the research provides the ability to assess whether Federal and State policy initiatives have influenced these changes.

Much of this research has been supported by Federal funds. General indicators of the low-income population come from national surveys of the U.S. Census Bureau and other agencies. Further, the Department of Health and Human Services (HHS) has long sponsored research on the effects of welfare-to-work initiatives and required an evaluation of the welfare-to-work experiments of the mid-1990s that preceded TANF. This appendix focuses on these federally-funded efforts. It provides a summary of trends in the indicators of work, welfare, and economic well being from national survey data. It then summarizes findings from research completed through December 2002 from federally-funded studies of specific welfare populations and evaluations of program changes. The last part of this appendix outlines research currently planned or ongoing, focusing on federally-funded efforts to fill in some of the “missing” pieces of the puzzle that would help the public and policymakers assess the effects of welfare reform.

SUMMARY OF FINDINGS FROM EXISTING RESEARCH

Generally, States have used TANF funds to promote and support work for low-income families. For the most part, States have implemented “work-first” programs that stress job search and rapid entry into employment. State programs also have focused on supporting work, by permitting recipients to keep a part of their welfare check when they get a job. Progress toward reducing welfare dependency has been made, as welfare-to-work efforts—together with the economic boom of the mid- and late-1990s—succeeded in sharply reducing welfare rolls and in increasing work by mothers raising children alone.

All available data from both national surveys and administrative data sources document the dramatic plunge in the cash welfare rolls. National survey data show that the proportion of single mothers receiving cash welfare was relatively steady in the late 1980s and early 1990s (at about 1/3), but after 1993 fell precipitously to 10.6 percent in 2002. Coinciding with the fall in the cash welfare rolls, employment among single mothers increased sharply in the mid- to late-1990s. In 1993, 68 percent of single mothers worked at some point during the year, a proportion that had risen to 83 percent in 2000.

Federal and State policy changes likely influenced the trends in work and welfare following enactment of welfare reform. Program evaluations have consistently found that mandatory participation in job search or other job preparation activities increases employment and decreases welfare receipt. This finding has been replicated over and over again in evaluations of such initiatives from the 1980s to the present. This is not to say that the healthy economy did not also affect the trends in welfare and work that occurred during the economic boom of the mid- and late-1990s. In fact, the trend toward higher work and lower welfare receipt rates actually preceded enactment of the 1996 welfare reform law, though many States were experimenting with their welfare programs at the time. However, the available evidence shows that the type of policies implemented at the Federal and State level in welfare reform did have a part in decreasing welfare dependence and increasing work. Poverty rates have declined since the mid-1990s, though the decline in poverty has not been as great as the decline in the cash welfare rolls.

National survey data show that the percent of single mothers who were poor peaked at 45 percent in the early-to-mid 1990s, but fell to 32 percent in 2002. However, the cash welfare rolls declined faster during the same period, and an increasing proportion of poor single mothers did not receive cash welfare.

It is harder to make the connection between policy changes and trends in poverty than it is between policy changes and welfare receipt and work. Program evaluations consistently have shown that requiring work—while increasing earnings and decreasing cash welfare receipt—often does not change a recipient’s combined income. That is, earnings gains are offset by declines in welfare benefits. Those programs that increased recipients’ income generally did so by expanding welfare eligibility for families with earnings (as many

States have done). Further, evidence from studies of those who leave welfare (“leaver studies”) shows that the earnings of single mothers often are by themselves insufficient to lift a family out of poverty and many remain poor. These research findings generally come from studies of families who had entered the welfare system; evidence is lacking to assess how TANF may have affected the economic well-being of families who never sought assistance.

Some evaluations of welfare-to-work programs included assessments of the well-being and development of the family’s children. These studies examine a broad range of child outcomes. Requiring work of single mothers generally does not appear to have unfavorable impacts on the behavior, academic functioning, or health and safety of children. For younger children, there is no consistent pattern, with some favorable and some unfavorable impacts. However, a number of studies have pointed out unfavorable academic and behavioral outcomes for adolescent children.

There is little definitive evidence of the effect of TANF on progress toward its family formation goals of decreasing out-of-wedlock pregnancies and promoting two-parent families. Progress toward these goals is perhaps the most difficult to assess. TANF gives broad latitude to States to address family formation issues, permitting States to do so not only for cash welfare and low-income families but for the population in general. To date, States have spent very little of their TANF money directly on such activities and there is very little research available to assess the impact that such programs would have on family formation outcomes such as reducing out-of-wedlock child-bearing and marriage.

Much of the available research on the effect of welfare reform on family formation comes from broader assessments of welfare-to-work programs. Most provisions of these programs were not intended to directly affect child-bearing or marital status, but might indirectly have done so. A few evaluated programs included such policy initiatives as a family cap (no increase in the cash payment upon the birth of a new baby) or elimination of restrictions for two-parent families. These programs have not produced consistent impacts on births or marital status outcomes. Programs without such provisions also sometimes have, but sometimes do not have, impacts on births and marital status.

LOOKING TO THE FUTURE

In 2003, welfare policy and research stands at the end of one era and the beginning of another. A large body of research shows that mandatory participation requirements can be effective in moving recipients from welfare to work. However, the limits of such policies also have been learned, as these programs tend not to increase incomes for those who come through the welfare system.

In great part, the protracted debate on welfare reauthorization in 2002 and 2003 focused on policies that were seen as addressing the limitations of “work-first” programs. Reauthorization proposals generally would raise work standards, require additional hours of activity, and allow States to engage more

of their caseload in activities that would go beyond pre-employment job search. The debate over promoting marriage in part reflects a recognition of the difficulty that single mothers have in achieving economic well being.

Many of the ideas discussed in Congress during this two-year period are the subject of research projects already underway. The concluding section of this appendix discusses ongoing or planned research sponsored by HHS. It discusses the initiatives in the areas of post-employment services, specialized services for certain welfare populations, and new policies and programs to affect family formation decisions that represent the Federal welfare research agenda for the future.

ECONOMIC STATUS OF SINGLE-MOTHER FAMILIES: NATIONAL SURVEY DATA

OVERVIEW

This section examines trends in welfare, work, and economic well-being among families headed by single mothers, the group that is the main focus of TANF Programs. The analyses use national household survey data, specifically, the U.S. Census Bureau's March Current Population Survey (CPS) and the Bureau of Labor Statistics' Consumer Expenditure Survey (CEX). CPS data were examined from March 1988 (income year 1987) to March 2002 (income year 2001). CEX data were examined from 1994 through 2001.

The analyses seek to describe the changing circumstances of single mothers over the period, but do not attempt to isolate the effects of particular policy changes or to ascribe causation. These analyses are presented to provide background and context for the subsequent discussions of research focused specifically on welfare reform initiatives. Given the precision of estimates obtained from the CPS and CEX, this section focuses primarily on overall trends, rather than specific year-to-year changes.

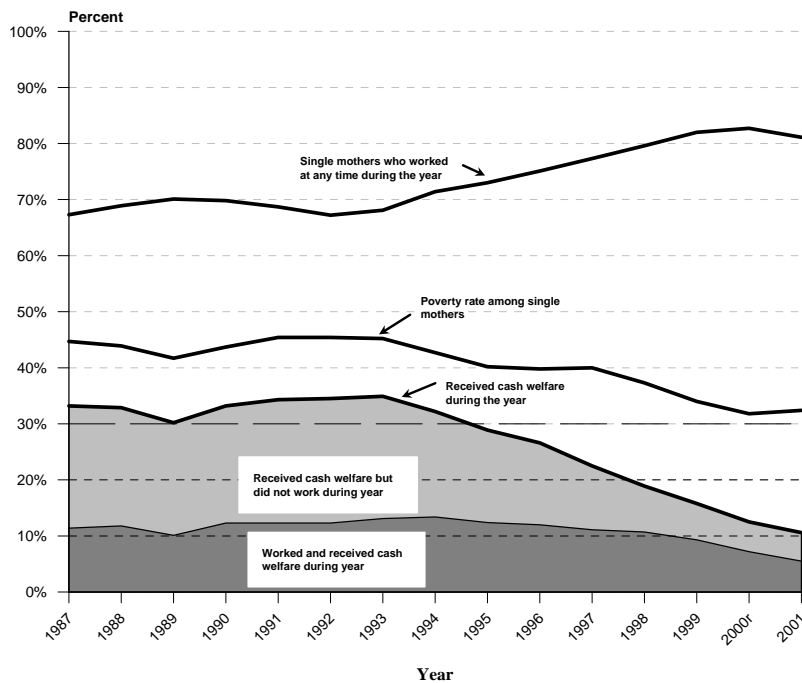
The number of single mothers grew by 17 percent over the 4-year period from 1989 to 1993, but has since leveled off and remained at around 10 million (Chart L-2). Dramatic changes in work, welfare, and poverty among this population have occurred in recent years, especially since 1992-93, as detailed in the following charts. Highlights include:

- The percentage of single mothers who worked at some time during the year rose from 67 percent in 1992 to 83 percent in 2000, dropping somewhat to 81 percent in 2001 (Chart L-1). Single mothers' employment rates, once below those of married mothers, now exceed those of their married counterparts (Chart L-5). Employment gains have been greatest for single mothers with children under age 3 (Chart L-5).
- The percentage of single mothers who received cash welfare, based on CPS data, shrank from 35 percent in 1993 to 11 percent in 2001 (Chart L-1).
- The percentage of poor single mothers (on the basis of pretransfer income) who reported receiving cash welfare declined from 63 percent in 1993 to 25

percent in 2001 (Chart L-3). Declines occurred even among those with very low pretransfer income (e.g., below 25 percent of poverty) (Chart L-4).

- The percentage of single mothers who were poor based on money income, after cash transfers (the official poverty measure), declined from 45 percent in 1993 to 32 percent in 2001 (Chart L-1 and Chart L-7). If in-kind food assistance and the EIC (net of taxes) were counted as income, the poverty rate would have dropped from 41 percent in 1993 to 26 percent in 2001 (Chart L-7).
- 1997 marked a transition year in which, for the first time over the period examined, the share of poor single mothers who worked during the year exceeded those who received welfare (Chart L-6).
- Average total income of poorest single mothers (mothers in the bottom income quintile) has yet to reach its 1994 peak-level (Chart L-9). Growth in net earnings and EIC transfers since 1994 (\$1,760) have not been sufficient to offset concurrent losses in cash welfare and food stamps over the period (-\$2,981), resulting in lower net income in 2001 (\$6,960) than in 1994 (\$7,602).
- However, among single mothers in the second lowest income quintile, gains in earnings and the EIC have more than offset declines in cash welfare and food stamps, resulting in higher average total income in 2000 (\$17,789) than at any time during the preceding 13 years for this subset of the population (Chart L-10). Average total income for this group fell somewhat in 2001, to \$17,324.
- Single-mother families appear better off when compared on the basis of their reported consumption expenditures than when compared on the basis of their reported incomes. Among single-mother families overall, 36.1 percent were considered poor in 2001 based on their incomes reported on the CEX, whereas 26.7 percent were considered poor based on their level of consumption expenditures relative to the poverty income threshold. Under both measures, single-mother families appear to be economically better off in 2001 than in 1994 (Table L-1). Consumption expenditure data suggest that in spite of declining welfare receipt the poorest one-fifth (bottom quintile) of single-mother families maintained their level of consumption over the 1994-2000 period, and had somewhat higher consumption levels in 2001 when compared to 1994, even after counting increased work-related expenses (transportation, child care, payroll taxes) over the period (Table L-2).

CHART L-1 -- WELFARE, WORK AND POVERTY STATUS AMONG SINGLE MOTHERS, 1987-2001

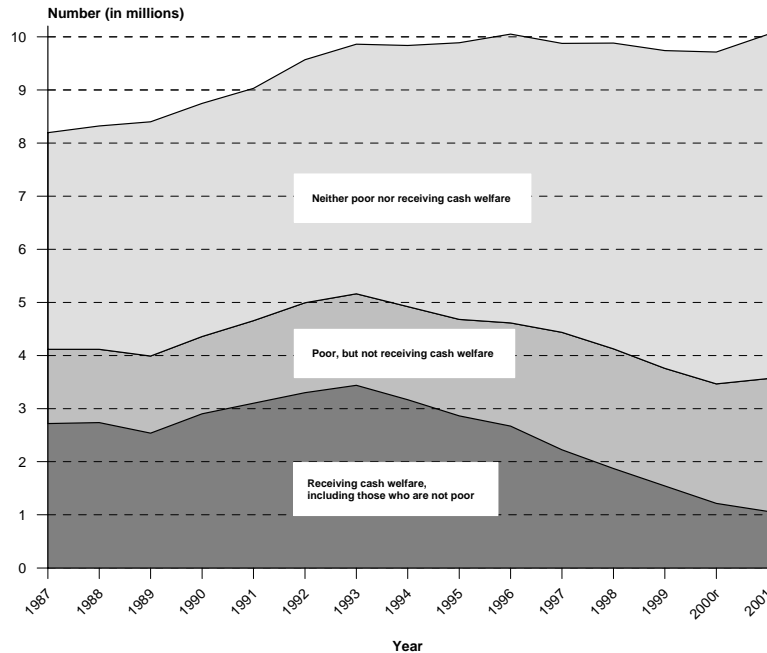


r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights. Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

CASH WELFARE RECEIPT

CPS data show an increase in cash welfare receipt (AFDC, TANF, or other assistance) among single mothers during the late 1980s and early 1990s and a decrease in the mid-to-late 1990s that corresponds to the caseload rise and fall documented by administrative data. Chart L-2 shows that the total number of single mothers increased from 8.4 million in 1989, to about 9.9 million in 1993, an increase of 1.5 million, or 17 percent. Since 1993, the number of single mothers has remained fairly stable, between 9.7 and 10.1 million, but the number of single mothers receiving cash welfare has fallen each year.

CHART L-2 -- SINGLE MOTHERS: POVERTY AND CASH WELFARE RECEIPT, 1987-2001

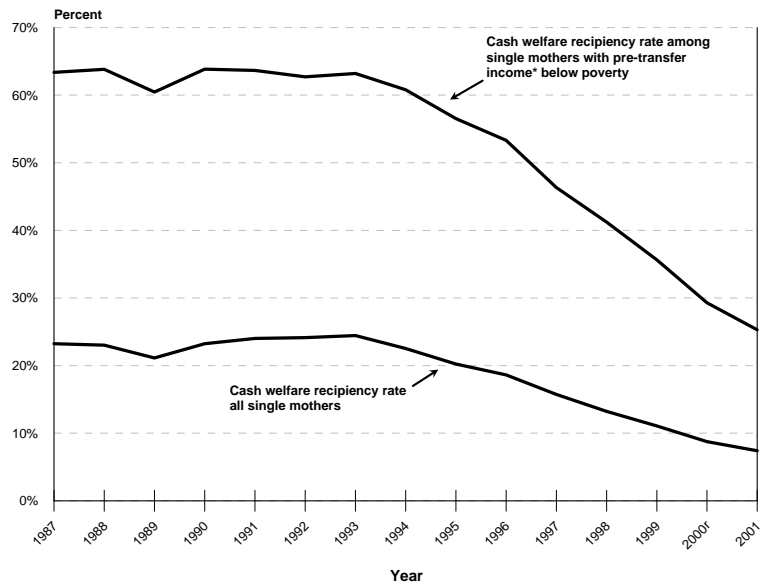


r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights.
 Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

The number of single mothers in families receiving cash welfare increased from 2.5 million in 1989, to 3.4 million in 1993, an increase of 900,000, or 36 percent over the 4-year period. Since 1993, the number of single mothers reporting cash welfare has fallen to 1.1 million (a 69 percent decline). Over the same period, the number of poor single mothers who reported receiving no cash welfare increased by 532,000, from 1.7 million in 1993 to 2.5 million in 2001 (the middle shaded area shown in Chart L-2).

Chart L-3 shows that cash welfare reciprocity rates among single mothers overall, and among poor single mothers based on their pretransfer income (cash income excluding cash welfare), remained fairly steady during the 1987-93 period, but have fallen considerably since. Among single mothers who were poor based on their pretransfer cash income, the share who received cash welfare held relatively steady, around 63 percent, over the 1987-93 period. As the chart shows, the likelihood of cash welfare receipt has decreased since 1993 among this population. In 1993, the cash welfare reciprocity rate among single mothers with pretransfer income below poverty was 63 percent; by 2001, it had fallen to 25 percent.

CHART L-3 -- SINGLE MOTHERS: CASH WELFARE RECIPIENCY RATES, 1987-2001



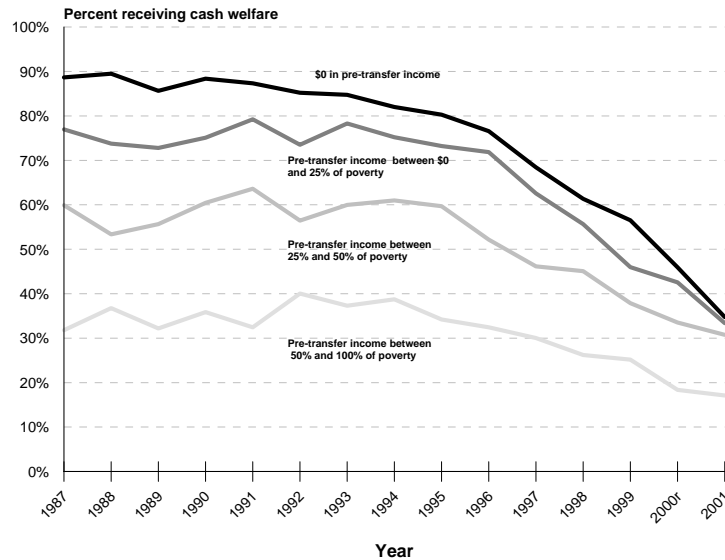
* Pretransfer income is cash income other than cash welfare payments.

r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights.

Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

Chart L-4 shows cash welfare reciprocity rates based on families' pretransfer (i.e., precash welfare) income relative to poverty. The top line of the chart depicts the share of single mothers without other income who reported receiving cash welfare. The line shows that nearly 90 percent of single mothers with no pretransfer income reported receiving cash assistance in the years 1987 to 1990. However, since 1990, the reported rate of cash welfare reciprocity for this group has continuously declined, to 77 percent in 1996, and to 35 percent by 2001. Similarly, for families with very low pretransfer income (below 25 percent of poverty), and for families with pretransfer incomes between 25 and 50 percent of poverty, cash welfare reciprocity also shows dramatic declines: for the former group from 72 percent in 1996 to 33 percent in 2001, and for the latter group from 60 percent in 1995 to 31 percent in 2001.

CHART L-4 -- CASH WELFARE RECIPIENCY RATES AMONG SINGLE-MOTHER FAMILIES BY PRETRANSFER INCOME POVERTY STATUS, 1987-2001



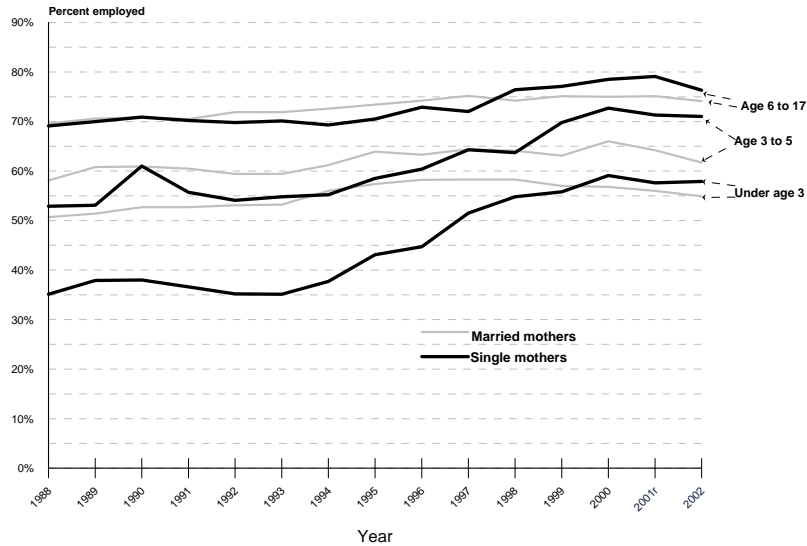
r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights. Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

Likewise, food stamp reciprocity rates among low-income households also have fallen considerably since 1994. In 1994, 71 percent of single-mother families with household income below 130 percent of poverty (the Food Stamp Program's gross income qualifying limit) reported receiving food stamp benefits; by 2000, the share fell to 50 percent, where it has since remained. Among those with household incomes below 50 percent of the low-household income threshold, in 1994, 80 percent reported food stamp receipt; in 2001, 61 percent reported food stamp receipt.

RATES OF EMPLOYMENT

While welfare receipt has declined, dramatic gains in single mothers' employment have occurred since 1993. Chart L-5 shows employment rates of single and married mothers by age of youngest child in March, from 1988 to 2002. The chart shows single mothers' employment rates, once lower than those of married mothers, now exceed those of their married counterparts.

