
July 1995

WELFARE TO WORK

State Programs Have Tested Some of the Proposed Reforms



**Program Evaluation and
Methodology Division**

B-261315

July 14, 1995

The Honorable Daniel Patrick Moynihan
United States Senate

Dear Senator Moynihan:

As the Congress has been considering various proposals to reform welfare, questions have arisen about how best to reduce welfare dependency and help recipients move from welfare to work. This report responds to your request that we review the evaluations of the numerous state welfare-to-work experiments completed since the reforms enacted in 1988 to learn (1) How do they resemble the welfare reforms currently being discussed? and (2) What approaches have been effective in increasing employment and earnings or reducing benefit receipt among welfare clients?

Background

The nation's major cash assistance program to poor families, Aid to Families with Dependent Children (AFDC), provides cash benefits to needy families with children who lack support from one or both of their parents because of unemployment, incapacity, absence, or death. Funded with federal and state dollars, the program operates as an individual entitlement—that is, everyone who meets the eligibility requirements is entitled to receive benefits. In fiscal year 1993, AFDC benefits supported 5 million families and more than 9.5 million children each month and cost over \$25 billion in federal and state funds. The Family Support Act of 1988 created the Job Opportunities and Basic Skills Training (JOBS) program, which requires the states to enroll an increasing proportion of their adult AFDC recipients (primarily women) in the education, training, and employment-related activities they need to get jobs and avoid long-term welfare dependency. The states are permitted substantial flexibility in designing and implementing their JOBS programs, but they are required to provide participants with the support services deemed necessary, such as child care and transportation. Federal funds to match state JOBS expenditures are capped, but most states have not reached the limit of that cap. However, as we reported last December, the share of AFDC recipients active in JOBS is limited; only about one fourth of those required to participate were served in an average month in fiscal year 1993.¹

¹U.S. General Accounting Office, *Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment*, GAO/HEHS-95-28 (Washington, D.C.: December 1994).

Rapid growth in the AFDC caseload since 1989 and concern about program costs and beneficiaries' long-term dependence have led to widespread dissatisfaction with the AFDC program and to several congressional proposals to reform it. Some provisions of current proposals represent continuity with previous legislative efforts to strengthen the employment focus of the program, such as requiring larger proportions of recipients to participate in a work program. Other provisions propose dramatic changes in AFDC's structure, such as imposing time limits on the receipt of benefits and replacing the individual entitlement to benefits with a block grant for which federal funding would be fixed.

Concern about welfare dependency has spurred policy initiatives since the 1970s to encourage or assist welfare clients to get jobs. The states have obtained waivers from existing federal statutes and regulations to test a variety of welfare-to-work initiatives. One condition of the waivers is that the states rigorously evaluate the effects of these initiatives. Evaluations conducted under such waivers informed the formulation of the JOBS program; others completed since 1988 can similarly inform the current debate.

This report presents the results of our evaluation synthesis of nine published high-quality studies, from eight states, of welfare-to-work experiments for adult AFDC recipients.² We identified these studies by conducting a systematic search and methodological review of all evaluations published since the Family Support Act of 1988 that focused, at least in part, on moving clients from welfare to work. All nine studies used comparison groups, six of which were formed through random assignment, making it possible to estimate the effects of a program by comparing the outcomes for its participants with those for nonparticipants.

To meet our first objective, we compared the approaches used in these experiments with provisions of the proposed welfare reforms being debated. Our list of provisions was derived primarily from the pending House welfare reform bill, H.R. 4, but we also included a few provisions from other bills introduced in the 104th Congress.³ To meet our second objective—to identify approaches that successfully moved AFDC recipients

²The nine studies covered 10 programs; the Greater Avenues for Independence (GAIN) program in Riverside, California, was sufficiently different from the GAIN programs evaluated in the other California counties to treat it separately.

³Our reference to H.R. 4 is to the March 27, 1995, version passed by the House. We excluded bills introduced after April 1995, when we completed our review.

from welfare to work—we compared and contrasted the statistically significant effects of similar and dissimilar programs on participants' earnings, employment, and welfare receipt. (See appendix I for details on our selection and analysis of these studies.) We conducted our work in accordance with generally accepted government auditing standards between December 1994 and April 1995. However, we did not independently verify the information in the evaluation reports.

Results in Brief

The state welfare-to-work experiments provide evidence on the states' experience with some features of current federal welfare reform proposals but not others. The features common to both address work programs for recipients, stricter requirements for participation in work programs and child support enforcement, and increasing work incentives. Some proposal features, such as limiting the length of time a family can receive benefits, are currently being tested by the states, but their evaluations are not yet complete. Other proposed federal reforms have not been tested by the states. In addition, some states have evaluated features of welfare-to-work programs—such as providing a broad mix of employment services—that go beyond the requirements of some of the current proposals. For example, one proposal would not count some of these activities toward meeting its work program participation standards, thereby creating a potential disincentive for financing them. Thus, the states' positive experience with the broader mix of employment activities is relevant to considering this proposal. Although the states' experiences provide information regarding some of these reform features, other features—such as time-limiting benefits and turning the AFDC program into a block grant—would so alter the environment that we cannot confidently project the likely effects of the entire package of reform proposals.

The most successful programs—those that consistently showed better employment and welfare-related outcomes for participants—combined a broad range of employment-related activities and support services with some form of participation mandate, and they had adequate funding to fully serve their clients as intended. Each of these programs made a broad mix of services available to their clients, such as intensive job search and placement assistance, basic skills and secondary education, and vocational training. Other programs using this approach were less successful when funding shortfalls delayed full implementation or where budget freezes caused services to be cut back. However, moving welfare recipients into self-supporting employment has proved challenging. Even the most successful program had modest effects; after 3 years, only one

fourth of its participants were self-sufficient in being both employed and off welfare.