CHART L-5--EMPLOYMENT RATES OF SINGLE AND MARRIED MOTHERS, BY AGE OF YOUNGEST CHILD, MARCH 1988-MARCH 2002



Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

The increase in employment among single mothers with very young children (under age 3) has been most dramatic. Their employment rate increased from a recent low of 35.1 percent in March 1993 (18.1 percentage points below the rate for married mothers) to a high of 59.1 percent in March 2000 (exceeding the rate for their married counterparts by 2.3 percentage points). Their employment rate has dropped slightly since, to 57.9 percent in 2002. Single mothers with a youngest child age 3-5 also experienced marked employment gains over the mid-to-late 1990s. Their employment rate grew from a recent low of 54.1 percent in March 1992, to a high of 74.4 percent by March 2000, a 20.3 percentage point increase, surpassing that of their married counterparts by 9.7 percentage points. Single mothers whose youngest child was of school age (age 6-17) have had employment rates slightly above those of their married counterparts since 1988.

The healthy economy during much of the 1990s, combined with a transformed welfare system, improvements in the EIC, and increases in the minimum wage, are among the factors thought to have encouraged work among single mothers in recent years. TANF, and the AFDC waivers that preceded it,

transformed cash assistance from a needs-based entitlement to a program of temporary assistance by encouraging work and personal responsibility. Imposition of work requirements, time limits, and sanctions and, in some States, more generous earnings disregards, all serve to encourage work either in lieu of welfare or for a temporary period, in conjunction with welfare. The EIC, which is conditioned on earnings, is thought to encourage work among most groups, especially single parents who were not working or who were marginally attached to the labor market. Increases in the EIC, passed by Congress in 1993 and phased in between 1994 and 1996, have increased the financial incentive for many single mothers to work. Other factors, such as increased funding for child care subsidies, also may have contributed to making work possible for more single mothers.

WORK AND WELFARE AMONG POOR SINGLE MOTHERS

As shown in the previous section, poor single mothers are less likely to be receiving cash welfare than in previous years. Likewise, like all single mothers, poor single mothers are now more likely to be working. Changes in poor mothers' participation in work and welfare first became evident in the early-to-mid 1990s, with rates of welfare receipt declining after 1993, and rates of employment increasing after 1992 (see Chart L-6, top 2 lines). A crossover point was reached by 1996, after which time the chances that a poor single mother would be working exceeds the chances that she would be receiving welfare.

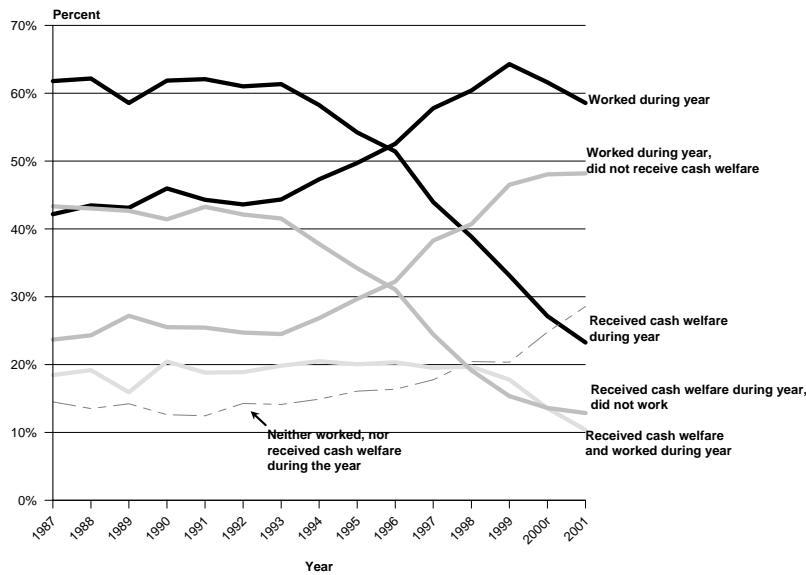
Chart L-6 shows that the share of poor single mothers who received cash welfare at any time during the year fell from about 60 percent in the 1987-93 period, to about 23 percent in 2001. The rate of decline in welfare receipt among poor single mothers has been greatest since 1996, a period coinciding with the passage and implementation of national welfare reform legislation. Similarly, the share of poor single mothers who were working at any time during the year increased from 44 percent in 1992, to a peak of 64 percent in 1999, but has fallen since, to about 59 percent in 2001.

The share of poor single mothers who relied on cash welfare without working dropped from a peak of 43 percent in 1991, to about 13 percent in 2001 (an over two-thirds drop from the 1991 rate). The share of poor single mothers who worked without relying on cash welfare has increased from a recent low of about 25 percent in 1993, to 48 percent in 2001 (nearly double the 1993 rate). The share of poor single mothers who combined work and welfare over the year had remained relatively constant, around 20 percent, until dropping to 14 percent in 2000 and 10 percent in 2001.

The share of poor single mothers who reported that they neither worked nor received cash welfare during the year (the dashed line in Chart L-6) has increased from a low of about 13 percent in 1991 to a high of about 29 percent in 2001. This surprising combination may reflect a mix of circumstances, including income or support from other sources such as family members, support from unrelated household members (which is not included in the official

poverty measure), and other means of support from outside the household not counted on the CPS. It also may reflect income reporting problems on the CPS, especially with regard to welfare income.¹ Finally, welfare sanction and diversion policies may have contributed to the increased number of poor mothers neither working nor receiving welfare.

CHART L-6 -- POOR SINGLE MOTHERS: WORK AND WELFARE STATUS DURING THE YEAR, 1987-2001



r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights. Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

EFFECTS OF EARNINGS, TRANSFERS, AND TAXES ON SINGLE MOTHER'S POVERTY

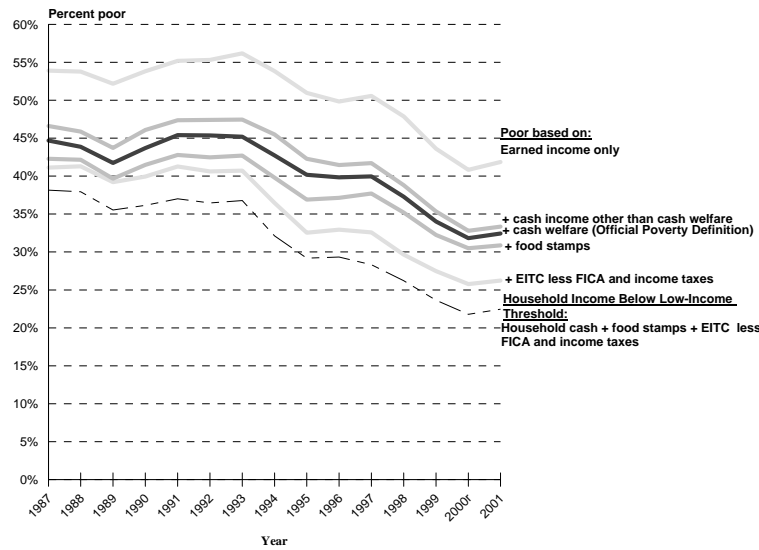
As shown in Chart L-1, single mothers' poverty status has improved since

¹ A comparison of AFDC/TANF administrative statistics and CPS-estimated caseload counts suggests that the CPS undercounts actual cases, and that the CPS undercount has worsened in recent years. From 1987 to 1991, the CPS accounted for roughly 80 percent of the AFDC administrative caseload count, but by 2001 the CPS was capturing only about 60 percent. Worsened reporting of cash welfare on the CPS makes it difficult to gauge how much of the drop in welfare receipt among single mothers represents eligible families who do not receive assistance, rather than families who do not report actual welfare aid on the CPS. To at least some extent, the declining welfare reciprocity rates discussed in this section are likely due to increased underreporting of cash welfare on the CPS. See Bavier (2000) for a detailed discussion of cash welfare underreporting on the CPS and other surveys.

1993. Changes in the economy and changes in welfare policy and other programs, such as the EIC, have both direct and indirect effects on poverty. However, the official U.S. poverty measure counts only family cash income (excluding capital gains and lump-sum or one-time payments) against a family's poverty threshold, which varies by family size and composition, to determine whether a family is counted as poor. The definition does not include the value of in-kind benefits, such as food stamps, school lunches, or public housing subsidies, nor does it include the effects of taxes or tax credits such as the EIC. Inclusion of in-kind benefits and the EIC provides a more comprehensive income definition than the official definition. Additionally, other unrelated household members may contribute to the family's economic well-being, but determining the extent to which resources are shared among unrelated household members is often difficult.

Chart L-7 shows the effects of income from these other sources on poverty among all single mothers. Components of family income are sequentially added and measured against families' poverty thresholds, as one moves from the top line of the chart to subsequent lines below:

CHART L-7 -- EFFECTS OF EARNINGS, TRANSFERS, AND TAXES ON FAMILY POVERTY AND HOUSEHOLD LOW-INCOME STATUS ON SINGLE MOTHERS, 1987-2001



r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights.
 Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

--Line 1: The top line shows the percent of single mothers who would be counted as poor if only family earnings were counted against the poverty line.

--Line 2: The second line down includes other sources of cash income, in addition to earnings that were already counted above. However, this line does not include cash welfare.

--Line 3: The third line down adds cash welfare to the other sources already mentioned, and with those sources, represents the income definition used in the official poverty measure.

--Line 4: The fourth line down shows the value of in-kind food assistance (i.e., food stamps, free and reduced price school lunches, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) payments) when added to cash income and compared to the family poverty threshold.

--Line 5: The fifth line down shows the effect of adding the value of the EIC, less Federal and State income taxes and payroll taxes, to line 4.

--Line 6: The bottom (dashed) line shows the effects of counting all income in the household in which the single mother lives, not just that of her own family, and comparing it to an unofficial "household low-income threshold." The household low-income threshold used here applies family poverty income thresholds, which are based on family size and composition, to households, based on household size and composition. It must be noted that official poverty measurement is based on a family concept, which assumes that family members share income and economies of scale that result from shared living arrangements. It is generally agreed among researchers that assumptions regarding income sharing and shared economies of scale among related family members, who have ties based on blood, marriage, and adoption, do not apply to the same extent among unrelated household members. Consequently, these estimates of household low-income status likely overstate the effect of household income on reducing poverty among families headed by single mothers.

In viewing Chart L-7, note that the trend in earnings is the principal factor affecting the declining trend in poverty, whereas the other income sources, with the exception of the EIC, affect the level of poverty, more than its trend overtime. Evidence of this effect is that most lines in the chart, with the exception of the EIC, roughly run parallel to the ones above.

Effect of earnings and other nonwelfare cash income on poverty

Chart L-7 shows that between 1993 and 2000, single mothers' poverty, based on family earnings alone, fell from 56.2 percent to 40.8 percent (line 1). In 2001, their "earned-income poverty rate" increased to 41.9 percent, presumably due to the effects of the economic recession. Adding other cash income, except cash welfare, to family earnings (line 2), reduces poverty in 1993 from 56.2 percent (line 1) to 47.4 percent (line 2), and in 2001 from 41.9 percent to 33.3 percent.

Effect of cash welfare on poverty

When added to other income, cash welfare benefits have only a small impact on the poverty rate, as these benefits generally are not sufficient, even when combined with other cash income, to lift families above the Federal poverty threshold. As shown by Table 7-16 (breakeven points) in section 7, in all but nine States, Temporary Assistance for Needy Families (TANF) families that go to work lose eligibility for benefits before earnings reach the poverty line, usually long before. Consequently, cash welfare benefits have little impact on the poverty rate. The addition of cash welfare (line 3, representing the official income definition for measuring poverty) reduces poverty only slightly, from 47.4 percent (line 2) to 45.2 percent (line 3) in 1993, and from 33.3 percent to 32.4 percent in 2001. Nonetheless, cash welfare benefits can have a significant impact on the level of poor families' incomes, affecting the degree to which their incomes fall below the poverty income standard. This impact is not captured by changes in the poverty rate.

Effect of in-kind food assistance on poverty

The fourth line from the top in Chart L-7 shows the effect on the poverty rate of single mothers by counting government food assistance, in the form of food stamp benefits and school lunch benefits and WIC payments. The line shows that food assistance reduces the poverty rate of single mothers from about 2-3 percentage points over the period. The antipoverty effectiveness of food assistance seems to have lessened somewhat in recent years. In 1995, food assistance reduced the poverty rate from 40.2 percent (its official measure) to 36.9 percent, a 3.3 percentage point (8.1 percent) reduction in poverty. In 2001, food assistance reduced the poverty rate from its official rate of 32.4 percent, to 30.9 percent, a 1.5 percentage point (5.6 percent) reduction.

Effect of EIC and taxes on poverty

As noted above, the net effect of the EIC (after counting the effect of reductions in income from Federal and State income taxes and FICA taxes) (line 5), when added to total family cash income and food assistance (line 4), causes a divergence in trend from the lines above. This is especially notable after 1993. A major expansion of the EIC, passed by Congress in 1993 and phased in between 1994 and 1996, increased the amount of the EIC work bonus families might receive. The antipoverty effectiveness of the EIC was approximately three times greater in 1998 than in 1993. In 1993, the EIC reduced the poverty rate (counting food assistance) among single mothers from 42.7 percent (line 4), to 40.7 percent (line 5), a 2.0 percentage point (4.6 percent) reduction. In 2001, the EIC reduced poverty from 30.9 percent to 26.2 percent, a 4.7 percentage point (15.2 percent) reduction.²

As receipt of the EIC is conditioned on earnings, the growing impact of the EIC in part reflects the rise in work rates among single mothers. Among

²Note that the value of the EIC on the CPS is based on U.S. Census Bureau imputations, rather than actual reported tax credits. Also, the EIC is different than most sources of income, as most families receive the EIC as a lump-sum refund

those who are working and poor (before counting the EIC), the EIC helps lift the income of some above the poverty line. Although the EIC expansion provided additional income to low-income families who already were working, it also may have helped induce increased employment among family heads with low to moderate earnings potential, and thus contributed to the decline in “earned-income poverty” that has occurred since 1993 (shown as the top line in the chart).

Note too, that to the extent that changes in cash welfare programs in recent years have encouraged work, these changes may have had an indirect effect on poverty by increasing earnings and, through earnings, making the EIC available to a greater number of families.

Effect of all household income on poverty

The household low-income line (bottom line) shows that if all household members' income were shared equally among household members, the poverty rate among single mothers would drop by at most 3-4 percentage points over the 1987-2001 period. Adding other members' household income, and counting them as though they were family members who shared income equally, reduced the post-in-kind transfer, posttax, poverty rate in 1993 from 40.7 percent (line 5) to 36.8 percent (line 6); in 2001 the post-in-kind transfer, posttax, poverty rate would have dropped from 26.2 percent to 22.5 percent. Again, this is most likely an overstatement of the possible effect that shared household living arrangements might have on single mothers' poverty status, because of uncertainty about the extent to which such income is actually shared.

EARNINGS-POOR SINGLE MOTHERS AFTER TAXES AND TRANSFERS

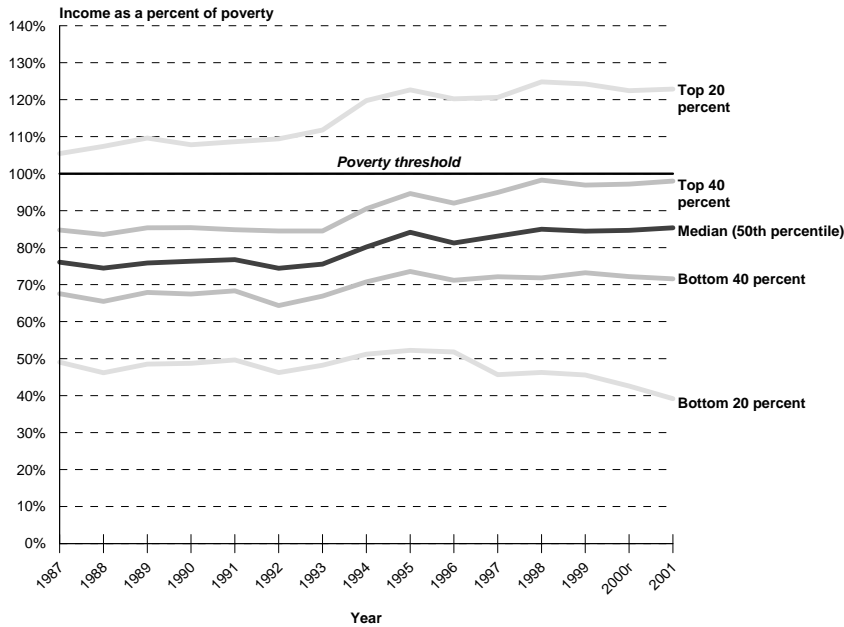
This section focuses specifically on single mothers with family incomes below poverty, based on family earnings alone, to gauge the effects of other income, transfers, and taxes over time. This group, shown in the top line in Chart L-7 for the 1987-2001 period, accounted for between 56 and 41 percent of single mothers over the period depicted. Chart L-8 shows their distribution, relative to the poverty threshold, after cash income from all sources, in-kind food assistance, and taxes (including the EIC) is taken into account. Unlike Chart L-7 above, which simply measured whether income was below poverty, Chart L-8 examines the degree of poverty after taxes and transfers, for families defined as poor based on family earnings alone. The chart includes families with no earnings, as well as those who have earnings but whose earnings fall below poverty.

Chart L-8 shows that while the majority of “earnings-poor” single mothers have seen improvements in income relative to poverty since 1991, the improvement occurred mostly in 1994 and 1995. Since 1995, the bottom 50 percent of these single mothers have seen no improvement in their income relative to poverty, and the bottom 20 percent have actually seen declines in their income status relative to poverty since 1996.

Chart L-8 shows, for example, that over the 1987-2001 period, the top 20

percent of single mothers who were poor based on earnings alone had income from other sources that helped bring their families' incomes above the poverty line. Over the period, these families became somewhat more economically secure: in 1987, the top 20 percent of earnings-poor mothers had a net in-kind aftertax income that was 5 percent or more above the poverty line. Since 1995, the top 20 percent of earnings-poor single mothers had net income that was 20 percent or more above poverty. The chart shows strong net income gains relative to poverty among earnings-poor single mothers over the 1993-95 period, but little or no progress afterwards. After 1996, those in the bottom 20 percent show a decline in their level of income security, with net income relative falling from 52 percent of poverty in 1996, to 39 percent of poverty in 2001.

CHART L-8 -- POSTTAX POST-IN-KIND TRANSFER INCOME AS A PERCENT OF POVERTY AMONG SINGLE MOTHERS CONSIDERED POOR BASED ON FAMILY EARNINGS ALONE, 1987-2001



r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights. Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

INCOME SOURCES AMONG POOREST SINGLE MOTHERS³

The composition and level of income among the poorest single-mother families has changed markedly in recent years, reflecting increased earnings supplemented by increased earned income credits (EIC) and reductions in cash welfare and food stamps. For single mothers in the bottom fifth (bottom quintile), increased earnings and EIC have not been sufficient in recent years to offset losses in cash welfare and food stamps, resulting in reduced income since 1996. Families in the bottom 20-40 percent (second quintile) also received less cash welfare and food stamps in recent years, but since 1998, increased earnings supplemented by the EIC have more than offset these losses.

Charts L-9 and L-10 examine sources of income among the bottom quintile (bottom 20 percent) and the second lowest quintile (bottom 20-40 percent) of single-mother families, respectively, based on their pretax cash income relative to poverty. The charts show the average annual income, in 2001 dollars, from the following sources: cash public assistance (Aid to Families with Dependent Children (AFDC), TANF, and general assistance); Supplemental Security Income (SSI); food stamps (market value); child support and alimony; other cash income other than earnings; net earnings (earnings net of the employee share of FICA payroll taxes and any Federal or State income taxes); and the EIC. The employee share of FICA payroll taxes, and any Federal or State income tax payments are also shown as negative values. Note that these estimates are based on year-to-year income comparisons of cross-sectional survey data, rather than a comparison of incomes for the same families over time.

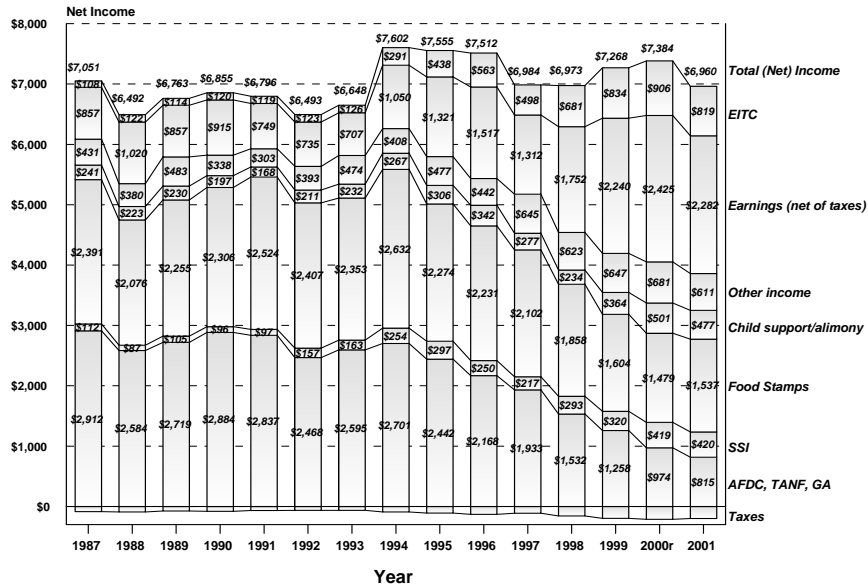
Chart L-9 shows declining reliance on cash welfare and food stamps since 1994, and increased reliance on earnings, supplemented by the EIC, among families headed by single mothers in the bottom income quintile. However, earnings gains, even when supplemented by the EIC, have not been sufficient to offset the losses in income from cash welfare and food stamps since 1994. In 2000, increased earnings and EIC helped to raise average total income of single mother families in the bottom income quintile to \$7,384, still short of total family income for this group of \$7,602 in 1994. Total income of mothers in the bottom quintile fell from 2000 to 2001 to \$6,960, due to reductions in earnings and EIC as well as most other income sources. Increased food stamp benefits helped offset these losses somewhat.

Average cash welfare and food stamp benefits reported by single mothers in the bottom quintile have fallen since 1994. In 1994, combined average AFDC and General Assistance benefits were \$2,701 for this population; by 2001 combined TANF and General Assistance had fallen to \$815, 30 percent of their 1994 value. Similarly, in 1994, average food stamp benefits amounted to \$2,632; by 2001 they had fallen to \$1,537, 58 percent of their 1994 value. In spite of increased earnings, supplemented by increased EIC benefits, earnings

³ In addition to the analysis which follows, see: Primus et al. (1999); Bavier (1999); and Haskins (2001) for other research discussing recent declines in income among the poorest families.

gains have been insufficient to offset reductions in cash welfare and food stamp aid that have occurred since 1994.

CHART L-9 -- BOTTOM QUINTILE OF SINGLE-MOTHER FAMILIES:
AVERAGE ANNUAL INCOME BY SOURCE, 1987-2001 (IN 2001
DOLLARS)



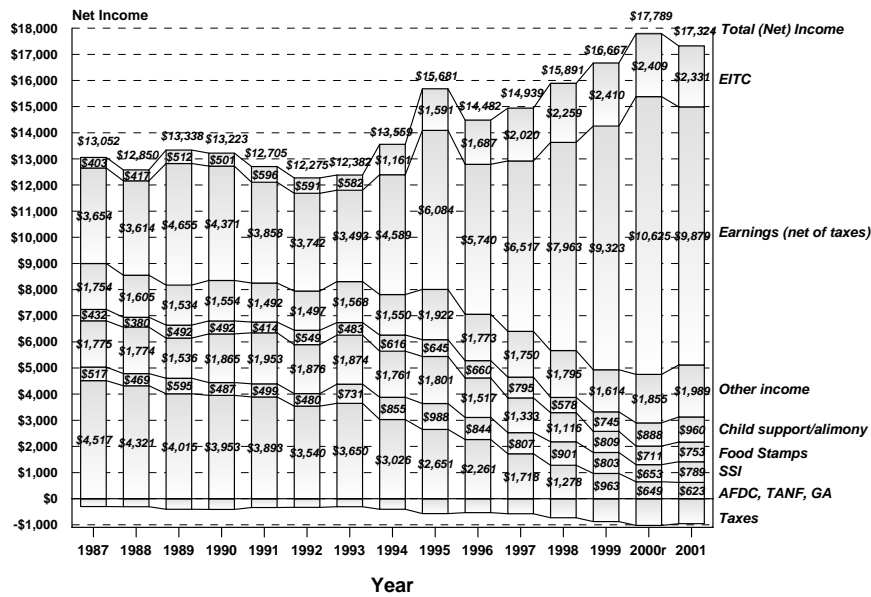
r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights.
Note- Quintiles based on ranking of ratios of family cash, pretax income, relative to poverty. Taxes include Federal and State income taxes and FICA taxes.
Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

The growing importance of the EIC as an earnings supplement can be illustrated by comparing the average EIC as a share of average earnings shown in Chart L-9. Legislative expansions to the EITC in 1990 (phased in between 1991 and 1992) and in 1993 (phased in from 1994 through 1996) expanded the credit's "work bonus" to families with children, amounting to a supplement of as much as 40 cents on each dollar earned. In 1990, the average EIC depicted in Chart L-9 amounted to about 13 percent of average earnings of mothers in the bottom income quintile. By 1993, the EIC "work bonus" increased to 18 percent of earnings, and then doubled to 37 percent of earnings by 1996, once legislative expansions had completely phased in. In 2001, the average EIC (\$819) received by families headed by single mothers in the bottom income quintile about equaled the average cash assistance (\$815) families in this income category received. In addition to providing needed income to low-income

working families, the EIC has also likely encouraged work and increased earnings.

Chart L-10 is similar to Chart L-9, but shows average income by source for the second quintile of single-mother families, ranked by their income relative to poverty. Chart L-10 shows comparatively large gains in average total income from 1993 to 1995, due largely to increased earnings and EIC. Over this short period average total net income increased from \$12,382 to \$15,681, a gain of nearly 27 percent. With the exception of 1996 and 2001, average earnings for single mothers in the second quintile have grown each year since 1993.

CHART L-10 -- SECOND QUINTILE OF SINGLE-MOTHER FAMILIES:
AVERAGE ANNUAL INCOME BY SOURCE, 1987-2001
(IN 2001 DOLLARS)



r Revised estimates based on expanded CPS sample and 2000 decennial census derived weights.
Note-Quintiles based on ranking of ratios of family cash, pretax income, relative to poverty. Taxes include Federal and State income taxes and FICA taxes.
Source: Prepared by the Congressional Research Service. Based on analysis of U.S. Census Bureau March 1988-2002 Current Population Survey data.

Average total income among single mothers in the second quintile reached its highest level over the 15-year period examined in 2000. Average total income of mothers in the second income quintile fell somewhat in 2001, as a result of declines in earnings and the EIC, brought about, most likely, by the recession. In 2000, the peak-income year, earnings in combination with the EIC more than offset the loss in combined cash assistance and food stamps that

occurred over the 1995 to 2000 period. Over the period, the gain in average net earnings, in combination with EIC (\$5,358), more than offset the \$3,092 loss in combined cash assistance and food stamps. By 2000, average net earnings (\$10,625) accounted for 60 percent of these families' incomes (\$17,789) and cash assistance (\$649) accounted for just under 4 percent. In contrast, in 1987, earnings accounted for about 28 percent of this group's income (\$3,654 in earnings out of a total net income of \$13,052) and cash assistance (\$4,517) comprised about 35 percent. In 2000, average total income for families in the second quintile (\$17,789) was 36 percent above that in 1987 (\$13,052).

CONSUMPTION EXPENDITURES

Though annual income information is the basis of most official measures of economic well-being (e.g., poverty statistics), it suffers some drawbacks. Income during any one period imperfectly measures the value of goods and services a family can consume, since families may liquidate savings, borrow money, or access some other sources of funds. This section presents information on consumer expenditures from the U.S. Bureau of Labor Statistics Consumer Expenditure Survey (CEX), as a complement to the preceding analysis of income data from the Current Population Survey (CPS). Consumption data are derived from the CEX, which has a relatively small sample size of approximately 7,500 households, interviewed quarterly, compared to the annual demographic survey of the CPS, which has an annual sample of nearly 100,000 households interviewed in March 2002. Families headed by single mothers amount to approximately 1,500 respondents accumulated over 4 quarters of the 2001 CEX and 8,700 on the March 2002 CPS. The small CEX sample size, relative to the CPS, means that data from the CPS are likely to be statistically more reliable, and large year-to-year differences are required for changes estimated from the CEX to meet standard tests of statistical significance. In the CEX tables that follow, values that statistically differ from their 1994 estimates at the 90 percent statistical confidence level are noted. All dollar amounts are shown in 2001, inflation-adjusted, constant dollars.

Single mothers income and consumption levels

Table L-1 summarizes information on income, consumption expenditures, welfare receipt, and work for single-mother families from 1994 to 2001. The table shows, for example, that median after-tax income of these families (including the value of food stamps), increased from \$16,578 in 1994 to \$19,651 in 2001, or 18.5 percent. The table shows lower rates of income poverty among single-mother families in later years than in earlier years, as their estimated poverty rates in 1998, 2000 and 2001 are statistically lower than in 1994. According to the CEX data, 36.1 percent of single-mother families were poor in 2001, compared to 45.2 percent in 1994, based on their after-tax cash income and food stamps, about a 20 percent decline. Income-based poverty measures on the CEX generally tend to be higher than those derived from the CPS, most

likely due to the poorer accounting of income on the CEX than on the CPS (discussed further below). Nonetheless, the CEX income poverty rate trend is similar to the CPS-based poverty trend shown earlier, which fell by 22 percent over the same period.

The CEX data, like the CPS data depicted earlier, show declining rates of cash welfare (in 2001, down 67 percent from 1994 levels) and food stamp receipt (in 2001, down 46 percent from 1994) among single-mother families, as well as an increasing probability of having earned income (up 21 percent in 2001, compared to 1994) over the period.

Table L-1 shows overall consumption expenditures for single-mother families but also divides consumption expenditures into: (1) a category that explicitly includes spending on items commonly associated with work (transportation, child care, and retirement contributions including the employee share of Social Security payroll taxes); and (2) all other expenditures (including expenditures to meet basic needs, such as food and shelter). As shown in the table, some of the increase in overall consumption expenditures is attributable to increased work-related expenses. Median work-related expenses among single-mother families are statistically higher in all years since 1997, compared to 1994, whereas other consumption expenditures are statistically higher only in 2000, when compared to 1994. The increase in work-related expenses is consistent with other trends in the table, such as declining welfare receipt and increased work among single-mother families.

The table shows that median consumption expenditures reported on the CEX tend to be somewhat higher than median income over the period examined. For example, in 2001, median consumption expenditures of single-mother families amounted to \$21,303, compared to median after-tax income of \$19,651. The median ratio of consumption to income among single-mother families ranged from between 1.07 (2001) and 1.22 (1997) over the period depicted in the table.

Single-mother families appear less likely to be poor based on their spending than based on their income. For example, in 2001, 36.1 percent of single-mother families appeared to be poor based on their income, whereas 26.7 percent appeared to be poor based on their spending. Table L-1 shows that poverty based on single mother-families' spending was statistically lower in all years (except for 1998) since 1997, when compared to 1994 levels.

The table shows that in spite of increased likelihood of single-mother families' working in more recent than in past years, the percent of families with child care expenses has not differed from 1994 levels, with the exception of 2001. In 2001, 18.9 percent of single-mother families reported having child care expenses, compared to 25.7 percent in 1994. Among families with child care expenses, at the median those expenses amounted to between 7.8 percent and 10.4 percent of family after-tax income over the period.

Income and consumption expenditures for the poorest families

Analyses of national income surveys (for example, the CPS) have shown that income growth among the poorest single mothers stagnated after 1994. The

CEX also shows that income of the poorest one-fifth of single mothers has not grown since 1994; the data indicate that poorest single mother families' incomes were actually below their 1994 levels in 1998 and 1999, when compared on a price-adjusted basis, and below their 1994 level from 1996 through 1999, when compared on an income relative to needs basis (see Table L-2). When compared on the basis of consumption, poorest single mother families appear better off than when compared on the basis of their income. Yet, with the exception of 2001, consumption expenditures on a price-adjusted basis have not differed significantly from their 1994 levels for these families. Unlike the income data, which showed a decline in the poorest single mothers' incomes in some years, compared to 1994, the consumption expenditure data suggest that these poorest families at least maintained consumption levels attained in 1994, measured either on a price-adjusted dollar basis or on a consumption to needs basis, and in 2001 exceeded 1994 consumption levels. It should be noted that even though the consumption expenditure data suggests a more favorable picture for single mother families than does income data, only in 2001 have consumption expenditures exceeded 1994 levels. Additionally, these families' consumption levels fall short of meeting basic needs, as measured against the poverty standard (i.e., consumption expenditures to needs ratio). The median consumption to needs ratio for these families ranged from a low of 0.76 in 1994 to a high of 0.87 in 2001.

A note on income and consumption patterns

Data from the CEX show that consumption expenditures among single mother families tend to exceed their reported income. This is especially true among the poorest families, for whom median consumption expenditures ranged from 1.8 to 2.5 times families' reported incomes. These observed differences in consumption, relative to income, appear not just among single mother families, depicted in this analysis, but among families generally on the CEX who are in the bottom two-thirds of the income distribution (Rogers and Gray, 1994). There are several possible explanations for the gap between consumption and income seen on the CEX:

1. Income on the CEX, as with most surveys, tends to be underreported. The CEX does a much better job at measuring consumption than income. Consumption expenditures are recorded by quarterly interview for each month in the quarter and by use of weekly expenditure diaries. In contrast, CEX sample households are asked to report income information by recounting income received over the prior 12 months. Besides being prone to error in accounting, income received over the prior 12 months may not accurately reflect current income. Families appearing at the bottom of the income distribution especially may be comprised of families for whom income underreporting is an issue, thus in part accounting for their appearance in the bottom of the income distribution. The analysis in this section has been restricted to families who provided responses to major income sources on the CEX. These families are referred to as "complete income reporters." However,

even among these families, income from all sources may not be accounted for fully. Very-low income single mothers may use a variety of survival strategies to make ends meet, such as network-based or agency-based support, unreported work and work in the underground economy, and cash contributions from families, friends, boyfriends, or former spouses who live elsewhere (Edin and Lein 1997). These types of “income” are unlikely to be reported as income on household surveys.

2. Some who have low incomes are temporarily poor. For those families that are experiencing a temporary dip in income, with savings withdraws can finance consumption expenditures that exceed income. However, it is unlikely that most families who are identified as “income poor” have substantial assets/savings upon which they can draw to fund current consumption.
3. Some low-income people might access credit markets to pay for spending that exceeds income. Poor families increased their credit card debt in the early-to-mid 1990s (Bird et al., 1999) to a greater extent than other families. If this trend continued into the later 1990s, it could account for some of the growing gap in spending and income among the low-income populations. To the extent which the poor are funding current consumption by increasing debt, consumption data may overstate the true level of economic well-being.

EXAMINATIONS OF FAMILIES THAT EXITED THE WELFARE SYSTEM: THE WELFARE LEAVERS

The previous section examined how single mothers on the whole are faring. This section turns to how families who were once on welfare and left the rolls, commonly referred to as “welfare leavers,” fare. (See Section 7, TANF, for information about those who are on the rolls.) Since the mid-1990s, many States have conducted studies of welfare leavers, capturing information about employment, earnings, and receipt of government benefits for those who leave the welfare rolls. These studies have varied a great deal, in terms of their methods, populations examined, and so on, and have been reviewed elsewhere (including the 2000 edition of the *Green Book*). Though these studies have provided a relatively consistent picture of how welfare leavers fare, making inferences from them is hampered by differences in their methods and data. Using funding from the special welfare outcomes appropriations, HHS provided grants to 15 States and localities to conduct a series of leaver studies with more consistent methods and data. The HHS leaver studies generally confirmed what had been found in the State-developed leaver studies:

TABLE L-1 -- INCOME, CONSUMPTION EXPENDITURES, WELFARE RECEIPT, AND WORK EXPERIENCE OF SINGLE-MOTHER FAMILIES, 1994-2001

Category	Year										Percentage change 1994 to 2001
	1994	1995	1996	1997	1998	1999	2000	2001	2001	1994 to 2001	
After-tax income (median amount)	\$16,578	\$16,068	\$16,021	\$17,646	\$18,750	\$17,819	\$18,956 ¹	\$19,651 ¹			18.5 ¹
Consumption expenditures (median amount)	19,558	19,495	19,887	22,161 ¹	21,210	20,893	\$21,897 ¹	21,303			8.9
Consumption expenditures on "work related categories" (median amount)	3,069	3,249	3,442	4,126 ¹	3,921 ¹	3,897 ¹	4,029 ¹	3,703 ¹			20.7 ¹
Other consumption expenditures (median amount)	16,218	15,394	15,626	17,345	16,473	15,744	17,374 ¹	16,488			1.7
Percent with after-tax income (including value of food stamps) below poverty income threshold	45.2	46.0	44.2	42.1	38.3 ¹	39.3	35.7 ¹	36.1 ¹			-20.1 ¹
Percent with consumption expenditures below poverty income threshold	33.0	31.0	31.4	27.0 ¹	27.8	27.3 ¹	24.8 ¹	26.7 ¹			-19.0
After-tax income to needs ratio (median)	1.16	1.14	1.12	1.21	1.31	1.26	1.32 ¹	1.30			12.1
Consumption expenditures to needs ratio (median)	1.41	1.37	1.36	1.53	1.51	1.46	1.51	1.46			1.8
Consumption expenditures other than "work-related" relative to needs ratio (median)	1.13	1.07	1.1	1.16	1.17	1.12	1.18	1.15			1.8
Consumption to income ratio (median)	1.10	1.16	1.18 ¹	1.22 ¹	1.11	1.09	1.12	1.07			-2.7
Cash welfare receipt (percent)	34.5	31.2	22.7 ¹	20.0 ¹	17.3 ¹	14.6 ¹	10.5 ¹	11.3 ¹			-67.2 ¹
Food stamp receipt (percent)	39.7	38.4	33.5 ¹	31.5 ¹	27.1 ¹	24.7 ¹	24.2 ¹	21.3 ¹			-46.4 ¹
Percent of families with one or more earners	73.6	74.5	79.0	81.5 ¹	84.8 ¹	86.5 ¹	87.7 ¹	89.2 ¹			21.1 ¹
Percent of families with child care expenses	25.7	22.6	22.5	28.8	26.9	26.2	23.4	18.9 ¹			-26.6 ¹
Percent of family income spent on child care among families with child care expenses (median)	8.7	10.4	8.3	9.4	8.3	7.8	8.6	8.5			-1.3

¹ Indicates value is significantly different from 1994 value at the 90 percent statistical confidence level.

Note-Data are from quarterly interview surveys. Quarterly expenditures have been annualized for purposes of display. Year represents the year in which expenditures occurred. Income is from the 12 months prior to the survey. The estimates exclude families with incomplete income reporting. All dollar amounts have been inflation-adjusted to 2001 dollars.

Source: Congressional Research Service tabulations of data from the U.S. Department of Labor, Bureau of Labor Statistics Consumer Expenditure Survey.

TABLE L-2 -- INCOME, CONSUMPTION EXPENDITURES, WELFARE RECEIPT, AND WORK EXPERIENCE
AMONG THE POOREST FIFTH (AFTER-TAX INCOME TO NEEDS QUINTILE) OF SINGLE-MOTHER FAMILIES,
1994-2001

Category	Year										Percentage change 1994 to 2001
	1994	1995	1996	1997	1998	1999	2000	2001			
After-tax income (median amount)	\$6,173	\$5,992	\$5,636	\$5,703	\$5,302 ¹	\$5,449 ¹	\$6,241	\$6,005			-2.7
Consumption expenditures (median amount)	\$12,018	\$12,550	\$12,457	\$13,016	\$12,641	\$12,856	\$12,754	\$14,151 ¹			17.8 ¹
Consumption expenditures on "work related categories" (median amount)	\$576	\$655	\$529	\$658	\$837	\$883	\$912 ¹	\$1,160 ¹			101.4 ¹
Other consumption expenditures (median amount)	\$10,734	\$11,504	\$11,071	\$11,916	\$11,515	\$11,629	\$11,632	\$12,149 ¹			13.2 ¹
Percent with after-tax income (including value of food stamps) below poverty income threshold	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			0.0
Percent with consumption expenditures below poverty income threshold	69.1	65.0	72.4	65.8	65.1	63.9	66.3	58.0 ¹			-16.0 ¹
After-tax income to needs ratio (median)	0.44	0.39	0.37 ¹	0.36 ¹	0.35 ¹	0.36 ¹	0.41	0.42			-4.5
Consumption expenditures to needs ratio (median)	0.76	0.83	0.79	0.80	0.82	0.84	0.81	0.87			14.5
Consumption expenditures other than "work-related" relative to needs ratio (median)	0.71	0.76	0.73	0.74	0.75	0.75	0.71	0.79			11.3
Consumption to income ratio (median)	1.81	2.25 ¹	2.19	2.36 ¹	2.52 ¹	2.43 ¹	2.27 ¹	2.29 ¹			26.5 ¹
Cash welfare receipt (percent)	70.1	60.3	43.9 ¹	39.3 ¹	35.9 ¹	35.2 ¹	21.7 ¹	19.9 ¹			-71.6 ¹
Food stamp receipt (percent)	70.5	67.2	60.6	64.1	55.5 ¹	46.9 ¹	53.8 ¹	42.9 ¹			-39.1 ¹
Percent of families with one or more earners	41.4	38.9	49.6	57.2 ¹	57.5 ¹	58.1 ¹	63.6 ¹	69.0 ¹			66.5 ¹
Percent of families with child care expenses among families with child care expenses (median)	13.2	10.3	9.9	12.4	17.2	13.7	13.3	11.2			-15.3
Percent of families with child care expenses (median)	NR	NR	NR	NR	NR	NR	NR	NR			NR

¹ Indicates value is significantly different from 1994 value at the 90 percent statistical confidence level.