A quite different approach—increasing both work incentives (such as allowing recipients to earn somewhat more income before their benefits were reduced) and access to employment supports (such as child care)—was also successful in one program at increasing employment and earnings, but it did not reduce welfare receipt. However, two other states that increased work incentives and mandated work program participation, but did not expand their employment-related services, have not yet seen clear improvements in either employment or welfare-related outcomes.

Principal Findings

The Completed State Experiments Have Tested Only Some of the Proposed Welfare Reforms

The welfare-to-work experiments we reviewed tested many of the provisions in welfare reform proposals (including H.R. 4), such as conducting some form of work program that may provide support services such as child care and requiring adult AFDC recipients to participate in that work program and to cooperate with child support enforcement. (See table 1.) In addition, some states experimented with extending medical and child care benefits to families as they leave welfare for work and with increasing the disregard of earnings while on welfare, both of which are provisions in other current proposals. Of course, the states may not have implemented these features in quite the same form as they appear in the legislative proposals.

Table 1: Relationship Between Features in Federal Proposals to Reform AFDC and States' Completed Welfare Evaluations

Federal welfare reform proposals	Completed state evaluations	
	Included these features	Did not include these features
Included these features	Provide a work program with support services	Limit lengths of stays on welfare
	Require work program participation	Bar additional benefits for children born while on welfare
	Require cooperation with child support enforcement	Bar aid to unwed teenage mothers living on their own and to noncitizens
	Extend transitional medical and child care benefits	Cap the amount of federal funds available
	Increase disregard of earnings while on welfare	End requirement for states to match federal expenditures
Did not explicitly address these features	Enhance employment and training activities	Not applicable
	Consolidate Food Stamp and AFDC programs	

Proposed provisions not in the state experiments we reviewed include limits on the length of welfare receipt, prohibition of additional benefits for additional children born to families on welfare, and requirements that unwed teenage mothers live with a parent or guardian. These are the subject of ongoing or planned experiments and have not yet been evaluated. Prohibiting aid to noncitizens, creating block grants with fixed funding, and ending requirements that the states match federal expenditures have not been options available to the states. Replacing the current AFDC program with a block grant would basically repeal current federal law prescribing state procedures for determining individuals' eligibility for benefits and benefit levels. This change aims to increase the states' flexibility in managing their programs of assistance to needy families and would provide the states with a fixed amount of funds each year rather than matching (at federally specified rates) whatever their expenditures had been.

The states have also tested several program features not explicitly addressed in some of the legislative proposals, such as enhancing employment and training activities and consolidating the AFDC and Food Stamp programs. Some of these experiments were begun before the JOBS

program was enacted but tested features it currently requires, such as providing a broad range of employment-related and support services. Under H.R. 4, the states would be permitted but no longer required to provide as broad a range of employment-related services and supports. Indeed, the states might be discouraged from enrolling clients in some types of education and training because these activities would not count toward the bill's work program participation requirements. The states would face financial sanctions if they failed to meet minimum participation levels. Thus, these state experiments are relevant to the question of whether the more inclusive provisions of current law should be retained.

A Range of Programs Had Positive Results

All but three of the experiments had a statistically significant positive effect on at least one of the following: participants' employment, earnings, receipt of welfare, and welfare payment amounts.⁴ Four were successful on all four outcomes, three others on only one or two. Effects were positive more often on employment and earnings than AFDC receipt, but a variety of approaches and their combinations had some success.

Program outcomes were often measured 1, 2, or sometimes 3, and in one up to 5, years after clients had been enrolled. We scored them as "positive" if a statistically significant effect in the intended direction was recorded at any of these time points. The more complex scores for Florida's Project Independence (FPI) program are discussed below.⁵

Table 2 summarizes the major features being tested and does not include features that applied to both the experimental and comparison groups. For example, programs that did not test an employment and training program (the last four rows) offered similar levels and kinds of employment services to both the program and comparison groups, but only the program participants were offered an increase in the earned income disregard.

⁴At the .05 level or better. All the programs wanted to increase client earnings and employment and decrease AFDC receipt and payments.

⁵We did not base our analysis on reported effect sizes because to do so would imply a false level of precision in the comparison of very different, complex programs and evaluations. Few meaningful conclusions could be drawn from comparing these effect sizes.

Table 2: Ten Treatments That Were Tested in Welfare-to-Work Evaluations and Their Outcomes^a

Program	Treatment					Outcome			
	Mandate	Income disregard	Support service ^b	Employment and training	Merge programs	Earnings	Employment	AFDC	
								Receipt	Payments
Calif. SWIM	Monthly participation; fixed activity sequence	No	Child care	Emphasis: job search. Also CWEP, education, and training	No	Positive	Positive	Positive	Positive
Mass. ET	Work registration only	No	Child care; transitional care	Emphasis: voluntary education and training. Also CWEP and job search	No	Positive	Positive	Positive	Positive
Calif. GAIN	Work registration; activity sequences	No	Child care; transitional care	Emphasis: basic education and training. Also job search and vocational education	No	Positive	Positive	Positive	Positive
Riverside GAIN	Work registration; activity sequences	No	Child care; transitional care	Emphasis: job search. Also basic and vocational education and job training	No	Positive	Positive	Positive	Positive
Fla. FPI	Orientation; activity sequences	No	Child care; transitional care	Emphasis: independent job search. Also basic and vocational education and job training	No	Positive early; none later ^c	None early; positive later	None early; none later	Positive early; positive later
Ohio TI	Education and training	No	None	Emphasis: education and training. Also CWEP and job search	No	None ^c	Positive	None ^c	None ^c
N.Y. CAP	Child support cooperation	Yes	Child care	No	Yes	Positive	Positive	None ^c	None ^c
Ala. ASSETS (AFDC)	Work registration; child support cooperation	Yes	Reduced child care	No	Yes	Not available	Not available	None ^c	None ^c