NR- Not reported. Standard error of estimate considered too large for estimate to be deemed statistically meaningful.

Note- Data are from quarterly interview surveys. Quarterly expenditures have been annualized for purposes of display. Year represents the year in which expenditures occurred. Income is from the 12 months prior to the survey. The estimates exclude families with incomplete income reporting. All dollar amounts have been inflation-adjusted to 2001 dollars.

Source: Congressional Research Service tabulations of data from the U.S. Department of Labor, Bureau of Labor Statistics Consumer Expenditure Survey.

- The majority of those who leave welfare have a job after leaving the rolls;
- However, many former recipients do not have steady employment after leaving and some eventually do return to the rolls;
- The average earnings of welfare leavers tend to be low—with earnings in many States and localities insufficient to raise the average former welfare family above the poverty line; and
- Because the earnings and incomes of former recipients tend to be low, many may still qualify for government assistance other than cash aid. A large share of former recipients continue to receive government help in the form of food stamps and Medicaid, though there has been concern that some who are eligible for these benefits fail to receive them.

Because the HHS leaver studies were developed to facilitate cross-state comparisons, this section will focus on these 15 leaver studies.⁴

FROM WELFARE TO WORK: EMPLOYMENT AND RECIDIVISM OF WELFARE LEAVERS

The majority of those who leave welfare work. Among the 15 States and localities examined in the HHS leaver studies, many studies reported employment rates in the first quarter after leaving the rolls of just under 60 percent. The “median study”—the midpoint of the ranking of all 15 studies, showed 57 percent of its leavers employed in the first quarter after exiting the rolls. Employment rates tended to remain fairly constant when examining the second, third, and fourth quarters after exit. In most States and localities examined, more than half the leavers were reported employed in each of the four quarters examined. However, as discussed below, this does not mean that the same leavers were employed in each of the four quarters.

Though most work after leaving the rolls, most studies report that only between 30 percent and 40 percent of those who left the welfare rolls worked in all four quarters after leaving welfare. (Cuyahoga County, Cleveland, Ohio, reported that 47 percent of its leavers worked in all four quarters after exiting the rolls.) Work reported in all four quarters does not necessarily mean steady work for the entire year, as these former recipients might have experienced weeks of unemployment within a quarter.

Because not all welfare leavers find work or steady work, some of those who exit the rolls return to welfare. In the fourth quarter after leaving welfare, many of the States and localities reported that about one-fifth (20 percent) of their leavers had returned to the rolls. Over the course of the year after leaving, even more had returned to spend at least a month on welfare.

Table L-3 shows the employment rates (percent working) and recidivism rates (percent returning to the rolls) for leavers in the 15 HHS leaver studies. The table identifies the study, quarter of exit for leavers in the study,

⁴ U.S. Department of Health and Human Services (2001).

employment rates, and returns to welfare.

TABLE L-3 -- EMPLOYMENT RATES AND RETURNS TO WELFARE
RATES: HHS LEAVERS STUDIES

State/locality	Quarter of exit	Employment rates				Returns to welfare	
		1st quarter after exit	4th quarter after exit	Continuously employed	Ever employed	4th quarter after exit	Ever returned
Arizona	1Q98	53	50	NA	73	20	28
District of Columbia	4Q97	62	60	39	79	19	21
Florida	2Q97	50	54	31	71	11	25
Georgia	1Q98	64	57	NA	NA	14	22
Illinois	3Q97-4Q98	54	55	39	70	16	29
Iowa	2Q98	57	38	25	69	24	30
Massachusetts	Dec98-Mar99	60	NA	NA	NA	16	19
Missouri	4Q96	58	58	NA	NA	21	29
New York	1Q97	50	48	40	62	19	NA
South Carolina	Oct98-Mar99	67	63	34	90	11	17
Washington	4Q97	57	57	NA	NA	16	23
Wisconsin	2Q98-4Q98	67	67	NA	82	21	29
Cuyahoga Co (Cleveland, OH)	3Q98	68	64	47	82	25	38
Los Angeles Co. (CA)	3Q96	47	47	35	57	NA	NA
Bay Area (CA)	4Q98	55	NA	NA	NA	NA	NA

Source: U.S. Department of Health and Human Services (2001).

EARNINGS AND INCOME OF WELFARE LEAVERS

The average earnings of welfare leavers vary widely by State. Among the 15 States and localities in the HHS leaver studies, 12 of the studies reported average quarterly earnings of those working in the quarter after leaving welfare that were below the Federal poverty line for a family of three. The 3 jurisdictions where earnings were above poverty were the District of Columbia, New York, and Los Angeles.

These findings should not be interpreted as indicating that welfare leavers were worse off working and not on welfare than being on welfare and not working. In none of the jurisdictions noted above were cash assistance benefits greater than poverty. These findings do indicate that the earnings of welfare leavers were typically low—insufficient by themselves to raise a family of three above the poverty line. Further, while there was some growth in average earnings over the year after leaving welfare, earnings remained low.

Table L-4 shows the earnings of cash welfare leavers by State and locality. It shows average earnings of working welfare leavers in both the quarter after exit and the 4th quarter after exit. It also compares these earnings to the Census poverty threshold for a family of 3 (one adult, two children) for the quarter in which earnings are examined.

The variation in the earnings of welfare leavers is in part explained by differences in State policies. The key policy affecting the average earnings of leavers is the level of earnings at which eligibility for cash benefits ends, often called the “breakeven level” of earnings. This level of earnings varies widely by

State (see Section 7, TANF). In States such as New York and California, this level of earnings is relatively high; in States such as Arizona and South Carolina, this level of earnings is fairly low. In States like New York and California, a recipient who takes a low paying job can remain on the welfare rolls while working (i.e., they do not become welfare leavers). It takes a higher paying job to end eligibility for welfare in these two States than it does in many of the others studied here, accounting for their relatively high average earnings for welfare leavers.

TABLE L-4 -- AVERAGE QUARTERLY EARNINGS OF WELFARE LEAVERS

State/locality	Quarter of exit	Average quarterly earnings of working leavers		Average earnings of working welfare leavers: by quarter after exit as a percent of poverty	
		1st quarter	4th quarter	1st quarter after exit	4th quarter after exit
Arizona	1Q98	\$2,211	\$2,511	67%	76%
District of Columbia	4Q97	3,416	3,934	106%	120%
Florida	2Q97	2,163	2,496	67%	76%
Georgia	1Q98	2,185	2,327	67%	71%
Illinois	3Q97-4Q98	2,663	2,959	81%	90%
Iowa	2Q98	2,481	2,712	76%	81%
Massachusetts	Dec98-Mar99	2,834	NA	84%	NA
Missouri	4Q96	2,192	2,698	69%	83%
New York	1Q97	3,393	3,602	105%	111%
South Carolina	Oct98-Mar99	1,941	2,332	58%	69%
Washington	4Q97	2,678	3,275	83%	100%
Wisconsin	2Q98-4Q98	2,272	2,561	69%	76%
Cuyahoga Co (Cleveland OH)	3Q98	2,744	2,754	84%	82%
Los Angeles Co. (CA)	3Q96	3,414	3,576	108%	111%
Bay Area (CA)	4Q98	3,144	NA	96%	NA

Source: U.S. Department of Health and Human Services (2001).

Of the 15 HHS leaver studies, eight (Arizona; the District of Columbia; Illinois; Iowa; Missouri; Washington; Cuyahoga County, Cleveland, Ohio; and the San Francisco Bay Area in California) surveyed leavers and captured information on household income. Unlike the earnings information cited above, total household income captures the earnings of a spouse or other household member as well as additional cash income benefits (e.g. Supplemental Security Income). The studies found that average total household income too tends to be near the poverty line in great part because a former recipient's own earnings were the most important source of income for her household.

RECEIPT OF OTHER GOVERNMENT BENEFITS

A goal of the TANF block grant is to reduce dependency on government benefits by promoting work, job preparation, and marriage. Therefore, the ultimate goal of Federal policy is to move a family away from all benefits—not just cash welfare. However, as discussed above, the average earnings and

income of former recipients tend to be low. Many former cash assistance families continue to be eligible for benefits from other programs, most notably food stamps. Most cash recipients are also eligible for medical assistance from the Medicaid program while they receive cash welfare. Further, Federal law provides “transitional medical assistance” (TMA) under the Medicaid program for former cash welfare recipients who lost eligibility for cash because of increased earnings. TMA is generally available for one year, but could be available for a longer period of time under “waivers” of Federal law.

Table L-5 shows the percent of leavers in households receiving food stamps and the percent of families in which the adults were recipients of Medicaid for States and localities in the HHS leaver studies. For Medicaid, only adult recipients are shown because eligibility for children is less restrictive than for nondisabled and nonelderly adults. Most children can be covered by Medicaid by virtue of being poor or near poor. The table shows this information for the first quarter and fourth quarter after exit as well as whether the benefit was received at any time during the year after exit.

The table shows that receipt of Medicaid was somewhat more common than receipt of food stamps. This should be expected given the TMA rules. However, the percentage of families with adults receiving Medicaid was lower by the fourth quarter after exit, when Medicaid covered half or fewer welfare leavers in most States.

TABLE L-5 -- PERCENT OF WELFARE LEAVERS RECEIVING
MEDICAID AND FOOD STAMPS

State/locality	Quarter of exit	Percentage of leaver families receiving food stamps			Percentage of families with adults receiving Medicaid		
		1st quarter	4th quarter	Ever during the year after exit	1st quarter	4th quarter	Ever during the year after exit
Arizona	1Q98	51	42	67	60	45	72
District of Columbia	4Q97	40	41	53	44	50	58
Florida	2Q97	45	35	67	55	45	74
Georgia	1Q98	NA	NA	NA	NA	NA	NA
Illinois	3Q97-4Q98	33	33	56	57	40	69
Iowa	2Q98	50	56	67	54	46	68
Massachusetts	Dec98-Mar99	42	44	51	NA	NA	NA
Missouri	4Q96	57	40	70	41	31	NA
New York	1Q97	NA	NA	NA	NA	35	NA
South Carolina	Oct98-Mar99	78	61	84	69	45	69
Washington	4Q97	46	36	NA	53	43	NA
Wisconsin	2Q98-4Q98	70	63	83	80	76	87
Cuyahoga Co (Cleveland OH)	3Q98	56	47	68	60	46	70
Los Angeles Co. (CA)	3Q96	NA	NA	NA	NA	NA	NA
Bay Area (CA)	4Q98	26	NA	NA	74	NA	NA

Source: U.S. Department of Health and Human Services (2001).

Food stamp reciprocity dropped rapidly upon exit from welfare. In many places, less than half of welfare leavers were receiving food stamps in the

quarter after exit. There has been concern that some who leave welfare but have income low enough to qualify for food stamps fail to receive them because they do not know they remain eligible for food aid. The 2002 Farm Bill adopted provisions that seek to retain more eligible families on food stamps when they leave cash welfare.

THE IMPACT OF PROGRAMS: FINDINGS FROM WELFARE REFORM EVALUATIONS

The period between the enactment of the Family Support Act of 1988 (P.L. 100-485) and the passage of the 1996 welfare reform law was characterized by a large number of States and localities experimenting with welfare reform initiatives to promote work and responsibility by parents of needy children who receive cash aid. Section 1115 of the Social Security Act permits HHS to waive certain Federal requirements of certain programs for experimental, pilot, or demonstration projects that are "likely to promote the objectives" of the program. HHS required formal evaluations of any such waiver program. During this era of experimentation, States tested a variety of policy changes such as stronger work requirements, time limits on benefits, rewards and penalties, and personal behavior rules which ultimately were adopted in the design of State TANF programs. Therefore, these evaluations can be used to assess the impacts of similar policies adopted in the wake of Federal welfare reform. With the enactment of the 1996 welfare reform law, States no longer needed waivers to continue such policies and Federal law permitted States to end their waiver programs.

However, the 1996 welfare law permitted States to continue their waiver programs to expiration and provided funding to continue their evaluations if they opted to do so. Some States did continue their waiver evaluations; for many of these States, final reports are now available. However, many States chose to cut short their waivers and their evaluations and therefore there are no findings from these experiments.

THE EXPERIMENTAL METHOD: A BRIEF OVERVIEW OF METHOD AND LIMITATIONS OF SOCIAL EXPERIMENTS

There are a number of different techniques available to evaluate the impact of policy changes, but most evaluations conducted after the passage of the Family Support Act in 1988 used random assignment to experimental and control groups. Random assignment experimental studies assign potential participants to two or more groups. Individuals assigned to a control group are subject to current policies (no policy change); individuals assigned to the experimental group (or groups) are subject to a different package of policy initiatives, such as time limits on assistance, or sanctions for failing to comply with a mandatory work requirement. Because individuals are randomly assigned to these groups, any differences between the experimental and control

groups may be attributed to the policy initiative itself. This difference is therefore the impact of these policy changes.⁵

Though the experimental method has advantages over other research methodologies in determining a program's impact, there are some drawbacks to using it in a social policy context. The findings of impact evaluations are most valid for the particular place, time, context, and policy examined in the study. Generally, more confidence can be placed in findings that are replicated in a number of different settings. The findings of a random assignment evaluation are also limited to the population studied. This is often smaller than the entire population that might be affected by a policy. Most random assignment evaluations of welfare policy changes examine only those already receiving or applying for assistance. However, welfare policy changes might affect those not receiving assistance by making welfare more or less attractive to them. Random assignment impact evaluations generally do not measure these "entry effects."

Further, some welfare reform evaluations—particularly those of programs operated under "waivers" of pre-welfare reform Federal rules—are for programs that combine several different policy changes. For example, many waiver programs (and the TANF program) combined stricter work requirements and time limits with enhanced financial incentives to work and more generous welfare benefits for working families. The experimental group-control group comparison gives the impact of the entire package of changes (work requirements, time limits, and financial incentives).⁶ Therefore evaluations of programs with, for example, time limits, should be interpreted as evaluations of programs with time limits, but not evaluations of time limits per se.

Finally, the impacts most commonly reported from experimental evaluations are average impacts over the entire population studied. The welfare population is quite diverse, and average impacts may mask positive program

⁵ For a policy to have an impact, it must be determined that the impact was not simply a chance occurrence. That is, the difference must be determined to be "statistically significant." Differences between experimental and control groups that pass statistical significance tests are reported as policy impacts. Whether a difference is determined to be an impact generally depends on two factors: the size of the difference between the experimental and control groups, and the size of the sample in the evaluation. Impact evaluations with smaller research samples tend to report fewer impacts. In these smaller samples, the difference may need to be substantial in order to pass tests of statistical significance. On the other hand, impact evaluations with larger research samples tend to report more policy impacts.

⁶ A few evaluations used more than one "experimental group" to attempt to disentangle the effects of a package of policy initiatives. For example, in the Minnesota Family Investment Program (MFIP) and the Vermont Welfare Restructuring Project (WRP), participants in a third comparison group (besides the regular experimental and control groups) were subject to the same policy initiatives as the experimental group, but were also subject to an additional policy initiative (for example, a requirement to work after 6 months of assistance). With the same random assignment and basic assumptions, any observed differences between the two experimental groups may be attributed to the additional policy initiative. In the National Evaluation of Welfare-to-Work Strategies (NEWWS) evaluation, the control group was not subject to a work requirement, one experimental group was subject to a package of work first initiatives and a second experimental group was subject to a package of basic education initiatives. Any observed differences between each of the experimental groups and the control group could be attributed to the different package of initiatives. The goal of this evaluation design was to measure the effect of a program that stressed work-first versus a program that focused more specifically on education.

impacts for some that are offset by negative impacts for others.

WHAT HAVE WE LEARNED FROM WELFARE-TO-WORK EVALUATIONS?

This section presents results from a review of impact evaluations of programs undertaken since passage of the Family Support Act of 1988 that serve the cash welfare population and, in a few cases, other low-income individuals. Most of these evaluations were supported, at least in part, by Federal funds. The discussion focuses on evaluations available as of December 2002.

Welfare-to-Work Findings

Promoting work to end dependence on government benefits is part of the stated purpose of the TANF program. TANF requires recipients to engage in work (as defined by the State) within 2 years, and requires States to penalize recipients who fail to meet work requirements. In addition, States are subject to work participation standards.

Research shows that offering cash welfare to families reduces work effort.⁷ The decision to work requires a choice between the benefits that can be obtained in the workforce and those available from allocating time to domestic activities (such as child-rearing) or leisure. Though the low-income population is diverse, low wage offers can make welfare an economically more attractive option than a job. Additionally, some who are working might decide to reduce their hours of work and make up part of their lost earnings with the welfare payment.

The major issues in welfare-to-work evaluations can be classified into two groups:

- Can programs be designed to overcome the work disincentives inherent in welfare? What are the effects of programs that require work or provide incentives to work?
- Can programs be offered that increase the earnings capacities of welfare recipients so that work becomes more attractive than welfare? What type of programs are most effective, “work-first” or education-focused programs?⁸

Requiring Participation and Encouraging Work

Empirical research dating back to the 1960s provides evidence that welfare is a disincentive to work.⁹ To counteract the work disincentives,

⁷ Danziger, S., Haveman, R. & Plotnick, R. (1981) How income transfer programs affect work, savings, and the income distribution. *Journal of Economic Literature*, 29, 975-1028.

⁸ For an overview of theoretical issues of the labor supply of women, see: Killingsworth, M. & Heckman, J. (1986). Female labor supply: A survey. In O. Ashenfelter & P. Layard (Eds.), *Handbook of Labor Economics (Volume 1)*. New York: North Holland. For a discussion of theory of the allocation of time between market activities (work) and domestic activities, see: Becker, G. (1965). A theory of the allocation of time. *Economic Journal*, 75, 493-517.

⁹ *Ibid.* See also Moffitt, R. (1992). Incentive Effects of the U.S. Welfare System: A Review. *Journal of Economic Literature*, 20, 1-61. (Hereafter cited as, “Moffitt, Incentive Effects of the U.S. Welfare System.”)

policies have sought to require work or participation in job preparation activities. Federal TANF law requires States to operate mandatory welfare-to-work programs, requiring States to sanction families with a noncomplying member. It also gives States the freedom to provide financial incentives to recipients to encourage work, and almost all States have adopted policies to increase the financial reward for taking a job.

The findings of most evaluated welfare-to-work programs show that requiring participation in a pre-employment activity – be it a job search or an education program – increases employment and reduces welfare receipt. Most programs evaluated since the passage of the Family Support Act required participation, rather than made participation in job preparation activities voluntary. Required participation means that if a family fails to engage in activities, it faces at least a partial loss of benefits (a sanction). The impact evaluations indicate that there must be at least some enforcement of the participation requirement to be effective. However, these evaluations have not provided evidence that one type of sanction (such as a total loss of benefits) is more effective than other forms of sanctions (such as partial loss of benefits); sanctions were one of many policy changes made as part of a State's waiver program, which limits the ability to determine if the impact occurred because of the sanction or because of some other change.

As mentioned, most States have adopted policies to increase the reward to work by reducing the amount by which benefits are reduced when a family receives additional earnings. Increasing the amount of earnings disregarded in calculating welfare benefits lowers the implicit tax rate faced by recipient families. However, the bulk of empirical research on the effectiveness of work incentives for both increasing work and reducing welfare receipt was discouraging.¹⁰ Increasing earnings disregards raises the level of income at which a family loses eligibility for benefits. This keeps more families on welfare and could actually decrease work, through reductions in work effort that are at least partially offset by the welfare payment. The increased length of time allowed for families with earnings also has implications for welfare time limits.

Programs that combine financial incentives and mandated participation in work or job preparation have produced some of the highest positive impacts on employment and earnings among those programs that have been evaluated. Financial incentives alone, without a participation mandate, tend to produce smaller or no impacts on employment and often no impacts on earnings. For example, in evaluations of both the Minnesota Family Investment Program (MFIP) and Connecticut's Jobs First program, the combination of financial incentives and mandated participation produced fairly large employment impacts. The final report on MFIP showed a 35 percent increase in employment and a 23 percent increase in earnings among long-term, single-parent recipients 9 quarters after the program began. Connecticut's Jobs First evaluation showed a 10 percent increase in the employment rate and an 11 percent increase in earnings over the 30-month follow-up. The impacts of both programs were

¹⁰ Moffitt, Incentive effects of the U.S. welfare system.

sustained over time. Additionally, both programs had large impacts on the most disadvantaged participants: those without a high school degree, without work experience, and with long spells on welfare. However, evaluations of both MFIP and Connecticut's Jobs First program showed that increases in employment and earnings were accompanied by increases, not reductions, in welfare payments and receipt of assistance.

Some evaluations of State programs that combined enhanced earnings disregards with mandated participation yielded different results from those found in Minnesota and Connecticut. Increased cash assistance payments were not found in the Florida Family Transition Program (FTP), the Vermont Welfare Restructuring Project (WRP), or the Virginia Initiative for Employment Not Welfare (VIEW) program. Florida and Virginia pay lower benefits than do Minnesota and Connecticut, and the Vermont earnings disregard is less generous than those found in Minnesota or Connecticut. Further, in Connecticut and Minnesota, the cash and food stamp earnings disregards were both changed, while the food stamp program in Florida, Vermont, and Virginia operated under Federal food stamp earnings disregard rules.

"Work-First" Versus Education-First Strategies

Under TANF, most States have developed "work-first" programs that emphasize rapid entry into a job. Under the "work-first" program model, the first and most common activity for unemployed recipients is job search. Job search may be supplemented by other strategies if that initial job search is unsuccessful. The TANF "work-first" approach contrasts with the pre-1996 welfare law Job Opportunities and Basic Skills (JOBS) training program, which emphasized an "education-first" strategy for those determined in need of additional education and training.

Higher earnings are associated with both higher levels of formal education and training and job experience.¹¹ Though the welfare population is quite diverse, the most disadvantaged recipients tend to have relatively low levels of schooling as well as relatively little work experience. Higher earnings capacities can be expected to make work more attractive than welfare. However, there has been an ongoing debate about which of the following policies are more likely to move and keep people off welfare by enhancing their earnings capacity:

¹¹ See: Willis, R. (1986). Wage Determinants: A Survey and Reinterpretation of Human Capital Earnings Functions. In O. Ashenfelter and R. Layard (Eds.), *Handbook of Labor Economics (Volume I)*. New York: North Holland. Earnings and earnings capacities of individuals are usually analyzed using "human capital theory," which relates to wages to the skills individuals bring to a job. See Becker, G. (1964). *Human Capital*. Chicago: University of Chicago Press. The most common empirical model of wages was developed by Mincer and Polachek (1974), with earnings estimated as a function of schooling and job experience. See: Mincer, J., & Polachek, S. (1974). Family investments in human capital: Earnings of women. *Journal of Political Economy*, 82, S76-S108. For estimates of earnings capacities for single women with children, see: Haveman, R., & Buron, L. (1993). *Escaping poverty through work: The problem of low earnings capacity in the United States, 1973-88*, Review of Income and Wealth (Series 39), 141-157.

- “Work-first” programs that quickly move recipients into work to acquire work experience by emphasizing immediate job search, often by forgoing formal education and training;
- “Education-first” programs that encourage recipients to acquire education and skills, often by deferring work and acquisition of job experience; or
- “Mixed” approach programs that provide a mix of services, with the first activity determined by an assessment of individual skills and needs.

The JOBS program was created by the Family Support Act of 1988, which also mandated an evaluation of alternative welfare-to-work strategies. That evaluation, known as the National Evaluation of Welfare-to-Work Strategies (NEWWS) was completed in late 2001. NEWWS included a direct comparison of work-first versus education-first strategies as these two types of programs, and a third without mandated participation, were operated side-by-side in the same places (Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California).

Work-First -- The findings of the NEWWS evaluation confirmed those of previous research which showed that work-first programs increase employment and reduce welfare receipt relative to not having such a program in place. Further, work-first programs often have immediate impacts, reflecting the focus of such programs on rapid entry into the workforce. However, the major effect of these programs is to speed entry into a job. Over time, the effects of work-first programs tend to fade. Employment rates for those not subject to the program (the control group) tend to catch up with the rates found in the work-first program. Note that the fading of the impacts over time is not an uncommon finding in evaluations of social programs. Moreover, in the time-limited setting of TANF, speeding entry into the labor force and off of welfare might be seen in and of itself a positive impact as families accumulate less time toward their potential limit.

Though the evidence is that work-first programs can achieve certain policy objectives -- raising employment and reducing the welfare rolls -- the policy successes from them have been limited. In particular, the evaluations show that a work-first strategy alone is unlikely to raise the income of the average participant. Studies of such programs show that increases in earnings generally offset but did not exceed reductions in cash benefits and food stamps. Under TANF, the work-first focus on job search is generally supplemented by “make work pay” policies. Such policies, and their effects on income, will be discussed below.

Education-First -- The NEWWS evaluation also found that education-first programs increase employment and reduce welfare receipt relative to not having such a program in place. That is, programs that provide up-front education to those determined in need of such services also can help achieve policy goals of increasing employment and reducing welfare receipt. However, the impacts on employment and welfare receipt come later under an education-first strategy than they do under a work-first approach. While a recipient is in

education, she is more likely than those in a work-first program to remain on welfare and not be working in a job. The policy question of interest is whether, on average, the long-run benefits of investing in education-first outweigh its costs.

Table L-6 provides a comparison of earnings in both the work-first and education-first programs operated under the NEWWS evaluation in Atlanta, Grand Rapids, and Riverside over 5 years. Where there were differences in impacts, the work-first programs increased work and earnings and reduced welfare receipt by more than the education-focused programs. However, for many programs and groups, there was no difference in the impacts between work-first programs and education-focused groups. It also should be noted that none of the education-first programs increased incomes.

In interpreting the findings comparing work-first and education-first programs, it should be noted that they do not measure the effect of education per se on a recipients' earnings. They measure the effects of *programs* focused on education on recipients' earnings. Many recipients further their education with or without the aid of a program. Education-first programs tended to raise participation in adult basic education for those recipients without a high school diploma or equivalent. However, not all such programs raised participation rates in either vocational education or in post-secondary education beyond those that would have prevailed in the absence of the program.

"Mixed" Approach Program -- Among the programs in the NEWWS evaluation, the one with the greatest increase in earnings and decrease in cash assistance was in Portland, Oregon. Over the 5-year period, the Portland program produced an increase in earnings of 25 percent (over that in the control group without the program) and a decrease in cash assistance of 24 percent.

The Portland program is considered a mixed approach program, incorporating some education into a work-first program. Its focus and message was employment, but it was distinguished from other work-first programs evaluated in NEWWS in a number of ways. Portland gave its case managers discretion in making short-term education a first activity assignment. Case managers also tended to encourage recipients to look for "good jobs" and even to delay entry into the workforce until they obtained such a job.

An earlier evaluation of California's welfare-to-work programs (Greater Avenues for Independence, or GAIN program) also found relatively large impacts in a mixed approach program. GAIN was California's JOBS program, which had a greater emphasis on education than do today's TANF programs. However, the GAIN program in Riverside, compared with GAIN programs evaluated elsewhere in the State, was notable for its strong message that the goal of GAIN was to get employment. Over a 3-year period, the Riverside program produced a 49 percent increase in earnings and a 15 percent decrease in cash assistance benefits. These impacts were larger than for other GAIN programs.

However, despite the relatively large earnings increases and decreases in receipt of cash assistance in both the NEWWS Portland and GAIN Riverside evaluations, neither of these programs produced an increase in incomes. Here

too, increases in earnings generally offset but did not exceed reductions in cash benefits and food stamps.

TABLE L-6 -- NATIONAL EVALUATION OF WELFARE-TO-WORK STRATEGIES COMPARISON OF EMPLOYMENT, EARNINGS, AND WELFARE RECEIPT IMPACTS OF EMPLOYMENT-FOCUSED WITH EDUCATION-FOCUSED PROGRAMS IN ATLANTA, GRAND RAPIDS, AND RIVERSIDE

Site	Average Quarters Employed	Total 5 Year Earnings	Total Welfare Receipt
Full impact sample			
Atlanta	No impact.	No impact.	No impact.
Grand Rapids	Increase of 0.4 quarter in work first over education program.	No impact.	Decrease of \$785 in work first program compared to education program.
No high school diploma or GED			
Atlanta	Increase of 0.7 quarters in work first over education program.	No impact.	Decrease of \$531 in work first program compared to education program.
Grand Rapids	Increase of 0.9 quarters in work first over education program.	Increase of \$1,945 in work first over education program.	Decrease of \$905 in work first program compared to education program.
Riverside	Increase of 0.5 quarters in work first over education program.	No impact.	No impact.
With high school diploma or GED			
Atlanta	No impact.	No impact.	No impact.
Grand Rapids	No impact.	No impact.	Decrease of \$737 in work first program compared to education program.

Source: U.S. Department of Health and Human Services and U.S. Department of Education (2001).

The Importance of the "Message"-- As noted above, both the NEWWS Portland and the California GAIN programs imparted a strong message to recipients that the purpose of their participation in the program was to find a job. The employment-focused message of both programs was considered an important part of the program, even though both programs allowed for up-front education or training for some participants.

Program messages, or the strength of the messages, often vary from site to site. For example, all California GAIN programs in the late 1980s and early 1990s operated under the same statewide rules. However, the Riverside program projected a strong message that its purpose was for recipients to get employed quickly. Probably as a result of this message, the Riverside program also had some of the largest employment and earnings impacts of evaluated welfare-to-work programs.

The program message might also affect how participants respond to time limits (see discussion below). Because of the variation in program messages, even among programs with the same rules, it is difficult to generalize evaluation findings from a specific site to other programs that might nominally have similar rules. However, the fact that messages are important has policy implications in and of itself: one avenue to a program that moves recipients from welfare to

work is to convey to participants the expectations of the program and their ultimate goals.

Time Limits, Stronger Sanctions, and Other Policy Initiatives -- Three evaluations are available on the possible effects of benefit-termination time limits on welfare-to-work outcomes: Florida's FTP program, Connecticut's Jobs First program, and Virginia's VIEW program. These were evaluations of pre-1996 law waiver program, that combined time limits with other welfare reform initiatives such as enhanced earnings disregards. Most State TANF programs are operating under policies that combine increased earnings disregards with time limits.

Generally, there is little evidence that anticipation of time limits spurred recipients to leave welfare early. No change in cash assistance receipt was recorded before participants reached the time limit in Florida or in two of the three sites evaluated in Virginia. Receipt of cash assistance increased in Connecticut. It is possible that the behavioral effect of time limits, which serve as a spur to leave welfare early, and the enhanced earnings disregards, which permit working recipients to stay on welfare longer, cancel each other out. In Connecticut, the effect of the very generous earnings disregard might have overwhelmed the effect of the short time limit.

One site in Virginia (Petersburg) did show reduced cash assistance receipt after recipients became subject to time limits. In Petersburg, program staff actively encouraged working participants to leave welfare, and save months of eligibility for future use. In other Virginia sites and in Connecticut and Florida, evaluators noted that staff did not actively encourage participants to save remaining months of eligibility. These results are further evidence that the program message conveyed by local administrators affects participant behavior.

The evidence from other initiatives begun under waiver programs that tested various policy changes such as stronger sanctions for refusal to work and limited exemptions from work, suffer from some of the same issues that make it difficult to interpret results from programs with time limits: it is not possible to separate the effects of the "package" of reforms initiated under the waiver into its component parts. Moreover, unlike the NEWS and some earlier evaluations, the control groups for the studies of waiver programs were already subject to a mandatory participation requirement.

Some waiver programs did have considerable effects; they increased employment and earnings and reduced welfare receipt (Delaware and Indiana). Delaware's ABC program increased the employment rate of participants by 20 percent and increased earnings by 16 percent in the first year. Delaware also reduced cash assistance receipt by 5 percent in the first year. Indiana increased employment by 2 percent over 2 years and earnings by 5 percent. Indiana's program also cut cash assistance payments by 20 percent, with impacts growing in the second year. However, a number of the waiver evaluations (Arizona, New Jersey, Texas) failed to find consistent impacts on employment, earnings, and welfare receipt.

IMPACT ON INCOME

Though raising a family's income and reducing poverty are not explicit TANF goals, Federal law requires TANF State plans to outline how the States intend to provide needy parents with services to enable them to "leave the program and become self-sufficient." Attainment of self-sufficiency implies a rise in family income. Additionally, other sections of TANF law (besides its explicit goals) reflect interest in the overall economic well-being of TANF families or families with children in general. For example, States are required to report on their child poverty rate, and if their child poverty rate increases by more than 5 percent over a year as a result of TANF implementation, the State is required to file a "corrective action" plan with the Federal government. TANF also requires HHS to include information on average income in its annual report to Congress on families that reached the TANF time limit or had teen parents.

Impact of Requiring Work Participation -- As discussed above, programs that require participation in work or job preparation alone tend to increase employment and reduce welfare receipt. However, even among the programs with the greatest increases in earnings and decreases in cash welfare receipt (NEWWS Portland, Oregon and California GAIN Riverside programs), earnings generally offset but did not exceed reductions in cash benefits and food stamps, leaving total incomes unchanged. While some evaluated programs increased incomes, generally they did so by increasing rather than decreasing welfare receipt.

Making Work Pay -- TANF programs are work-first programs in that the most common activity for unemployed recipients is job search. However, it is just as apt to describe State TANF programs as work support programs, which offer both cash welfare benefits and supportive services such as child care for some recipients who go to work (and supportive services for other low-income families as well). In their cash welfare programs, most State TANF programs have expanded eligibility for working families by enhancing their cash welfare earnings disregard. The earnings disregard is the amount of earnings not considered (deducted from gross income) when a family's eligibility and cash benefits are determined. The increase permits recipients to continue to receive cash aid at higher levels of earnings than they could under previous policies, thus supplementing earnings with a continued cash benefit.

As discussed above, the increase in earnings disregards is sometimes viewed as a financial incentive to work. Evaluated programs that combined financial incentives with a participation requirement had some of the largest increases in employment and earnings. Among the evaluated programs discussed in this appendix, Connecticut's Jobs First program; Florida's Family Transitions Program (FTP); and Minnesota's MFIP program did report increased incomes. All three of these programs had enhanced earnings disregards as part of their program. In two of these three programs, Connecticut's Jobs First and Minnesota's MFIP program, cash welfare payments were increased by the program, rather than reduced.

Minnesota's MFIP program is notable because it had explicit goals to

increase incomes and reduce poverty among families with children. MFIP showed a 15 percent increase in combined income for single, long-term recipients. During the period that MFIP was evaluated, there was no time limit on cash assistance benefits. Connecticut's Jobs First and Florida's FTP programs also raised incomes, but the increase was smaller than that shown for MFIP. Both Connecticut and Florida's programs had relatively large impacts on income before families reached their time limit. However, once families could begin reaching the time limit and began to be removed from the rolls, the average income impact began to fall until there was no difference between program and control groups.

CHILD WELL-BEING

Most Federal and State welfare policies apply directly to parents, not children. They are aimed at promoting mothers' work and reducing their dependence on welfare. Research has illustrated that poverty is associated with unfavorable development of children. Poor children generally score lower on assessments of health, cognitive development, school achievement, and emotional well-being. Poor children are more likely to be raised by a single parent, to be raised in neighborhoods with higher rates of crime, and to attend schools with fewer resources.¹² These findings have led many to contend that programs that raise the income of families may positively affect child well-being. However, requiring mothers to work reduces their time to nurture children and requires them to find other caregivers.

Under TANF, States have designed programs that directly target outcomes for adults such as employment and receipt of cash assistance through work requirements, work incentives, and time limits on assistance. Measuring the impact of these welfare reform initiatives on children requires a look at the pathways through which they might indirectly affect child well-being. This is difficult, as these pathways may be directly or indirectly affected by policy.¹³

Mandatory Work and Development of Young Children -- Most programs that required work increased employment but not incomes. These programs have not produced either consistently favorable or consistently unfavorable impacts on the development of young (pre-teen) children. Therefore, it has not been shown that requiring participation in welfare-to-work programs either systematically harms or helps children. For this age group, evaluations of welfare-to-work programs that included a child development study have found a smattering of impacts either favorable or unfavorable on measures of behavior, academic achievement, and health and safety. However, few patterns if any are discernable in the existing research.

¹² Brooks-Gunn, J., Duncan, G., & Maritato, N. (1997). Poor families, poor outcomes; The well being of children and youth. In G. Duncan and J. Brooks-Gunn (Eds.), *Consequences of Growing up Poor*. New York: Russell Sage.

¹³ Child Trends. (1999). *Children and welfare reform: A guide to evaluating the effects of State welfare reform policies*. Washington, DC: Author.

Increasing Incomes -- As noted above, few welfare-to-work programs succeeded in raising combined incomes. The Minnesota MFIP program did increase incomes, and produced favorable impacts on both behavior and academic achievement. Connecticut's Job First program also had some positive impacts on the behavior of young children. However, the Florida FTP program had mixed impacts (some positive and some negative). As discussed above, both Connecticut and Florida's program included time limits, and the positive income impact of the program faded away with families reaching the time limit; Minnesota's program did not have a time limit.

Adolescents -- One finding that has appeared in several studies is unfavorable impacts on school outcomes for adolescent children. Two of the four NEWWS evaluation sites that conducted a child outcome study (Grand Rapids and Riverside), as well as evaluations of Connecticut's Jobs First, Florida FTP, and Vermont's welfare restructuring project, all reported a negative effect on adolescents' academic performance or behavior in school.

FAMILY FORMATION AND THE PROMOTION OF MARRIAGE

Two of the objectives of TANF are to "prevent and reduce the incidence of out-of-wedlock pregnancies" and to "encourage the formation and maintenance of two-parent families." Since the 1970s, the overall birth rate for married women has declined, but the number of nonmarital births has substantially increased. This increase in nonmarital births has been attributed to women's delaying the decision to marry, but not the decision to have a child.¹⁴ Growth in the welfare caseload, to an historic peak in 1994, was driven in part by the increase in the number of single female-headed households.

Economic models of marriage decisions contend that single people marry if the marriage provides a benefit to both individuals. For couples to remain married, both individuals must continue to benefit from the union.¹⁵ Welfare programs that provide a means for single mothers to live independently may serve as a disincentive to marriage. It should be noted that employment of mothers also provides the means to live independently. Additionally, welfare programs that pay larger families bigger benefits are seen by some as an incentive for nonmarital child-bearing.

The bulk of post-Family Support Act research has focused on broader efforts to alter welfare, especially by increasing work, and the impact of these efforts on earnings and employment (as discussed in the previous section). In recent years, the impacts of welfare reform efforts on family formation has received more attention. The "family cap," a policy that denies a benefit increase for the birth of a child while on welfare, has been evaluated. In addition, some evaluated State programs have included the elimination of

¹⁴ Bachrach, C. (1998). The changing circumstances of marriage and fertility in the United States. In R. Moffitt, (Ed.), *Welfare, the family, and reproductive behavior: Research perspectives*. Washington, DC: National Academy Press.

¹⁵ Becker, G., Landes, E., & Michael, R. (1977). An economic analysis of marital instability. *Journal of Political Economy*, 85(6), 1141-1188.

special eligibility restrictions for two-parent families. However, these policy initiatives were part of broader welfare reform efforts, and the evaluations provide evidence on the whole package of reforms – not just family caps or reducing eligibility restrictions for two-parent families.

Family Caps -- The most noted study on family caps is the evaluation of the New Jersey Family Development Program (FDP). New Jersey was the first State to institute the family cap policy and it conducted both a traditional experiment (program and control group) and a statistical analysis for its impact evaluation [Camasso, M., Harvey, C., Jagannathan, R., and Killingsworth, M. (1999b)]. Evaluators found that the New Jersey program decreased births and increased abortions. Both the experimental study and the statistical study had the same findings lending support to the impacts reported for the program.

However, the New Jersey findings study one program in one place at one time. These findings have not been replicated elsewhere. A family cap program in Arkansas was also evaluated, and no impacts on births were found. The programs in Arizona and Connecticut included family caps, but no impact on births was found. (Some other pre-1996 waiver programs also included family caps, but impacts on births were not reported.)

Promoting Marriage -- There has recently been a great deal of attention on promoting marriage. None of the programs discussed in this appendix focused on promoting marriage. Some programs included eliminating special eligibility restrictions that applied to 2-parent families under pre-1996 welfare law. Other welfare-to-work programs might have had indirect effects on marital outcomes.

Minnesota's MFIP showed an increase in marriage for some groups. For long-term single parent families, there was an increase in the percent who were married three years after entering the program, though the percent married in the MFIP programs was still rather low (11 percent). However, for some subgroups MFIP showed no impact on marriage. For example, the MFIP program was associated with no increase in marriage among long-term single parent families in urban counties who were subject to mandated requirements. On the other hand, long-term single parents who were given financial incentives but not subject to a work requirement did have an increase in the percent married after 3 years. Other welfare-to-work programs that reported marital outcomes produced no impact on marriage.

Future Directions in Welfare Research

Much has been learned about the impact of welfare to work programs, with post-1996 welfare reform trends consistent with the findings of impact evaluations that show that work-first programs can be effective in moving families from welfare to work. This has been done without any systematic evidence of harm to the development of their children. However, the available research also shows the limits of the policy successes of current welfare reform programs. Only those programs that provide government-funded earnings supplements through continued welfare checks for working families have been found to raise incomes.