(continued)

Program	Mandate	Treatment				Outcome			
		Income disregard	Support service ^b	Employment and training	Merge programs	Earnings	Employment	AFDC	
								Receipt	Payments
Mich. TSMF	Education and training	Yes	None	No	No	None ^c	None ^c	None ^c	None ^c
Wash. FIP	None	Cash bonus	Child care; transitional care; transitional medical	No. But small cash bonus for participating in education or training	Yes	None ^c	None ^c	Negative ^d	Negative ^d

^aPrograms abbreviated are AFDC, Aid to Families with Dependent Children; ASSETS, Avenues to Self-Sufficiency through Employment and Training Services; CAP, Child Assistance Program; CWEP, Community Work Experience Program; ET, Employment and Training; FIP, Family Independence Program; FPI, Florida Project Independence; GAIN, Greater Avenues for Independence; SWIM, Saturation Work Initiative Model; TI, Transitions to Independence—Fair Work; TSMF, To Strengthen Michigan Families.

^bTransitional care and transitional medical are the extension of child care and medical care benefits to ease clients' transition to work after leaving AFDC.

^cNone statistically significant at $p = .05$ or less.

^dThe program increased AFDC receipt or payment rather than reducing them as intended.

Because the programs typically combined several features at once, individually they do not provide clear tests of the effectiveness of single program features. Therefore, we drew our conclusions about the success of program approaches (including clusters of these features) both by comparing the effects of programs that included and did not include the same feature and by comparing the features of the more and less successful programs. However, our sample of 10 studies is not large enough to provide conclusive answers, because, of course, there are many differences between the studies, some of which might have influenced their outcomes.

Combining a Broad Range of Employment-Related Services and Supports Yielded the Best, Though Modest, Results

The most successful welfare-to-work programs—those with the largest and most consistent effects—offered participants an expanded mix of education, training, and employment services; increased child care assistance; and mandated some form of client participation. Four programs using this same general approach—San Diego’s Saturation Work Initiative Model (SWIM), Massachusetts’ Employment and Training (ET) program, and California’s Greater Avenues for Independence (GAIN)

program, both statewide and in Riverside county—were the only ones to record statistically significant effects on all four outcomes.

These programs provided a mix of employment-related services, of which clients could receive one or more. Education and training included assistance in basic education, preparation for the high-school equivalency examination (or GED), English-language training, and vocational classes. Intensive job search included program staff working with employers to develop job placements, assisting clients with their job search, or starting clients with job searches immediately. In addition, some offered community work experience (CWEP), which involves unpaid work in public or nonprofit agencies aimed at increasing clients' employability. Their evaluations compared participants' outcomes to those of AFDC clients who received whatever the standard level of employment services was at the time. Since some of these programs began operating before the JOBS program was enacted, they typically offered either a lower level of service than is currently required or nothing at all.

Child care assistance was increased to allow participation in employment preparation activities and, during the first year of postwelfare employment, to facilitate the transition off public assistance. Participation mandates included requirements to register for job search and apply for work, participate for a specified number of hours per month, or enroll in a sequence of employment-related activities. However, this does not mean that all clients actually participated; some could be exempted for personal reasons, others for lack of program resources.

There were, however, some significant differences in the four successful programs. Massachusetts' ET allowed voluntary client participation and selection of activities after a mandatory work registration, while California's SWIM enforced a fixed sequence of activities and GAIN allowed a variety of sequences. ET put more emphasis on education and training, while GAIN in Riverside put more emphasis on aggressive job search support. The statewide program emphasized basic education more than the other programs.

Two other programs in Ohio and Florida that took the same general approach had mixed results, which could in part be explained by funding problems that delayed or cut short the full experiment. Ohio's economy took a downward turn at the start of the Transitions to Independence—Fair Work (TI) program evaluation period, causing an influx of cases and lengthy backlogs. In fact, a majority of clients did not

even receive their employment and training assignments. TI achieved effects on only one of the four outcomes. Florida's FPI showed positive effects for first-year participants on two outcomes, but an economic downturn combined with a budget freeze led to program reductions in the second year. This provided the opportunity to test the effects of the changes—increases in caseloads and the elimination of child care assistance. However, the contribution of these features is unclear because both the early and later groups of participants achieved mixed results.

The effects of even the most successful program were modest. The Riverside GAIN program is arguably the most successful of the welfare-to-work programs. It increased the proportion of clients ever employed in 3 years to 67 percent, or 14 percentage points over the comparison group, but this means that 33 percent of clients in the best program were never employed in 3 years. Of those who were employed at the end of 3 years, only 24 percent made more than \$5,000 per year. Thus, Riverside GAIN participants averaged a 49-percent increase in earnings over 3 years compared to nonparticipants receiving only traditional AFDC, but this amounted to only \$3,113, or about \$1,000 per year. The Riverside program lowered average AFDC payments for all participants over 3 years by 15 percent, or \$1,983, and reduced the percentage who were receiving AFDC payments after 3 years by 5 percent, compared to the nonparticipants. However, after 3 years only one fourth of its participants had achieved self-sufficiency by being both employed and off welfare.