State and Local Area Indicators: The American Community Survey

The information in the appendix which examines trends in welfare, work, and economic well-being among the broader population of single mothers comes from national household surveys. The main survey for examining these trends is the March Current Population Survey (CPS), a national household survey conducted by the U.S. Census Bureau. While providing a broad overview of trends for the nation as a whole, the March CPS is very limited in providing State-specific information. State-specific information is obviously of interest in assessing welfare reform, which devolved a great deal of responsibility for designing welfare programs to the States.

The American Community Survey (ACS) was designed to help provide more timely information specifically for State and local areas than available through other Census surveys. Its sample design and size is to be sufficient for making annual estimates of income, poverty, and welfare receipt for all 50 States and the District of Columbia, as well as for cities, counties, metropolitan areas, and population groups of 65,000 people or more.

Studies of Programs for Specific Subgroups of Recipients

The bulk of the evidence on the impacts of welfare-to-work programs comes from broad-based programs that covered large numbers of recipients. Research has shown that the welfare population is diverse: some recipients leave the rolls quickly while others might take a longer time to move to self-sufficiency. Though some of the evaluated programs did do individual assessments of employability and needs, and tailored activities to individualized needs, they still tended to be programs intended for the welfare population as a whole.

Some of the research underway is intended to address the special needs of specific groups of recipients. HHS is currently fielding an experimental study of programs that provide special services for the “hard-to-employ,” including services for adults with substance abuse and/or mental health problems, disabilities, and women who had been the victim of domestic violence. Another study currently underway will address employment strategies for families in rural areas.

HHS is currently funding the *Employment Retention and Advancement (ERA) Project*, a major multi-site experimental evaluation of numerous strategies to assist welfare recipients and low-income persons in the workforce. Some sites in the ERA project provide services for specific groups of recipients. One of the ERA demonstrations in New York City is a program (called the Personal Roads to Individual Development, or PRIDE program) that provides vocational rehabilitation and work-based education to recipients with physical or mental health problems.

Post-Employment Services

Most of the evaluated welfare-to-work programs provided pre-employment services; that is, they were programs for adult recipients who were not working and required of them job search or provided them with education or training to increase their chances of finding work. Many programs also provided work supports such as continued cash assistance and child care. These supports would not in themselves help a recipient acquire additional job skills and increase their earnings potential. However, such work supports might assist in helping a recipient retain a job and acquire additional work experience.

A post-employment services demonstration experiment was fielded in the 1990s. This program focused primarily on continued case management (e.g. contact with the welfare office and provision of supportive services), but the experiment did not increase employment and earnings or raise incomes.

The *Employment Retention and Advancement (ERA) Project*, discussed above, includes several sites that provide post-employment services. For example, one of the two experiments conducted in Riverside, California as well as the Jacksonville, Florida site will test alternative strategies for promoting education and training for working parents.

Family Formation

For the most part, the existing research does not address the impact of programs on TANF's family formation goals of reducing out-of-wedlock births and encouraging two-parent families. Most of the programs were welfare-to-work programs and relatively few of their evaluations even reported family formation impacts. Further, the program interventions that could be considered as seeking to further a family formation goal (e.g., eliminating stricter eligibility standards for two-parent families) tended to be only a part of a package of policy interventions and, therefore, their independent impacts are difficult to assess.

HHS is currently funding a number of initiatives assessing programs that aim to directly affect family formation outcomes. It is funding an experimental evaluation examining programs to help low-income couples who have a child out of wedlock who wish to marry and sustain their marriage. It is also funding a number of different projects to help inform policymakers and researchers of the types of programs that might further TANF's family formation goals.

Developing New Types of Program

In many of these projects the development of new program models is an important component of the demonstration or evaluation. Unlike the pre-employment, welfare-to-work programs, in which basic components such as requiring participation or promoting job search or education activities are well known, new program models to provide post-employment services for job retention and advancement as well as programs to address family formation issues are in the process of being developed.

Table L-7 summarizes major HHS-funded ongoing research and evaluation projects related to welfare reform. The table is organized by subject

area (e.g., employment-related and family formation topics) and provides tentative data for the publication of project findings.

TABLE L-7 -- SELECTED ONGOING FEDERALLY FUNDED RESEARCH PROJECTS

Project	Description	Project coordinator	Impact findings due
Employment Strategies for Special Populations			
Services for the hard-to-employ	An experimental evaluation of strategies to help the “hard-to-employ” find and sustain employment and improve family and child well-being. Populations of interest includes adults with substance abuse and/or mental health problems, physical and developmental disabilities, low basic skills, and women who had been victims of domestic abuse.	MDRC	Interim Report: Late 2007 Final Report: Early 2010
Rural welfare-to-work strategies demonstration	An experimental evaluation of strategies to improve employment and family well-being for rural populations. The evaluation is being conducted in two sites: Illinois and Nebraska.	Mathematica Policy Research, Inc.	Interim Report: Late 2005 Final Report: Late 2006
Employment Retention and Job Advancement			
Employment Retention and Job Advancement (ERA) Evaluation	Experimental evaluation of post-employment and pre-employment strategies to promote job retention and/or advancement. Strategies to be tested in 15 sites.	MDRC	Interim Report: Mid 2004/2005 Final Report: 2007
Family Formation and the Promotion of Marriage			
Building Strong Families	Experimental evaluation of strategies to help low-income, unwed new parents improve their relationships and for those who wish to marry to gain the knowledge and skills necessary to enter and sustain healthy marriages. The experiment will focus on improving child and family well-being.	Mathematica Policy Research, Inc.	Interim Early Implementation Report: 2005 Interim Impact Report: 2007 Final Report: Late 2011
Evaluation of Community Healthy Marriage Initiative	Non-experimental evaluation of effectiveness of community level demonstrations to promote healthy marriages.	RTI International	Interim Report: Late 2006 Final Report: Late 2010

TABLE L-7 -- SELECTED ONGOING FEDERALLY FUNDED
RESEARCH PROJECTS- continued

Project	Description	Project coordinator	Impact findings due
Strengthening Families with Children Born Out-of-Wedlock	A review of research literature and field experience to develop a conceptual framework for intervention and design for evaluating relationship and marriage services to low-income couples who have a child born out of wedlock.	Mathematica Policy Research, Inc.	Interim Report: NA Final Report: January 2003
Supporting Healthy Marriage	Experimental evaluation of strategies to help low-income couples who are married or planning to marry, who are in their childrearing years, to gain the knowledge and skills necessary to sustain healthy marriages. The experiment will focus on improving child and family well-being.	MDRC	First Interim Report: Late 2008 Follow-up Report: Late 2010 Final Report: Late 2012
Service delivery and evaluation design options for promoting healthy marriages	Project to inform developing demonstrations and evaluations of services to promote healthy marriages. This project examines existing and potential service delivery systems and settings and the implications for evaluation.	The Urban Institute	Interim Report: NA Final Report: Mid 2004

Source: Table prepared by the Congressional Research Service based on information provided by the U.S. Department of Health and Human Services.

Detailed Table on Welfare-to-Work Impact Evaluations

Table L-8 details impact findings of welfare reform program evaluations undertaken since the passage of the Family Support Act of 1988. It includes information on the population that was studied (universe), the time period when persons were assigned to experimental and control groups (random assignment), the number of months or years following random assignment for which data were collected (followup), and the source of the information used in the evaluation (data type).

The table also provides information on the policy changes tested in each of the evaluations. These policy changes are categorized in the table using standardized terminology. However, it should not be assumed that all programs are identical to one another. Rather, there are likely numerous design and other differences among programs that all tested the same general policy approach.

In the national NEWWS evaluation, the policies examined were either employment-focused programs (programs emphasizing job search), education-focused programs (programs emphasizing up-front education), or Portland, Oregon's "mixed" employment/education program. These evaluations examined mandated programs compared with recipients who were not subject to a participation mandate.

Evaluations of individual State programs (often under waivers of pre-1996 welfare law) also included a package of policy changes that represented deviations from programs then in existence. These include:

- *Earnings disregard enhancement:* In determining financial eligibility and benefit amounts, these initiatives disregarded more earnings than allowed under pre-1996 Federal welfare rules. Some States also allowed families to accrue more assets and remain eligible for benefits than allowed in pre-1996 law through the *Asset Limit Increase*.
- *Time Limit:* The time limit ends benefits (either to the adult or to the entire family, depending on the program) when assistance has been received for a specified period. In some of the earlier welfare reform experiments, the time limit did not specify a date the benefits would end; it specified when a family had to be engaged in work in order to continue to qualify for benefits. This type of time limit was called a *Work-Trigger Time Limit*.
- *Work requirements/younger child:* Pre-1996 law permitted States to exempt mothers with children under the age of 3 from participation in work or training. Some States experimented with requiring mothers of younger children to participate in activities.
- *Work Sanctions:* Pre-1996 law sanctioned families in breach of participation requirements by ending the adult portion of the welfare benefits. Some States experimented with different sanctions for failure to comply with work participation requirements.
- *Family Cap:* States with “family cap” policies do not increase the family’s benefit for a new baby conceived or born to a mother already on welfare.
- *Two-parent eligibility:* Pre-1996 welfare law had special restrictions on eligibility for two-parent families. As part of their welfare reform experiments, some States eliminated all or some of these restrictions.
- *Transitional Benefit Extension:* Federal law allows transitional Medicaid for one year; pre-1996 law allowed transitional child care for up to 1 year. Some States experimented with longer periods for these transitional benefits.

The table shows impacts for welfare-to-work outcomes (employment, earnings, and welfare receipt) and, for those evaluations that reported them, impacts on income, family formation, and child well-being measures. Unless otherwise noted, the outcome shown is as measured over the entire followup period. The outcomes are displayed as percentage changes. Some percentage changes reported in this table may differ if calculated based on the reported findings, due to rounding. The percentage changes reported in the table reflect the percentage changes as reported in the individual evaluation. Additionally, the actual levels (e.g., earnings amounts, employment rates) are shown in parentheses (outcomes for the experimental group versus outcomes for the control group) as reported in the individual evaluations. The table’s earnings data represent earnings over the entire research sample and group, and include

zero earnings for individuals for whom no work is reported. This illustrates the impact of the program on average earnings. (Average earnings for only those who actually did work would be higher.)

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988

National Evaluation of Welfare-to-Work Strategies	
National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches? Five Year Adult and Child Impacts for Eleven Programs, December 2001.	
Author: Manpower Demonstration Research Corporation under contract for the U.S. Department of Health and Human Services and U.S. Department of Education.	
Sites: Atlanta, GA; Grand Rapids, MI; Riverside, CA; Portland, OR; Columbus, OH; Detroit, MI; Oklahoma City, OK.	
Atlanta Employment-Focused	
Policy Changes: Employment-focused program.	
Universe: JOBS mandatory population (parents of children age 3 or older).	Earnings: Increase of 14% (\$19,838 vs. \$17,380).
Random assignment: 1/92–1/94.	Employment: Quarters employed -- Increase of 10% (worked in 8.5 vs. 7.8 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 9% (\$9,064 vs. \$9,946).
Data Type: Administrative data Survey.	Combined income: No impact.
	Family structure: No impact.
Universe: JOBS mandatory population (parents of children age 3 or older).	Child well-being outcomes: Favorable impacts for academic functioning for adolescents; unfavorable impacts for health outcomes for children of preschool age at random assignment. Favorable impacts for development of social skills for young children; unfavorable impacts for health for young children; increase in days late to school for children in special child outcomes sample (age 8 to 10 at follow-up).
Atlanta Education-Focused	
Policy Changes: Education-focused program.	
Universe: JOBS mandatory population (parents of children age 3 or older).	Earnings: Increase of 12% (\$19,397 vs. \$17,380).
Random assignment: 1/92 - 1/94.	Employment: Quarters employed -- Increase of 7% (worked in 8.3 vs. 7.8 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 7% (\$9,236 vs. \$9,946).
Data type: Administrative data survey.	Combined income: No impact.
	Family structure: No impact.
	Child well-being outcomes: Unfavorable impact for health and outcomes for children of preschool age at random assignment. Favorable impacts for development of social skills for young children; unfavorable impacts for health of young children; increase in days absent from school for children in special child outcomes sample (aged 8 to 10 at follow-up).

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Grand Rapids Employment-Focused	
Policy Changes: Employment-focused program.	
Universe: JOBS mandatory population (parents with children age 1 or older).	Earnings: Increase of 8% (\$22,322 vs. \$20,770).
Random assignment: 9/91 - 1/94.	Employment: Quarters employed -- Increase of 8% (worked in 9.8 vs. 9.1 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 20% (\$10,414 vs. \$12,966).
Data Type: Administrative Data Survey.	Combined income: Decrease of 3% (\$40,739 vs. \$42,172).
	Family structure: Decrease in percent separated, divorced, or widowed.
	Child well-being outcomes: Favorable impacts on school attendance for young children. Unfavorable impacts on academic outcomes for school-age children and adolescents. Favorable impact on health for preschool children. Unfavorable impacts for social skills outcomes, academic functioning and health (though one favorable impact on academic achievement) for children in special child outcomes sample (age 8 to 10 at follow-up).
Grand Rapids Education-Focused	
Policy changes: Education-focused program.	
Universe: JOBS mandatory population (parents with children age 1 or older).	Earnings: No impact.
Random assignment: 9/91 - 1/94.	Employment: Quarters employed -- Increase of 4% (worked in 9.5 vs. 9.1 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 14% (\$11,199 vs. \$12,966).
Data type: Administrative survey.	Combined income: No impact.
	Family structure: No impact.
	Child well-being outcomes: Favorable impacts for school attendance for young children; unfavorable impacts on health for children of preschool age; unfavorable impact on academic function for adolescents. Unfavorable impacts on social skills development and academic functioning for special child outcomes sample (aged 8 to 10 at follow-up).

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Riverside Employment-Focused Policy changes: Employment-focused program.	
Universe: JOBS mandatory population (parents of children age 3 or older).	Earnings: Increase of 17% (\$17,438 vs. \$14,889). Increase for those without a high school diploma or basic skills of 21% (\$13,193 vs. \$10,912).
Random assignment: 6/91 - 6/93. Employment: Quarters employed--Increase of 20% (worked in 6.8 vs. 5.6 out of 20 potential quarters). Increase for those without a high school diploma or basic skills of 27% (worked in 6.0 vs. 4.7 out of 20 potential quarters).	
Follow-up: 5 years.	
Data Type: Administrative data Survey.	Cash assistance: Decrease of 15% (\$15,584 vs. \$18,294). Decrease for those without a high school diploma or basic skills of 15% (\$17,171 vs. \$20,126).
	Combined income: No impact.
	Family structure: Increase in percent cohabiting. Increase in percent with a new baby for those without a high school diploma or basic skills.
	Child well-being outcomes: Favorable impacts for academic functioning for groups other than adolescents; unfavorable impact on adolescents academic functioning. Favorable health impact for children of preschool age and those who were adolescents at random assignment. Unfavorable impacts for social skills and behavior and mixed impacts for academic functioning for children in special child outcomes sample (aged 8 to 10 at follow-up).
Riverside Education-Focused Policy Changes: Education-focused program.	
Universe: JOBS mandatory population (parents of children age 3 or older) without a high school diploma or basic skills.	Earnings: Increase of 13% (\$12,273 vs. \$10,912).
	Employment: Quarters employed--Increase of 17% (worked in 5.5 vs. 4.7 out of 20 potential quarters).
Random assignment: 6/91 - 6/93. Cash assistance: Decrease of 15% (\$17,176 vs. \$20,126).	
Follow-up: 5 years.	Combined income: Decrease of 6% (\$35,924 vs. \$38,311).
Data Type: Administrative data Survey	Family structure: No impact.
	Child well-being outcomes: Favorable impacts on academic functioning for young children and school age children; unfavorable impacts on academic functioning for adolescents. Favorable impact on health for young school-aged children and adolescents. Favorable impact on social skills development but unfavorable impacts on school attendance and health and safety for special child outcomes sample (aged 8 to 10 at follow-up).

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

<u>Columbus Integrated Case Management</u>	
<u>Policy Changes: Education-focused program.</u>	
Universe: JOBS mandatory population (parents of children age 3 or older).	Earnings: Increase of 8% (\$27,621 vs. \$25,566).
Random assignment: 9/92 - 7/94.	Employment: Quarters employed--Increase of 4% (worked in 10.2 vs. 9.8 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 17% (\$7,481 vs. \$9,005).
Data Type: Administrative data Survey.	Combined income: No impact.
	Family structure: Not reported.
	Child well-being outcomes: Not reported.
<u>Columbus Traditional Case Management</u>	
<u>Policy Changes: Education-focused program.</u>	
Universe: JOBS mandatory population (parents of children age 3 or older).	Earnings: Increase of 6% (\$26,977 vs. \$25,566).
Random assignment: 9/92 - 7/94.	Employment: Quarters employed--Increase of 3% (worked in 10.1 vs. 9.8 out of 20 potential quarters).
Follow-up: 5 years.	Cash assistance: Decrease of 12% (\$7,899 vs. \$9,005).
Data Type: Administrative data Survey.	Combined income: No impact.
	Family structure: Not reported.
	Child well-being outcomes: Not reported.
<u>Detroit</u>	
<u>Policy Changes: Education-focused program.</u>	
Universe: JOBS mandatory population (parents with children age 1 or older).	Earnings: Increase of 7% (\$21,968 vs. \$20,508).
Random assignment: 5/92 - 6/94.	Employment: No impact.
Follow-up: 5 years.	Cash assistance: Decrease of 4% (\$15,686 vs. \$16,247).
	Combined income: No impact.
	Family structure: Not reported.
	Child well-being outcomes: Not reported.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Oklahoma City	
<u>Policy Changes: Education-focused program.</u>	
Universe: New applicants in JOBS mandatory population (parents with children age 1 and older).	Earnings: No impact.
	Employment: No impact.
	Cash assistance: Not reported.
Random assignment: 9/91 - 5/93.	Combined income: Not reported.
Follow-up: 5 years.	Family structure: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.
Portland	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: JOBS mandatory population (parents with children age 1 and older).	Earnings: Increase of 25% (\$26,041 vs. \$20,891).
	Employment: Quarters employed--Increase of 21% (worked in 9.4 vs. 7.8 out of 20 potential quarters).
Random assignment: 2/93 - 12/94.	Cash assistance: Decrease of 24% (\$8,940 vs. \$11,686).
	Combined income: No impact.
Follow-up: 5 years.	Family structure: No impact.
Data Type: Administrative data Survey.	Child well-being outcomes: No impact.
New Chance Demonstration	
New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children, October 1997.	
Author: Manpower Demonstration Research Corporation.	
Sites: 16 sites in 10 States: California, Colorado, Florida, Illinois, Kentucky, Michigan, Minnesota, New York, Oregon, Pennsylvania.	
<u>Policy Changes: 1) Child care; 2) Enhanced family planning services; 3) Parenting workshops; 4) Required participation in education-focused program (first-year) then employment.</u>	
Universe: Mothers 16 to 22 years old who (1) had first given birth age 19 or younger, (2) were receiving AFDC, (3) did not have a high school diploma or GED, and (4) were not pregnant when they entered the program. Participation in the New Chance demonstration was voluntary.	Earnings: No impact over 42-month follow-up period. Months 1-6: Decrease of 27% (\$263 vs. \$358). Months 7-18: Decrease of 17% (\$1,096 vs. \$1,323). Months 18-42: No impact.
	Employment rate: No impact over 42-month follow-up period. Months 1-6: Decrease of 26% (15% vs. 20%). Months 7-42: No impact.
	Cash assistance: Percent who ever received AFDC over 42-month period: Increase of 1% (99% vs. 98%).
Random Assignment: 8/89 - 7/91.	Income: No impact.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988 -
continued

<p>Follow-up: 42 months.</p> <p>Data Type: Administrative data Survey.</p>	<p>Family structure: Marital status not reported. Decrease in number of months between last terminated pregnancy and onset of next pregnancy. No impact on pregnancies, births or abortions.</p> <p>Child well-being outcomes: Unfavorable impacts on behavior measures and academic functioning. Teachers report favorable impacts for boys on social competence and behavior. Teachers also report favorable impacts for behavior of girls, but unfavorable impacts for girls' school readiness.</p>
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<p>Parents' Fair Share (PFS) Demonstration Working and Earning: The Impact of Parent's Fair Share on Low-Income Fathers' Employment, October 2000. Author: Manpower Demonstration Research Corporation. Sites: Los Angeles, CA; Jacksonville, FL; Springfield, MA; Grand Rapids, MI; Trenton, NJ; Dayton, OH; Memphis, TN. Policy Changes: 1) Enhanced child support establishment; 2) Mixed employment/education program; 3) Promote parent interaction.</p>	
<p>Universe: Noncustodial parents.</p> <p>Random assignment: 4/94 - 6/96.</p> <p>Follow-up: 2 years.</p> <p>Data Type: Administrative data Survey.</p>	<p>Earnings: Administrative data show no impact for 7 (combined) sites. Survey data show increase of 24% (\$7,150 vs. \$5,779) in year 2. Administrative data also show increases in some quarters for Dayton and Grand Rapids, but a decline in earnings in a single quarter in Trenton.</p> <p>Employment rate: Administrative data show no impact for 7 (combined) sites. Survey data show a decrease of 7% (75% vs. 81%) for year 2. Administrative data show employment rate increases in Dayton in some quarters, but decreases in Trenton.</p> <p>Income: Not reported.</p> <p>Cash assistance: Not reported.</p> <p>Family formation: Not reported.</p> <p>Child well-being outcomes: Not reported.</p>

<p>Teenage Parent Demonstration (TPD) Moving Into Adulthood: Were the Impacts of Mandatory Programs for Welfare-Dependent Teenaged Parents Sustained After the Programs Ended?, February 1998. Author: Mathematica Policy Research, Inc. Sites: Chicago, IL; Camden, NJ; Newark, NJ. Policy Changes: 1) Child care; 2) Mixed employment/education program; 3) Provide for work-related expenses.</p>	
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TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988 –
continued

<p>Universe: Teenagers who were first-time parents receiving AFDC.</p> <p>Random assignment: 7/87 - 4/90.</p> <p>Follow-up: 6 years.</p> <p>Data Type: Administrative data Child development assessments Survey.</p>	<p>Earnings: No impact.</p> <p>Employment rate: Camden: Increase of 8% (75% vs. 70%). Newark: Increase of 7% (75% vs. 70%). Chicago: Increase of 4% (78% vs. 76%).</p> <p>Cash assistance: Camden: No impact. Newark: No impact. Chicago: Decrease of 5% (\$11,645 vs. \$12,216).</p> <p>Income: Camden: Increase of 8% (\$840 vs. \$778) Newark: No impact. Chicago: No impact.</p> <p>Family structure: Marital status not reported. No impact on births. Increase in percent who reported an abortion within 78 months of entering the program in Chicago of 23% (23% vs. 19%). No impact on abortions in other sites.</p> <p>Child well-being outcomes: Unfavorable impacts in Newark for behavior and academic achievement outcomes. Favorable impact in Chicago on percent of parents who report their children do "very well" in school.</p>
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Alabama: Avenues to Self-Sufficiency through Employment and Training Services (ASSETS) Evaluation of the Alabama ASSETS Demonstration, January 1997.
Author: Abt Associates Inc.
Sites: Three Counties in Alabama: Clarke, Limestone, and Madison.
Policy Changes: 1) Applied AFDC Child support cooperation requirement to food stamp only households; 2) Asset limit increase; 3) Food stamp benefit combined with cash grant (food stamp cashout); 4) Mixed employment/education program; 5) Personal responsibility sanctions.

<p>Universe: AFDC and Food Stamp cases. Focus on participants age 16 to 59 for employment and training services.</p> <p>Study Duration: 7/90 - 6/94.</p> <p>Data Type: Administrative data Survey.</p>	<p>Earnings: Year 3 impacts– Clarke County: Decrease of 11% (\$2,758 vs. \$3,096). Limestone County: No impact. Madison County: Decrease of 5% (\$2,925 vs. \$3,076).</p> <p>Employment rate: Percent employed in 12th quarter: Clarke County: Decrease of 11% (37% vs. 41%). Limestone County: Decrease of 8% (36% vs. 39%). Madison County: Decrease of 5% (36% vs. 38%).</p>
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TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

	<p>Cash assistance: Year 3 impacts-- Clarke County: Increase of 9% (\$1,930 vs. \$1,779). Limestone County: Decrease of 9% (\$1,107 vs. \$1,222). Madison County: Increase of 3% (\$1,446 vs. \$1,409).</p> <p>Income: Not reported. Family structure: Not reported. Child well-being outcomes: Not reported.</p>
<p>Arizona: Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER) Evaluation of the Arizona EMPOWER Welfare Reform Demonstration, May 1999. Author: Abt Associates Inc. Sites: Three sites in Phoenix and one site on the Navajo Reservation. Policy Changes: 1) Family cap; 2) Personal responsibility sanctions; 3) Required participation in employment and training services for minor parents; 4) Required unwed minor parents to live with parent or responsible adult; 5) Time limit (adult-only); 6) Transitional benefits extension (Medicaid); 7) Two-parent family eligibility.</p>	<p>Universe: Ongoing recipients as of 10/95. Earnings: No impact.</p> <p>Employment rate: No impact.</p> <p>Random assignment: 10/95.</p> <p>Follow-up period: 3 years. Cash assistance: Decrease of 6% in average monthly cash benefit (\$137 vs. \$146).</p> <p>Data Type: Administrative data Survey. Income: No impact.</p> <p>Family structure: No impact on marriage. Decrease of 60% (2% vs. 4%) in births to unwed minors. No other impacts on child-bearing. No impact on abortions.</p> <p>Child well-being outcomes: Not reported.</p>
<p>California: Greater Avenues for Independence (GAIN) GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program, September 1994 Author: Manpower Demonstration Research Corporation. Sites: Six Counties in California: Alameda, Butte, Los Angeles, Riverside, San Diego, and Tulare. Alameda Policy Changes: Mixed employment/education program.</p>	<p>Universe: Long-term recipients who were GAIN mandatory (for single parents, child age 6 or older). Earnings: Increase of 30% (\$6,432 vs. \$4,941).</p> <p>Employment rate: Increase of 20% (49% vs. 41%).</p> <p>Cash assistance: Decrease of 4% (\$17,593 vs. \$18,375).</p> <p>Income: No impact.</p> <p>Family formation: Not reported.</p> <p>Child well-being outcomes: Not reported.</p>

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Butte	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: GAIN mandatory recipients (for single parents, child age 6 or older).	Earnings: No impact.
	Employment rate: No impact.
Random assignment: 3/88 - 3/90.	Cash assistance: No impact.
	Income: No impact.
Follow-up: 3 years.	Family formation: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.
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Los Angeles	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: Long-term recipients who were GAIN mandatory (for single parents, with children age 6 or older).	Earnings: No impact.
	Employment rate: Increase of 13% (39% vs. 35%).
	Cash assistance: Decrease of 6% (\$17,314 vs. \$18,319).
Random assignment: 7/89-3/90.	Income: No impact.
Follow-up: 3 years.	Family formation: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.
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Riverside	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: GAIN mandatory recipients (for single parents, with child age 6 or older).	Earnings: Increase of 49% (9,448 vs. \$6,335).
	Employment rate: Increase of 26% (67% vs. 53%).
Random assignment: 8/88 - 3/90.	Cash assistance: Decrease of 15% (\$11,284 vs. \$13,267).
	Income: No impact.
Follow-up: 3 years.	Family formation: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

San Diego	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: GAIN mandatory recipients (for single-parent families, with child age 6 or older).	Earnings: Increase of 22% (\$9,786 vs. \$8,014).
	Employment rate: Increase of 10% (62% vs. 57%).
	Cash assistance: Decrease of 10% (\$13,283 vs. \$14,419).
Random assignment: 8/88 - 9/89.	Income: No impact.
Follow-up: 3 years.	Family formation: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.
Tulare	
<u>Policy Changes: Mixed employment/education program.</u>	
Universe: GAIN mandatory recipients (for single parents, with a child age 6 or older).	Earnings: No impact.
	Employment rate: Increase of 8% (60% vs. 55%).
Random assignment: 1/89 - 6/90.	Cash assistance: No impact.
	Income: Quarter 13: Increase of 8% (\$2,014 vs. \$1,865)
Follow-up: 3 years.	Family formation: Not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Not reported.
California: Los Angeles Jobs-First Greater Avenues for Independence (GAIN) The Los Angeles Jobs First-GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center, June 2000 Author: Manpower Demonstration Research Corporation Site: Los Angeles County	
<u>Policy Changes: Employment-focused program.</u>	
Universe: JOBS-First GAIN mandatory recipients (for single parents, caring for a child age 3 or older).	Earnings: Increase of 26% (\$8,012 vs. \$6,385).
	Employment rate: Increase of 17% (67% vs. 58%).
	Cash assistance: Decrease of 10% (\$9,092 vs. \$10,064).
Random assignment: 4/96 - 9/96.	Income: No impact.
Follow-up: 2 years.	Family structure: No impacts on marital status or births. Abortions not reported.
Data Type: Administrative data Survey.	Child well-being outcomes: Unfavorable impacts on measures of behavior and academic achievement for children aged 5 to 7 at follow-up. Unfavorable impacts on percent attending a special class for a physical, emotional, or mental condition for children aged 8 to 11 at follow-up. No impacts for adolescents.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Connecticut: Jobs First	
JOBS First: Final Report on Connecticut's Welfare Reform Initiative, February 2002.	
Author: Manpower Demonstration Research Corporation.	
Sites: New Haven and Manchester.	
Policy changes: 1) Employment-focused program; 2) Asset limit increase; 3) Child support liberalization; 4) Earnings disregard enhancement; 5) Family cap; 6) Time limit; 7) Transitional benefits extension (Medicaid and child care); 8) Two-parent family eligibility; 9) Work requirement: younger child; 10) Work sanctions.	
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Universe: Jobs First enrollees.	Earnings: Increase of 7% (\$26,673 vs. \$24,861).
Random assignment: 1/96 - 2/97. Employment rate: Average quarterly employment rate--increase of 15% (56% vs. 49%).	
Follow-up: 4 years.	Cash assistance: No impact.
	Income: Increase of 6% (\$43,870 vs. \$41,506).
Participation in welfare-to-work requirement:	Family Structure: No impacts.
For experimental group, parents with child age 1 or older. For control group, parents with child age 2 or older.	Child well-being outcomes: Positive impacts on behavior of young children. Negative impact on academic outcomes of adolescents. Reduction in adolescent encounters with police.
Data Type: Administrative data Survey.	
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Delaware: A Better Chance (ABC)	
The Early Economic Impacts of Delaware's ABC Welfare Reform Program, December 1997.	
Author: Abt Associates Inc.	
Sites: 5 of 13 Delaware welfare offices: Carroll's Plaza, Georgetown, Hudson, Thatcher, and Williams.	
Policy Changes: 1) Earnings disregard enhancement; 2) Enhanced family planning services; 3) Family cap; 4) Personal responsibility sanctions; 5) Required minor parent to live with adult guardian; 6) Time limit; 7) Two-parent family eligibility; 8) Work-trigger time limit.	
Universe: Ongoing cases and new applicants.	Earnings: No impact over 1-year follow-up period. Increase in average total earnings only in quarter 4 (for those enrolling during ABC's first 6 months of operation 11/95 -3/96) of 16% (\$1,214 vs. \$1,047).
Random Assignment: 10/95 - 9/96.	Employment rate: Increase of 20% (57% vs. 48%).
Follow-up: 1 year.	Cash assistance: Decrease of 5% (\$2,775 vs. \$2,930).
Data Type: Administrative data Survey.	Income: No impact.
	Family structure: No impact.
	Child well-being outcomes: No impact.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Florida: Project Independence	
Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program: April 1995.	
Author: Manpower Demonstration Research Corporation.	
Sites: Nine Counties in Florida: Bay, Broward, Dade, Duval, Hillsborough, Lee, Orange, Pinellas, and Volusia.	
Policy Changes: Mixed employment/education program.	
Universe: AFDC parents (child age 3 and older).	Earnings: Increase of 4% (\$5,766 vs. \$5,539).
Random assignment: 7/90 - 8/91.	Employment rate: Increase of 4% (66% vs. 64%).
Follow-up: 2 years.	Cash assistance: Decrease of 6% (\$4,028 vs. \$4,293).
Data Type: Administrative data Survey.	Income: No impact.
	Family formation: Not reported.
	Child well-being outcomes: Not reported.

Florida: Family Transition Program (FTP)	
FTP: The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program, December 2000	
Author: Manpower Demonstration Research Corporation	
Site: Escambia County	
Policy Changes: 1) Child care; 2) Earnings disregard enhancement; 3) Education-focused program; 4) Time limit.	
Universe: Single parents subject to FTP work requirements (not disabled, caring for a child age 7 months or older).	Earnings: Increase of 17% (\$16,666 vs. \$14,288).
Random assignment: 5/94 - 10/96.	Employment rate: Increase in average percent employed per quarter of 10% (48% vs. 44%).
Follow-up: 4 years.	Cash assistance: Decrease of 15% (\$3,987 vs. \$4,698).
Data Type: Administrative data Survey.	Income: Increase of 5% (\$26,744 vs. \$25,606).
	Family structure: No impact.
	Child well-being outcomes: Unfavorable impacts on behavior but favorable impact on health for children aged 5 to 12 at follow-up. Unfavorable impacts on percent ever suspended from school and academic achievement for adolescents.

Illinois: Community Group Participation and Housing Supplementation Demonstration	
Community Group Participation and Housing Supplementation Demonstration. Final Report, June 1995	
Author: Abt Associates Inc.	
Site: West Garfield Park neighborhood in Chicago, IL	
Policy Changes: Provision of services by community-based organization.	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

<p>Universe: Volunteers living in severely distressed neighborhoods.</p>	<p>Earnings: No impact.</p> <p>Employment rate: Decrease of 15% (22% vs. 26%).</p>
<p>Random Assignment: 7/88 - 8/91.</p>	<p>Income: No impact.</p> <p>Cash assistance: No impact.</p>
<p>Follow-up period: Varies from 35 to 54 months (analysis ends 6/94).</p>	<p>Family structure: Not reported.</p> <p>Child well-being outcomes: Not reported.</p>
<p>Data Type: Administrative Data Survey.</p>	
<hr/> <p>Indiana: Welfare Reform Evaluation The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years, November 1998 Author: Abt Associates Inc. and the Urban Institute Policy Changes: 1) Asset limit increase; 2) Family cap; 3) Mixed employment/education program; 4) Personal responsibility sanctions; 5) Required minor parent to live with adult; 6) Time limit (adult-only); 7) Two-parent family eligibility; 8) Work requirements: younger child; 9) Work sanctions.</p>	
<p>Universe: AFDC recipients and applicants.</p>	<p>Earnings: Increase of 5% (\$7,344 vs. \$6,967).</p> <p>Employment rate: Increase of 2% (79% vs. 77%).</p>
<p>Random Assignment: 5/95 - 12/95.</p>	<p>Cash assistance: Decrease of 20% (\$2,339 vs. \$2,921).</p>
<p>Follow-up: 2 years. Participation required in welfare-to-work program: For experimental group, changed in 6/97 from parents with children age 3 or older to parents with children age 2 or older.</p>	<p>Income: No impact.</p> <p>Family structure: Not reported.</p> <p>Child well-being outcomes: Not reported.</p>
<p>Data Type: Administrative data Survey.</p>	
<hr/> <p>Iowa: Family Investment Program (FIP) The Evaluation of Welfare Reform in Iowa: Final Impact Report, June 2002 Author: Mathematica Policy Research, Inc. Sites: Nine counties in Iowa: Black Hawk, Linn, Polk, Pottawattamie, Woodbury, Clinton, Des Moines, Jackson, and Jones. Ongoing cases Policy Changes: 1) Earnings disregard enhancement; 2) Work requirements: younger child; 3) Asset limit increase; 4) Benefit determination the same for parents and stepparents; 5) Personal responsibility sanctions; 6) Required participation in employment and training services for both persons in two-parent family; 7) Transitional benefits extension (child care); 8) Two-parent family eligibility.</p> <hr/>	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-

continued

Universe: Cases active in September 1993.	Earnings: Year 1-5, No impact. (Increase in earnings during years 1 and 2).
Random assignment: 10/93.	Employment rate: Average quarterly employment rate--Increase of 4% (52% vs. 51%).
Follow-up: 5 years.	Cash assistance: Average quarterly benefit amount--Decrease of 4% (\$499 vs. \$521).
Participation in welfare-to-work requirement: For experimental group, parents with a child age 3 months or older. For control group, parents with a child age 3 or older.	Income: No impact. Family structure: No impacts.
Data type: Administrative data Survey.	Child well-being outcomes: No impacts.

Applicant Cases

Universe: Cases that applied between September 1993 and March 1996 in three cohorts.	Earnings: Cohort 1: No impact over years 1-4. Increase in year 1. Cohort 2: No impact over years 1-3. Cohort 3: No impact over 2 years. Decrease in earnings in year 2.
Random Assignment: Cohort 1: 10/93-9/94. Cohort 2: 10/94-9/95. Cohort 3: 10/95-3/96.	Employment rate: Cohort 1: Increase of 6% over years 1-4 (56.6% vs. 53.5%). Cohort 2: No impact. Cohort 3: No impact.
Follow-up: Cohort 1: 4 years. Cohort 2: 3 years. Cohort 3: 2 years. Survey conducted -1998 and 1999.	Cash assistance: Cohort 1: No impact. Cohort 2: Average quarterly benefit--Decrease of 7% (\$240 vs. \$258). Cohort 3: Average quarterly benefit--Increase of 22% (\$268 vs. \$219).
Participation in welfare-to-work requirement: For experimental group, parents with a child age 3 months or older. For control group, parents with a child age 3 or older.	Income: Cohort 1: No impact over 4 years. (Increase in years 1 and 2.) Cohort 2: No impact. Cohort 3: No impact.
Data Type: Administrative data Survey.	Family Structure: For applicants 27% increase in percent never married (30% vs. 24%). Child well-being outcomes: For children age 5 to 12: Increases in school absences. For all children, small increase in children in foster care.

Michigan: To Strengthen Michigan Families (TSMF)

Final Impact Report: The Evaluation of To Strengthen Michigan Families (TSMF), September 1997

Author: Abt Associates Inc.

Sites: 4 local office: Kalamazoo (Kalamazoo Co.), Madison Heights (Oakland Co.),

McNichols/Goddard (Wayne Co.), and Schaeffer/Six Mile (Wayne Co.)