That the successful programs only modestly reduced welfare dependency has, no doubt, a variety of causes. Even when participation was mandated, not all recipients were required to enroll in activities, some were exempt for ill health or to care for an infant, and others had to wait for assignments. In addition, some education and training programs had participation and attendance problems that diminished their success. These might reflect problems that clients had that support services like those in these programs could address, or perhaps other interventions are needed. Researchers also point to other barriers to moving welfare recipients into self-supporting employment—in particular, their low skill levels and the low wages and short tenure of low-skill jobs. In 1992, 45 percent of the single mothers receiving AFDC lacked a high school diploma and another 38 percent had no schooling beyond high school.⁶ Yet occupations that accept limited schooling pay fairly low wages, have limited fringe benefits (such as health insurance), and are characterized by

⁶U.S. General Accounting Office, *Families on Welfare: Sharp Rise in Never-Married Women Reflects Social Trend*, GAO/HEHS-94-92 (Washington, D.C.: May 1994).

high job turnover.⁷ Thus, relatively short-term training and job search interventions may have a limited effect on recipients whose skill levels are low.

Increasing Work Incentives Also Succeeded When Reinforced by Employment Supports

Rather than enhancing work-related services, the New York Child Assistance Program (CAP) took a different approach, providing an incentive to work by increasing the amount of earned income working recipients could keep. The program supported this incentive by lowering barriers to reentering the job market; it provided child care stipends in advance for clients to use during job search and training. New York's program successfully increased employment and earnings but did not reduce welfare receipt.

In contrast, two programs that increased work incentives and mandated work program participation without expanding employment-related services or child care assistance have not yet succeeded. Michigan's "To Strengthen Michigan Families" (TSMF) program increased the amount of the income disregard and also required participation in some form of work program. AFDC clients were required to enter into "a social contract" in which they had to complete 20 hours a week of broadly defined "useful" activities of their own choice, such as education or job search. However, no additional child care assistance was provided to assist them in keeping this contract, and there were no significant effects in the first year. During the second year, some small effects were achieved for both earnings and welfare receipt for some subgroups but typically only in the final quarter or month for those with 2 years of data. Evaluation of the effects on the full sample and their stability will have to await future reports.⁸

Similarly, Alabama's Avenues to Self-Sufficiency through Employment and Training Services (ASSETS) program increased work incentives and strengthened its work registration and child support cooperation requirements. In addition to raising the amount of the basic earnings disregard, ASSETS raised the limits on savings and other resources that families were allowed to have while remaining eligible for AFDC. However, it also reduced the amount that could be specifically deducted from earnings for child care expenses. The implementation of their planned employment and training component was delayed by 2 years, so available

⁷Rebecca M. Blank, "Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs," in Demetra Smith Nightingale and Robert H. Haveman (eds.), *The Work Alternative: Welfare Reform and the Realities of the Job Market* (Washington, D.C.: Urban Institute Press, 1995).

⁸Table 2 includes only the first year's effects because data for the full sample were not provided in the most recent report.

results do not fully reflect it. This program has had no significant effects on welfare receipt or average payment so far, although the evaluation is not yet complete.

Finally, like New York's CAP, Washington's Family Independence Program (FIP) both provided economic incentives to encourage work and increased child care assistance. It also aimed to increase participation in education and training by offering small cash bonuses to the participants. However, FIP's plans became difficult to implement under budget restrictions, and caseloads increased sharply without a corresponding increase in staff. Several features were implemented minimally, such as improving a client's contact with a case manager and increasing resources to pay for education and training. In addition, the comparison group began getting very similar services in 1990, about a year and a half into the program, when JOBS was implemented in Washington state. Thus, it is difficult to know how to attribute the significant increase in AFDC receipt and payments experienced by this program's participants.

Conclusions

Our review of state experiences suggests that the most successful programs offered a broader package of employment-related services than some proposed reform legislation encourages. The programs that successfully increased employment and earnings and reduced welfare receipt offered a broad mix of education, training, and employment-related services and supports like those in the current JOBS program. However, under H.R. 4, welfare recipients enrolled in some education and training activities would not count toward meeting the work program participation levels that are required in order to avoid financial sanctions.

Some provisions of the proposed reforms—like the time limit on benefit receipt—have not yet been tested and thus we cannot confidently project the future effects of either those individual provisions or the entire package of reforms. For example, imposing a strict limit on the length of time a family can receive benefits might influence participants' work behavior. This could influence the effectiveness of both types of work programs, those offering either a broad or narrow package of services; we simply do not have similar past experiences to draw upon.

The modest results of even the most successful programs implies that (1) within the current program structure, even increasing investments in employment and support services will not quickly reduce caseloads or welfare dependency, and (2) additional research is needed to understand

the barriers to better program performance and to develop and test more successful approaches. However, it should be recognized that some of these barriers may reside outside the welfare program's control, including poor school preparation and the limited availability and low wages of low-skill jobs.

Although federal funds for AFDC benefits have not been capped before, the states have limited the funds available for their work programs. Our review suggest that adequacy of funds can be a critical barrier to the success of efforts to help clients move from welfare to work. Three states in our review were unable to sustain or fully implement their planned level of service because state budget constraints kept them from increasing program capacity to match their growing caseloads. However, by reducing federal prescriptions on the use of these funds, the reform proposals aim to increase the states' flexibility to manage such resource constraints.

Many of the program evaluations that we reviewed were conducted under the requirement that waivers of federal regulations be rigorously evaluated. The pending welfare reform legislation would reduce federal regulation in order to foster further state experimentation, but it would, thereby, effectively remove that evaluation requirement and thus possibly reduce the incentive for future evaluations of state experiments.