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Policy Changes: 1) Asset limit increase; 2) Earnings disregard enhancement; 3) Mixed employment/ education program; 4) Personal responsibility sanctions; 5) Two-parent family eligibility; 6) Work sanctions.	
Universe: Three cohorts.	Earnings: Ongoing cohort: Increase of 7% (\$3,343 vs. \$3,120). Other cohorts: No impact.
Ongoing cohort: Random assignment: 10/92 Follow-up: 4 years .	Employment rate: Ongoing cohort: Increase in average quarterly employment rate of 4% (37% vs. 36%). Other cohorts: No impact.
Middle cohort: Random assignment: 10/92 - 9/94. Follow-up: 2 years.	Cash assistance: All cohorts- No impact.
Last cohort: Random assignment: 10/94 - 9/95 Follow-up: 1 year.	Income: All cohorts- No impact. Family structure: Not reported. Child well-being outcomes: No impact.
Data Type: Administrative data	
Minnesota: Family Investment Program (MFIP) Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program, September 2000 Author: Manpower Demonstration Research Corporation Sites: Seven counties in Minnesota: Hennepin (Minneapolis), Anoka, Dakota, Mille Lacs, Morrison, Sherburne, and Todd	
Long-term single- parent families Policy Changes: 1) Asset limit increase; 2) Direct child care paid to provider; 3) Earnings disregard enhancement; 4) Food stamp benefit combined with cash grant; 5) Work requirements: younger child; 6) Work-trigger time limit.	
Universe: Single, long-term recipients in urban and rural counties	Earnings: Increase of 23% (\$955 vs. \$779). Employment rate: Increase of 35% (50% vs. 37%).
Random Assignment: 4/94 - 3/96. Follow-up: 3 years.	Cash assistance: Increase of 11% (\$1,745 vs. \$1,569). Income: Increase of 15% (\$2,700 vs. \$2,348).
Participation in welfare-to-work requirement: For experimental group, parents with a child age 1 or older (on welfare rolls for 2 years). For control group, parents of child age 3 or older.	Family structure: Increase of 51% (11% vs. 7%) in percent currently married. Births and abortions not reported. Child well-being outcomes: Not reported.
Data Type: Administrative data Survey.	
Long-term single- parent families - urban counties Policy Changes: 1) Asset limit increase; 2) Direct child care paid to provider; 3) Earnings disregard enhancement; 4) Food stamp benefit combined with cash grant; 5) Work requirements: younger child; 6) Work-trigger time limit.	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Universe: Single, long-term recipients in urban counties	Earnings: Quarterly earnings- Year 1: Increase of 30% (\$699 vs. \$537). Year 2: Increase of 24% (\$1,129 vs. \$913). Year 3 (quarters 1-3): Increase of 11% (\$1,441 vs. \$1,298).
Random Assignment: 4/94 - 3/96.	
Follow-up: 3 years.	Employment rate: Average quarterly employment rate- Year 1: Increase of 41% (46% vs. 33%). Year 2: Increase of 35% (53% vs. 39%). Year 3 (quarters 1-3): Increase of 26% (56% vs. 45%).
Participation in welfare-to-work requirement: For experimental group, parents with a child age 1 or older (on welfare rolls for 2 years). For control group, parents of child age 3 or older.	Cash assistance: Average quarterly benefits- Year 1: Increase of 9% (\$1,946 vs. \$1,810). Year 2: Increase of 10% (1,627 vs. \$1,484) Year 3 (quarters 1-3): Increase of 13% (\$1,380 vs. \$1,227).
Data Type: Administrative data Survey.	Income: Average quarterly income- Year 1: Increase of 14% (\$2,663 vs. \$2,346) Year 2: Increase of 15% (\$2,756 vs. \$2,396) Year 3 (quarters 1-3): Increase of 12% (\$2,822 vs. \$2,525).
	Family structure: No impacts on marital status. Births and abortions not reported.
	Child well-being outcomes: Favorable impacts on behavioral and academic achievement. Unfavorable impact on percentage of children who had an accident and required a trip to the emergency room.
Long-term single-parent families - urban counties: Without mandated participation Policy Changes: 1) Asset limit increase; 2) Direct child care paid to provider; 3) Earnings disregard enhancement; 4) Food stamp benefit combined with cash grant.	
Universe: Single, long-term recipients in urban counties.	Earnings: No impact.
Random Assignment: 4/94 - 3/96.	Employment rate: Average quarterly employment rate- Year 1: Increase of 21% (40% vs. 33%). Year 2: Increase of 9% (43% vs. 39%). Year 3 (quarters 1-3): Increase of 8% (48% vs. 45%).
Follow-up: 3 years.	Cash assistance: Average quarterly benefits- Year 1: Increase of 13% (\$2,035 vs. \$1,810). Year 2: Increase of 20% (\$1,774 vs. \$1,484). Year 3 (quarters 1-3): Increase of 24% (\$1,518 vs. \$1,227).
Data Type: Administrative data Survey.	Income: Average quarterly income- Year 1: Increase of 12% (\$2,621 vs. \$2,346) Year 2: Increase of 10% (\$2,636 vs. \$2,396) Year 3: Increase of 10% (\$2,769 vs. \$2,525).
	Family structure: Increase of 89% (11% vs. 6%) in percent married. Impacts on births and abortions not reported.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

	Child-well being outcomes: Favorable impacts on behavioral and academic achievement. Unfavorable impact on percentage of children who had an accident and required a trip to the emergency room.
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Recent single-parent applicants - urban counties	
Policy Changes: 1) Asset limit increase; 2) Direct child care paid to provider; 3) Earnings disregard enhancement; 4) Food stamp benefit combined with cash grant; 5) Work requirements: younger child; 6) Work-trigger time limit.	
Universe: Single applicants (short-term recipients) in urban counties.	Earnings: No impact.
Random Assignment: 4/94 - 3/96.	Employment rate: Average quarterly employment rate: Year 1: Increase of 6% (52% vs. 49%). Year 2: Increase of 7% (57% vs. 53%). Year 3 (quarters 1-3): Increase of 5% (58% vs. 55%).
Follow-up: 3 years	Cash assistance: Average quarterly benefits-- Year 1: Increase of 26% (\$1,289 vs. \$1,024). Year 2: Increase of 26% (\$907 vs. \$722). Year 3 (quarters 1-3): Increase of 26% (\$709 vs. \$561).
Participation in welfare-to-work requirement: For experimental group, parents with a child age 1 or older (on welfare rolls for 2 years). For control group, parents of child age 3 or older.	Income: Average quarterly income-- Year 1: Increase of 9% (\$2,434 vs. \$2,467) Year 2: Increase 7% (\$2,562 vs. \$2,547) Year 3 (quarters 1-3): Increase of 6% (\$2,740 vs. \$2,578).
Data Type: Administrative data Survey.	Family structure: No impact on marital status. Births and abortions not reported.
	Child well-being outcomes: Not reported.
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Long-term single-parent families - rural counties	
Policy Changes: 1) Asset limit increase; 2) Direct child care paid to provider; 3) Earnings disregard enhancement; 4) Food stamp benefit combined with cash grant; 5) Work requirements: younger child; 6) Work-trigger time limit.	
Universe: Single, long-term recipients in rural counties	Earnings: No impact.
Random Assignment: 4/94 to 3/96.	Employment rate: Average quarterly employment rate: Year 1: Increase of 37% (44% vs. 32%). Year 2: Increase of 13% (50% vs. 45%). Year 3 (quarter 10): No impact.
Follow-up: 3 years.	Cash assistance: Average quarterly benefits: Year 1: Increase of 16% (\$1,915 vs. \$1,646). Year 2: Increase of 33% (\$1,583 vs. \$1,192). Year 3 (quarter 10): Increase of 37% (\$1,345 vs. \$983).

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Participation in welfare-to-work requirement: For experimental group, parents with a child age 1 or older (on welfare rolls for 2 years). For control group, parents of child age 3 or older.	Income: Average quarterly income: Year 1: Increase of 18% (\$2,579 vs. \$2,182). Year 3 (quarter 10): Increase of 20% (\$2,563 vs. \$2,143). Family structure: Not reported. Child well-being outcomes: Not reported.
Data Type: Administrative data Survey.	
New Jersey: Family Development Program (FDP) A Final Report on the Impact of New Jersey's Family Development Program: Experimental - Control Group Analysis, October 1998. Author: Rutgers University Sites: Ten Counties in New Jersey: Atlantic, Camden, Cumberland, Essex, Hudson, Mercer, Middlesex, Monmouth, Passaic, and Union. Policy Changes: 1) Continued benefits to families with stepfathers as long as family income below 150% of state's need standard; 2) Family cap; 3) Transitional benefits extension (Medicaid); 4) Work requirements: younger child.	
Universe: AFDC families.	Earnings: Ongoing cases: No impact over 4-year follow-up period.
Random assignment: 10/92 - 12/94	Year 1: Decrease of 25% (\$522 vs. \$695). Year 2: Decrease of 18% (\$1,522 vs. \$1,848). New cases: No impact over 4-year follow-up period.
Follow-up: Varies. Up to 17 quarters (for cases ongoing 10/92).	Year 3: Decrease of 13% (\$2,953 vs. \$3,407). Year 4: Decrease of 14% (\$3,966 vs. \$4,605).
Participation in welfare-to-work program: For experimental group, parents of children age 2 or older. For control group, parents of children age 3 or older.	Employment rate: No impact. Cash assistance: No impact. Income: Not reported. Family structure: Decrease in births. For new cases an increase in abortions and in use of contraception. Marital status not reported.
Data Type: Administrative data	Child well-being outcomes: Not reported.
New York: Child Assistance Program (NY CAP) The NY CAP: Five-Year Impacts, Costs, and Benefits, November 1996 Author: Abt Associates Inc. Sites: Three Counties in New York: Monroe (Rochester), Niagra (Niagra Falls) and Suffolk (Long Island). Policy Changes: 1) Asset limit increase (no resource limit); 2) Earnings disregard enhancement; 3) Food stamp cash out; 4) No child support pass-through.	
Universe: Single-parent AFDC cases.	Earnings: Increase of 20% (\$15,882 vs. \$13,268).
Random Assignment: 4/89 - 3/90.	Employment rate: Increase of 13% (29% vs. 26%).
Follow-up: 5 years.	Cash assistance: No impact.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Data Type: Administrative data Survey.	Income: Not reported. Family structure: Not reported.
	Child well-being outcomes: Not reported.
Ohio: Transitions to Independence Demonstration (Ohio JOBS) JOBS Assignments in Ohio: Patterns and Impacts, December 1994 Author: Abt Associates Inc. Sites: 15 counties in Ohio: Brown, Champaign, Clermont, Franklin, Lake, Lawrence, Montgomery, Perry, Pickaway, Richland, Seneca, Stark, Summit, Trumbull, and Wyandot Policy Changes: Mixed employment/education program.	
Universe: JOBS mandatory adults (for single parents, child age 6 or older, after 6/91, child age 3 or older).	Earnings: 12th quarter impacts for those assigned to – Basic education: Decrease of 34% (\$410 vs. \$624). Post-secondary education: No impact. Job club: Increase of 22% (\$991 vs. \$811). Job readiness: No impact. Community Work Experience: No impact.
Random Assignment: 1/89 - 12/91.	Employment rate: Employed in 12th quarter for those assigned to: Basic education: Decrease of 17% (24% vs. 29%). Post-secondary education: No impact. Job club: Increase of 28% (42% vs. 33%). Job readiness: Increase of 14% (39% vs. 34%). Community Work Experience: No impact.
Follow-up: 3 years (early cohort), 2 years (later entrants).	
Data Type: Administrative data Survey.	Cash assistance: Not reported. Income: Not reported. Family Formation: Not reported. Child well-being outcomes: Not reported.
Ohio: Final Impacts for JOBS and Work Choice, December 1994 Author: Abt Associates Inc. Sub-State: Fifteen counties in Ohio for JOBS Demonstration: Brown, Champaign, Clermont, Franklin, Lake, Lawrence, Montgomery, Perry, Pickaway, Richland, Seneca, Stark, Summit, Trumbull, and Wyandot; One County for Work Choice: Montgomery County Ohio Transitions to Independence: Final Impacts for JOBS Policy Changes: Mixed employment/education program.	
Universe: Mandatory JOBS adults (for single parents, caring for a child age 6 or older).	Earnings: Early entrants: No impact. Later entrants– Year 1: Decrease of 14% (\$2,003 vs. \$2,322). Year 2: Decrease of 14% (\$2,939 vs. \$3,421).
Random Assignment: 1/89 to 12/91.	Employment rate: Early entrants: Increase of 8% (61% vs. 57%). Later entrants: No impact over follow-up period. Year 2: Decrease of 7% (46% vs. 49%).
Follow-up: Successive cohorts assigned to treatment and control groups, beginning in 1989, and followed for 1, 2, or 3 years.	Cash assistance: No impact.

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Data Type: Administrative data. Income: Not reported.	
Family formation: Not reported.	
Child well-being outcomes: Not reported.	

Ohio Transitions to Independence: Final Impacts for Work Choice	
Policy Changes: 1) Mixed employment/education program.	
Universe: AFDC recipients with young children (1-5 years old).	Earnings: Early entrants: Increase of 14% (\$1,484 vs. \$1,307). Later entrants: Decrease of 19% (\$800 vs. \$922).
Random Assignment: 1/89 - 3/90.	Employment rate: Early entrants: Increase of 9% (41% vs. 38%). Later entrants: No impact.
Follow-up: 18 months for early entrants; 1 year for later cohort.	Cash assistance: No impact. Income: Not reported.
Data Type: Administrative data.	
Family formation: Not reported.	
Child well-being outcomes: Not reported.	

Ohio: Learning, Earning, and Parenting (LEAP)	
Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents: Ohio's Learning, Earning, and Parenting (LEAP) Program, August 1997	
Author(s): Manpower Demonstration Research Corporation	
Policy Changes: 1) Personal responsibility sanctions; 2) School attendance bonus.	
Universe: Pregnant teenagers and custodial teen parents who were on AFDC.	Earnings: No impact over 4-year follow-up period. Increase in quarters 3-4 of 25% (\$315 vs. \$252).
Random Assignment: 8/90 - 9/91.	Employment rate: No impact over 4 year follow-up period. Increase in percent ever employed quarters 5-8 of 8% (44% vs. 41%).
Follow-up: 4 years.	Cash assistance: Years 3 and 4: Decrease of 5% (\$5,185 vs. \$5,459).
Data Type: Administrative data Survey.	Income: No impact.
Family formation: No impact on births or marital status. Among teens who were applicants, decrease in pregnancy (8% v. 15%).	
Child well-being outcomes: Not reported.	

Texas: Achieving Change for Texans (ACT)/TANF	
Achieving Change for Texans Evaluation: Net Impacts Through December 1997, August 1998	
Author: Texas Department of Health and Human Services	
Texas ACT: Time Limits	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

<hr/> Policy Changes: 1) Asset limit increase; 2) Personal responsibility sanctions; 3) Time limit (adult-only); 4) Transitional benefits extension (Medicaid and child care); 5) Two-parent family eligibility.	
Universe: TANF recipients.	Earnings: No impact.
Random assignment: 6/96 - 12/97.	Employment rate: No impact.
Follow-up: Varies.	Cash assistance: No impact.
	Income: Not reported.
	Family structure: Not reported.
	Child well-being outcomes: Not reported.
Participation in welfare-to-work requirement: For experimental group, parents of child age 4 or older (5 in some cases). For control group, parents of child age 3 or older.	
Data Type: Administrative data.	
<hr/> Texas ACT: Responsibilities, Employment, and Resources in Choices Counties	
Policy Changes: 1) Asset limit increase; 2) Personal responsibility sanctions; 3) Transitional benefits extension (Medicaid and child care); 4) Two-parent family eligibility.	
Universe: TANF families.	Earnings: No impact.
Random assignment: 7/96 - 12/97.	Employment rate: No impact.
Follow-up: Varies.	Cash assistance: Decrease in time on TANF. The proportion of time spent on TANF out of the maximum possible was 55% for the experimental group, 57% for the control group.
Participation in welfare-to-work requirement: For experimental group, parents of child age 4 or older (5 in some cases). For control group, parents of child age 3 or older.	Income: Not reported.
	Family formation: Not reported.
	Child well-being outcomes: Not reported.
Data Type: Administrative data.	
<hr/> Vermont: Welfare Restructuring Project (WRP): Author: Manpower Demonstration Research Corporation Sites Statewide (VT) with detailed focus on 6 of Vermont's 12 districts: Barre, Burlington, Newport, Rutland, Springfield, and St. Albans .	
Single-parent families	
Policy Changes: 1) Work-trigger time limit (30 months work or community service); 2) Earnings disregard enhancement; 3) Asset limit increase; 4) Child support pass-through (only first \$50 disregarded); 5) Transitional benefits extension (Medicaid and child care).	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Universe: Families applying for and receiving assistance.	Earnings: Average annual earnings-- Increase of 9% (\$6,005 vs. \$5,497).
Random assignment: 7/94 - 6/95.	Employment rate: Average quarterly employment--Increase of 12% (52% vs. 47%).
Follow-up: 6 years (Family structure and child well-being outcomes at 42 months).	Cash assistance: Average annual cash benefits--Decrease of 12% (\$2,310 vs. \$2,609).
Data Type: Administrative Data. Income: No impact.	
Family structure: No impact.	
Child well-being outcomes: Reduced school absences for children age 10 to 13. Increase percent of adolescents that had trouble with the police.	
Single-parent families: Without mandated participation	
Policy Changes: 1) Asset limit increase; 2) Child support pass-through (only first \$50 disregarded); 3) Earnings disregard enhancement; 4) Transitional benefits extension (Medicaid and child care).	
Universe: Families applying for and receiving assistance.	Earnings: No impact.
	Employment rate: No impact.
Random assignment: 7/94 to 6/95.	Cash assistance: No impact.
Follow-up: 6 years (Child well-being outcomes at 42 months).	Income: No impact.
	Family Structure: Increase in likelihood of being married and living with a spouse. No impact on childbearing.
Data Type: Administrative Data.	
Child well-being outcomes: Increase in absenteeism from school for adolescents. Increase in percent of adolescents having trouble with the police.	
Virginia: Independence Program	
Impacts of the Virginia Initiative for Employment, Not Welfare, January 2002	
Author: Mathematica Policy Research, Inc.	
Sites: Three counties in Virginia: Lynchburg, Prince William, and Petersburg (VIEW counties).	
Lynchburg	
Policy Changes: 1) Work requirements: younger child; 2) Work-trigger time limit (Work or community service after 90 days); 3) Asset limit increase; 4) Earnings disregard enhancement; 5) Employment-focused program; 6) Family cap; 7) Personal responsibility sanctions; 8) Required minor parents to live with an adult; 9) Time limit; 10) Transitional benefits extension (Medicaid and child care); 11) Two-parent family eligibility; 12) Welfare diversion.	
Universe: AFDC cases that were on the rolls as of 7/95 and were Virginia Initiative for Employment Not Welfare (VIEW) mandatory (able-bodied, child 18 months or older.)	Earnings: Quarter 9--No impact.
	Employment rate: Quarter 9--Increase of 9 percentage points or 16% (65% vs. 56%).
	Cash assistance: Quarter 9--No impact. (Statistically significant reductions in cash receipt in quarters 12-14 as recipients began reaching the time limit.)

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Random Assignment: 7/95. VIEW implemented in 10/95.	Income: Quarter 9- No impact. (No impact in later quarters even after application of the time limit.)
Follow-up: 3 ½ years from random assignment. Control group subject to VIEW rules beginning quarter 10.	Family structure: Not reported. Child well-being outcomes: Not reported.
Participation in welfare-to-work requirement: Applies to all VIEW mandatory recipients (full study sample).	
<u>Data Type: Administrative Data.</u>	
Prince William	
Policy Changes: 1) Work requirements: younger child; 2) Work-trigger time limit (Work or community service within 90 days); 3) Asset limit increase; 4) Earnings disregard enhancement; 5) Employment-focused program; 6) Family cap; 7) Personal responsibility sanctions; 8) Required minor parents to live with an adult; 9) Time limit; 10) Transitional benefits extension (Medicaid and child care); 11) Two-parent family eligibility; 12) Welfare diversion.	
Universe: AFDC cases that were on the rolls as of 7/95 and were VIEW mandatory (able-bodied, child 18 months or older).	Earnings: Quarter 9--No impact. Employment rate: Quarter 9--Increase of 5 percentage points or 9% (58% vs. 53%).
Random Assignment: 7/95. VIEW implemented 4/96 (Quarter 4).	Cash assistance: Quarter 9- No impact. Income: Quarter 9--No impact.
Follow-up: 3 ½ years from random assignment. Control group subject to VIEW rules beginning in quarter 10.	Family structure: Not reported. Child well-being outcomes: Not reported.
Participation in welfare-to-work requirement: All VIEW mandatory recipients (full study sample).	
<u>Data Type: Administrative Data.</u>	
Petersburg (Post VIEW)	
Policy Changes: 1) Asset limit increase; 2) Earnings disregard enhancement; 3) Employment-focused program; 4) Family cap; 5) Personal responsibility sanctions; 6) Required minor parents to live with an adult; 7) Time limit; 8) Transitional benefits extension (Medicaid and child care); 9) Two-parent family eligibility; 10) Welfare diversion; 11) Work requirements: younger child; 12) Work-trigger time limit.	

TABLE L-8 -- OUTCOMES FOR IMPACT EVALUATIONS CONDUCTED
SINCE THE PASSAGE OF THE FAMILY SUPPORT ACT OF 1988-
continued

Universe: AFDC cases that were on the rolls as of 7/95 and VIEW mandatory (able-bodied and child 18 months and older).	Earnings: Quarter 9-- Increase of 17% (\$1,394 vs. \$1,191).
Random Assignment: 7/95. VIEW implemented 1/97 . (Quarter 7)	Employment rate: Quarter 9--Increase of 12 percentage points or 23% (65% vs. 53%).
Follow-up: 3 ½ years from random assignment. Control group subject to VIEW rules beginning in quarter 10.	Cash assistance: No impact.
	Income: No impact.
	Family structure: Not reported.
	Child well-being outcomes: Not reported.
<u>Data Type: Administrative data.</u>	
Wisconsin: Milwaukee's New Hope Demonstration Project New Hope for People With Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare, April 1999 Author: Manpower Demonstration Research Corporation Site: Milwaukee, Wisconsin Policy Changes: 1) Paid child care; 2) Paid health insurance; 3) Wage supplementation.	
Universe: Low-income adult volunteers (below 150% of poverty) living in two high-poverty neighborhoods in Milwaukee.	Earnings: Full sample: No impact over 2-year follow-up period. Year 1: Increase of 9% (\$6,833 vs. \$6,250). Employed full-time entering program: No impact. Not employed full-time entering program: Increase of 13% (\$11,898 vs. \$10,509).
Random Assignment: 8/94 - 2/95.	Employment rate: Full sample: Increase of 6% (96% vs. 90%). Employed full-time entering program: No impact. Not employed full-time entering program: Increase of 7% (94% vs. 87%).
Follow-up: 2 years.	
Data Type: Administrative data Ethnography Survey.	Cash assistance: Full sample: No impact. Employed full-time entering program: No impact over 2-year follow-up period. Year 2: Decrease of 38% (\$736 vs. \$1,181). Not employed full-time entering program: No impact.
	Income: Not reported for the full sample. Employed full-time entering program: Decrease of 8% (\$14,146 vs. \$15,294) in year 2. Not employed full-time entering program: Increase of 13% (\$11,213 vs. \$9,915).
	Family Structure: Not reported.
	Child well-being outcomes: Favorable impacts on some behavioral measures from both parents and teachers, though teachers reported unfavorable impacts on aggression and frequency of disciplinary action for girls. Favorable impact on academic achievement reported for boys.

Source: Table prepared by the Congressional Research Service.

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