Recommendations

We are not making recommendations in this report.

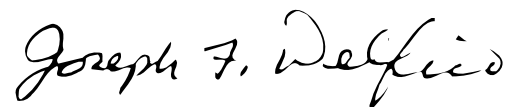
Agency Comments and Our Response

The U.S. Department of Health and Human Services (HHS) commented on a draft of this report and generally agreed with our conclusions but argued that (1) the differences between the programs studied and those that would be offered under H.R. 4 are so substantial that one must conclude that the proposed reforms have not been tested and (2) the report makes too strong a case for individual factors explaining program success or failure and should instead describe the "package" of services that may have led to certain effects. On the first point, we agree that some features of the proposed reforms have not been tested, but we believe that the states' experiences with the program features that would be included under some of the current proposals, as well as with other features that might be discouraged, are relevant to consideration of these reforms. The text has been altered, as necessary, to clarify this distinction. On the second point, our general approach was to focus on packages of services. However, where appropriate we have made changes to clarify this. In

addition, HHS provided suggestions for clarifications that we have incorporated, as appropriate, throughout the text. HHS's comments are reprinted in appendix II.

We will send copies of this report to the Chairman of the House Subcommittee on Human Resources of the Committee on Ways and Means, the Chairman of the Senate Finance Committee, the Secretary of Health and Human Services, and others who are interested. Copies will also be made available to others on request. If you have any questions concerning this report or need additional information, please call me on (202) 512-2900 or Robert L. York, Director of Program Evaluation in Human Services Areas, on (202) 512-5885. Other major contributors to this report are listed in appendix III.

Sincerely yours,



Joseph F. Delfico
Acting Assistant Comptroller General
for Program Evaluation
and Methodology

Contents

Letter		1
Appendix I		18
Our Evaluation	Search for and Selection of Studies	18
Synthesis	Quality Review of Evaluation Studies	19
Methodology	Synthesis of Program Evaluation Results	20
	Strengths and Limitations of Our Synthesis	21
Appendix II		22
Comments From the Department of Health and Human Services		
Appendix III		27
Major Contributors to This Report		
Bibliography		28
	Evaluations in This Report	28
	Other Studies	29
Related GAO Products		32
Tables		
	Table 1: Relationship Between Features in Federal Proposals to Reform AFDC and States' Completed Welfare Evaluations	5
	Table 2: Ten Treatments That Were Tested in Welfare-to-Work Evaluations and Their Outcomes	7

Abbreviations

AFDC	Aid to Families with Dependent Children
ASSETS	Avenues to Self-Sufficiency through Employment and Training Services
CAP	Child Assistance Program
CWEP	Community Work Experience Program
ET	Employment and Training
FIP	Family Independence Program
FPI	Florida Project Independence
GAIN	Greater Avenues for Independence
GED	General equivalency diploma
HHS	Department of Health and Human Services
JOBS	Job Opportunities and Basic Skills Training program
SWIM	Saturation Work Initiative Model
TI	Transitions to Independence
TSMF	To Strengthen Michigan Families

Our Evaluation Synthesis Methodology

We conducted an evaluation synthesis to identify approaches that have successfully helped welfare clients achieve economic independence. That is, we conducted a systematic review and analysis of the results of previous evaluation studies of programs sharing this goal. Whereas some evaluation syntheses examine studies of similar programs to learn whether a treatment consistently has had the intended effect, we examined studies of programs that used a range of different approaches toward the same goal to learn which ones had been successful.

Our evaluation synthesis consisted of several steps. The first step entailed locating state welfare-to-work experiments and screening them to identify rigorous evaluation studies with reliable results in terms of the intended outcomes. In the second step, we identified the commonalities and differences among the programs and assessed whether these were related to the programs' demonstration of effects. We then drew conclusions from the cumulative picture of existing research about what approaches have helped AFDC clients move from welfare to work.

Search for and Selection of Studies

We identified relevant, potentially high-quality studies by searching for as many existing evaluation studies as possible of welfare-to-work programs for adult AFDC clients. Our criteria were

- A program could have started before 1988 but its evaluation had to have been reported after the passage of the Family Support Act of 1988.
- A study had to be testing, at least in part, the effect of welfare-to-work initiatives on adult AFDC single parents.
- The study measured the effects of the program on employment or AFDC receipt.
- The program's effects were measured through a comparison group of nonparticipants (not necessarily a control group).

We searched for references to terms such as Family Support Act, JOBS, and welfare reform in on-line bibliographic databases, including CCRSP, ERIC, Sociological Abstracts, the PAIS International index of the Public Affairs Information Service, and the NIS index of the U.S. Department of Commerce. From the resulting abstracts, we were able to screen the hundreds of citations down to six promising evaluations.

In addition, we reviewed the bibliographies of research studies and interviewed experts on welfare evaluation to identify other studies we should consider. The experts identified an additional three studies that

had only just been published and therefore had not yet appeared in databases or bibliographies. This gave us a total of nine potentially high-quality evaluations of 10 different programs from eight states. (The Riverside County GAIN evaluation included treatments and effects sufficiently different from the rest of California's GAIN evaluation that we considered them as separate programs.¹) Finally, we confirmed this list of nine evaluations with program and evaluation officials at HHS. They suggested several studies that we might consider as background but no additional impact evaluations.

We explicitly excluded programs focused exclusively on AFDC teenagers, who may have very different needs. We also excluded unpublished studies, implementation studies, evaluations of single program features rather than complete programs, and many studies and reviews that did not examine program effects. So, for example, we excluded the Utah Unemployed Parents evaluation and the National Job Training Partnership Act study, because they did not focus on single parents.

Quality Review of Evaluation Studies

After identifying the 10 programs, we rated the quality of each study to ensure that the research was rigorous and would produce reliable results. We used six specific criteria, adapted from dimensions in *The Evaluation Synthesis*, that together would reflect the rigor, consistency, and reliability of an evaluation study:²

- similarity of the comparison group to the program's clients,
- adequacy of the sample size for the analyses performed,
- standardization of data collection procedures,
- appropriateness of the measures used to represent the outcome variables,
- adequacy of the statistical or other methods used to control for threats to validity, and
- presence and appropriateness of the methods used to analyze the statistical significance of observed differences.

We rated each study on a three-point scale from "unacceptable," because the report provided no information on the dimension or the method was

¹Of course, Riverside GAIN also had much in common with the other GAIN programs in California; while we considered Riverside separately, we were unable to exclude Riverside data from the larger evaluation of the GAIN program in six counties.

²See U.S. General Accounting Office, *The Evaluation Synthesis*, GAO/PEMD-10.1.2 (Washington, D.C.: March 1992), p. 31. A similar set of dimensions was used in U.S. General Accounting Office, *Teenage Pregnancy: 500,000 Births Year But Few Tested Programs*, GAO/PEMD-86-16BR (Washington, D.C.: July 1986), p. 34.

so flawed that the data were probably wrong, to “acceptable,” indicating that an appropriate method had been used or attempts had been made to minimize problems.

Results of Quality Review

Most of the 10 programs had well-designed and rigorously structured quasi-experimental or experimentally based evaluations. Six of the 9 evaluations had comparison groups formed by random assignment. In Alabama and Washington, the comparison groups were drawn from AFDC clients in demographically similar jurisdictions; in Massachusetts, from a random sample of clients who did not start a program activity within a specified time period. The rigor of our first screening of programs was reflected when all 10 programs met our standards. However, there were problems with the implementation and execution of several of these programs, rather than with their evaluation designs, that have to be kept in mind when interpreting them. A weakness, or confounding factor, in 3 programs was the similarity in services received by the program participants and the comparison group. (This was a serious problem in Washington but only a minor problem in California’s SWIM and GAIN programs.) This type of confounding factor means that the standard measure of a program’s effect—the difference between outcomes for the two groups—most likely underestimates the program’s potential effect.

Overview of Programs

All 10 programs targeted single adult AFDC recipients, but 2 also included a small number of unemployed couples in their results. The recipients were overwhelmingly women. Some programs were statewide while others were conducted in several counties or just one county. A few were voluntary; most were mandatory. Some included mothers with children younger than 6 but older than 3; others simply excluded mothers with preschool children. Some delivered services directly; others provided referrals or did nothing at all. Some programs included new AFDC applicants, others included people already enrolled, and some used both.

Synthesis of Program Evaluation Results

We focused on program effects on aspects of economic self-sufficiency: employment, earnings, and public assistance receipt (any effects reported on additional outcomes are not included here). For each outcome in each study, we compared the participants receiving program services (treatment group) with those of the control (or comparison) group; statistically significant differences were deemed to be program effects. The evaluation reports estimated the likelihood that these differences

stemmed from random chance by using standard tests of statistical significance. For our interpretation, we used a common significance level of 5 percent (.05) or less, which was stricter than that used by some of the evaluations.

We used a structured approach to look for program features or characteristics that might explain why some programs had positive effects and others did not, for each of the desired outcomes. First, we hypothesized how each of a program's features might affect each of its outcomes. Then we compared the results of the programs that had each of those features and those that did not. We found mixed results, and we found that programs tended to group in clusters of features, which we examined for their successes.

We also examined features of the studies themselves that might have influenced the reporting of statistically significant results, such as whether the treatment and comparison groups received similar services. We reviewed the comments of the evaluators about any problems they had encountered in program or study implementation. We considered not only what services were delivered and how but also how services might have influenced the participants' behavior.

Strengths and Limitations of Our Synthesis

Clearly, looking across the studies provided us with information not readily seen by looking only at individual studies. Including several program approaches in our review allowed us to see that while a particular approach can be successful, this does not mean that it is the only successful approach. Examining patterns across a group of studies may allow inferences about which of the variety of a program's components were probably responsible for its effects; examining single studies ordinarily does not. However, our sample of nine studies cannot provide conclusive answers, since there are many potential differences between studies that might be related to why one has significant results and another does not.

Comments From the Department of Health and Human Services

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

JUN 19 1995

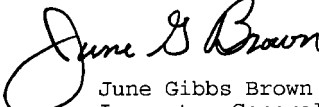
Mr. Franklin Frazier
Acting Assistant
Comptroller General
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Frazier:

Enclosed are the Department's comments on your draft report, "Welfare To Work: States Succeed By Pairing Enhanced Employment Services and Child Care." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,


June Gibbs Brown
Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

**Appendix II
Comments From the Department of Health
and Human Services**

**COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON
THE U.S. GENERAL ACCOUNTING OFFICE'S DRAFT REPORT, "WELFARE TO
WORK: STATES SUCCEED BY PAIRING ENHANCED EMPLOYMENT SERVICES
AND CHILD CARE"**

Thank you for the opportunity to comment on the General Accounting Office's (GAO) draft report.

General Comments

In general, we agree with the report's conclusions. We agree that essential elements to successful welfare-to-work programs include a broad range of services, child care and support services, participation requirements, and adequate funding.

However, the report does not adequately convey the substantial design differences between prior research projects and pending welfare legislation. For example, a reader might conclude that the work programs discussed are similar to those envisioned under the proposed reform. In truth, there would be major differences in the types of activities, participant pools, and participation levels. There would also be very significant contextual differences--including time limits, loss of entitlements, reduced funding and the loss of the child care guarantee. It is also important to point out that the welfare-to-work programs reviewed in GAO's report were very different than the program proposed in H.R. 4. As the report notes, a broad range of activities were allowed in the welfare-to-work programs reviewed here. In H.R. 4, only "work activities"--community work experience (CWEP), on-the-job-training, and unsubsidized employment--count towards the participation requirements. In light of these differences, we would conclude that the proposed reforms in H.R. 4 have not been tested.

Although we generally agree with the report's conclusions, the research summarized in the report does not necessarily support those conclusions. There are many differences in these programs--not just in research design, but also in Aid to Families with Dependent Children (AFDC) and work program rules, caseload and participant characteristics, program management, etc.--that may be affecting program outcomes. Some, though not all, of these factors are discussed in Appendix I. We believe these considerations are too important to consign to an appendix; they should be raised in the main body of the report. Also, we believe the report should exercise more caution about attributing success or failure to any given factor (such as child care); there is not enough data or analysis to support such conclusions. As Appendix I concludes, "...a sample of nine studies cannot provide conclusive answers."

Besides those mentioned in the report, there are several features of programs and their evaluations that could account for differences in program impacts:

See comment 1.

See comment 2.

Now p. 19.

**Appendix II
Comments From the Department of Health
and Human Services**

See comment 3.

- More attention needs to be given to the follow-up period available for the study. In some cases, only a short follow-up period is available (Michigan). In more education-focused initiatives, longer follow-up may be necessary to realize the full effects of a program.

See comment 4.

Now p. 9.

- The report should make a clear distinction between voluntary and mandatory programs. This is an important difference in program design that is not adequately addressed in the report. For example on page 10, the report states that mandated client participation was an important program feature. Yet one of the programs discussed--Massachusetts Employment and Training--was essentially a voluntary program. One can make a strong argument that voluntary programs may only have limited effects (they only serve the most motivated who are most likely to succeed anyway). In addition, the results of mandatory programs are more relevant to H.R. 4, which mandates the entire caseload to participate with no exemptions.

We believe this report would be much stronger if it described the "package" of services that may have led to impacts, instead of attempting to isolate individual factors.

See comment 5.

The title of the report is misleading and does not reflect the content of the report. We believe it would be more accurate to state, as is done in the text, that a range or mix of services has led to positive program impacts and that funding shortfalls can adversely affect programs.

In the title and in many places in the text, it is not clear what is meant by "enhanced" employment services. For example, would this include education and training (but not job search) or is it referring to what the Job Opportunities and Basic Skills Training (JOBS) program currently offers? If it means that a mix of services should be offered, then that is the terminology that should be used. We suggest the title of the report be changed to: "Welfare to Work: States Succeed by Supporting JOBS and Child Care."

Several issues on Table 2 need to be clarified:

See comment 6.

- It would be useful to add a column indicating whether the study used a random assignment or comparison group design. It would also be worthwhile to distinguish between mandatory and voluntary programs.

See comment 7.

- Some of the program descriptions are not accurate. The Saturation Work Initiative Model (SWIM) provided child care assistance to program participants.

See comment 8.

- The Greater Avenues for Independence (GAIN) program was operated statewide, but the evaluation only included six counties (including Riverside). This should be clarified here and in the text. Also, we believe it is more accurate to state that GAIN emphasized basic education and job search and, to a lesser extent, training. There was very little post-secondary education in GAIN. Finally, Riverside provided virtually no vocational training or post-secondary education.

Appendix II
Comments From the Department of Health
and Human Services

See comment 9.

- The distinction made between early and late impacts in Florida should be explained.

The following are GAO's comments on the June 19, 1995, HHS letter.

GAO Comments

1. The text has been changed to more clearly highlight the differences in employment and training programs between the proposals and the successful programs we reviewed and to indicate that the states may not have implemented features exactly as they appear in current bills. We have also clarified issues relating to program design and environment differences.
2. Our general approach was to focus on the package of features unique to the successful programs, while also noting differences among them. Characteristics such as the age of a mother's youngest child, noted in appendix I, did not distinguish the four successful programs from the others. However, we have made changes to the text to remove the impression that a single factor was claimed as responsible for program failures.
3. The text has been changed to indicate study results that are not yet final.
4. The text has been changed to indicate that in Massachusetts, after registering for work, clients could choose whether to engage in other employment-related activities.
5. The text has been clarified to indicate our belief in the importance of the package of services provided by the successful programs. Although some of these programs resemble the current JOBS program, we do not believe they offer sufficient evidence from which to draw conclusions about the JOBS program per se.
6. The names of the programs not using random assignment are now noted in appendix I.
7. Table 2 has been changed to denote the availability of child care in the SWIM program.
8. The text has been changed to clarify that the evaluation of the statewide GAIN program was limited to six counties.
9. The Florida groups have been explained in the text.

Major Contributors to This Report

**Program Evaluation
and Methodology
Division**

Stephanie L. Shipman, Assistant Director
Daniel G. Rodriguez, Project Manager

Bibliography

Evaluations in This Report

Fein, David J., Erik Beecroft, and John Bloomquist. The Ohio Transitions to Independence Demonstration: Final Impacts for JOBS and Work Choice. Cambridge, Mass.: Abt Associates, 1994.

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

Hamilton, William L., et al. The New York State Child Assistance Program: Program Impacts, Costs, and Benefits. Cambridge, Mass.: Abt Associates, 1993.

Hargreaves, Margaret, and Alan Werner. The Evaluation of the Alabama Avenues to Self-Sufficiency Through Employment and Training Services (ASSETS) Demonstration: Interim Implementation and Process Report. Cambridge, Mass.: Abt Associates, 1993.

Kemple, James J., Daniel Friedlander, and Veronica Fellerath. Florida's Project Independence: Benefits, Costs and Two-Year Impacts of Florida's JOBS Program. New York: Manpower Demonstration Research Corporation, 1995.

Kemple, James J., and Joshua Haimso. Florida's Project Independence: Program Implementation, Participation Patterns, and First-Year Impacts. New York: Manpower Demonstration Research Corporation, 1994.

Long, Sharon K., and Douglas A. Wissoker. The Evaluation of the Washington State Family Independence Program: Final Impact Analysis Report. Washington, D.C.: Urban Institute Press, 1993.

Long, Sharon K., Demetra Smith Nightingale, and Douglas A. Wissoker. The Evaluation of the Washington State Family Independence Program. Washington, D.C.: Urban Institute Press, 1994.

Nightingale, Demetra Smith, et al. Evaluation of the Massachusetts Employment and Training (ET) Program. Washington, D.C.: Urban Institute Press, 1991.

Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program. New York: Manpower Demonstration Research Corporation, 1994.

Werner, Alan, and Robert Kornfeld. The Evaluation of "To Strengthen Michigan Families." Second annual report. First-Year Impacts. Cambridge, Mass.: Abt Associates, 1994.

Werner, Alan, and Robert Kornfeld. The Evaluation of "To Strengthen Michigan Families." Third annual report. Second-Year Impacts. Cambridge, Mass.: Abt Associates, 1995.

Werner, Alan, and David Rodda. Evaluation of the Alabama Avenues to Self-Sufficiency Through Employment and Training Services, (ASSETS) Demonstration. Interim impact report. Cambridge, Mass.: Abt Associates, 1993.

Other Studies

Bloom, Howard S., et al. The National JTPA Study Overview: Impacts, Benefits, and Costs of Title II-A. Cambridge, Mass.: Abt Associates, 1994.

Brock, Thomas, David Butler, and David Long. Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research. New York: Manpower Demonstration Research Corporation, 1993.

Burghardt, John, and Anne Gordon. The Minority Female Single Parent Demonstration: More Jobs and Higher Pay—How an Integrated Program Compares with Traditional Programs. New York: Rockefeller Foundation, 1990.

Burghardt, John, et al. The Minority Female Single Parent Demonstration. Vol. 1. Summary Report. Princeton, N.J.: Mathematica Policy Research, 1992.

Friedlander, Daniel. The Impacts of California's GAIN Program on Different Ethnic Groups: Two-Year Findings on Earnings and AFDC Payments. New York: Manpower Demonstration Research Corporation, 1994.

Greenberg, David, Robert Meyer, and Michael Wiseman. "When One Demonstration Site Is Not Enough." Focus, 16:1 (Spring 1994), 15-20.

Gueron, Judith M., and Edward Pauly. From Welfare to Work. New York: Manpower Demonstration Research Corporation, 1991.

Hamilton, Gayle. The JOBS Evaluation: Early Lessons from Seven Sites. New York: Manpower Demonstration Research Corporation, 1994.

Hargreaves, Margaret, et al. Illinois Department of Public Aid: Community Group Participation and Housing Supplementation Demonstration. Fourth interim report. Cambridge, Mass.: Abt Associates, 1994.

Levin-Epstein, Jodie, and Mark Greenberg. The Rush to Reform: 1992 State AFDC Legislative and Waiver Actions. Washington, D.C.: Center for Law and Social Policy, 1992.

Manski, Charles F., and Irwin Garfinkel (eds.). Evaluating Welfare and Training Programs. Cambridge, Mass.: Harvard University Press, 1992.

Nightingale, Demetra Smith, and Robert H. Haveman (eds.). The Work Alternative: Welfare Reform and the Realities of the Job Market. Washington, D.C.: Urban Institute Press, 1995.

O'Neil, June E. Congressional Budget Office Cost Estimate of H.R. 1214, The Personal Responsibility Act of 1995. Washington, D.C.: Congressional Budget Office, 1995.

Porter, Kathryn H. Making JOBS Work: What The Research Says About Effective Employment Programs for AFDC Recipients. Washington, D.C.: Center on Budget and Policy Priorities, 1990.

U.S. Department of Labor. What's Working (and What's Not): A Summary of Research on the Economic Impacts of Employment and Training Programs. Washington, D.C.: 1995.

U.S. Department of Labor, Employment and Training Administration. "American Poverty: The Role of Education, Training, and Employment Strategies in the New Anti-Poverty Struggle." Evaluation Forum, 10 (Summer 1994).

Zambrowski, Amy, and Anne Gordon. Evaluation of the Minority Female Single Parent Demonstration: Fifth Year Impacts at CET. Princeton, N.J.: Mathematica Policy Research, 1993.

Related GAO Products

Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement (GAO/HEHS-95-113, May 19, 1995).

Welfare to Work: Participants' Characteristics and Services Provided in JOBS (GAO/HEHS-95-93, May 2, 1995).

Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment (GAO/HEHS-95-28, Dec. 19, 1994).

Child Care: Current System Could Undermine Goals of Welfare Reform (GAO/T-HEHS-94-238, Sept. 20, 1994).

Families on Welfare: Sharp Rise in Never-Married Women Reflects Societal Trend (GAO/HEHS-94-92, May 31, 1994).

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Mail
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested



