

XIII. TANF RESEARCH AND EVALUATION

This chapter highlights a number of the Department of Health and Human Services' (HHS) key research and evaluation initiatives pertaining to welfare reform and summarizes findings from recent research reports. HHS' research agenda in this area has two main goals: (1) to contribute to the success of welfare reform by providing timely, reliable data to inform policy and program design and management, especially at the State and local levels where much of the decision-making has taken place and (2) to inform the Nation of the effects of policies and programs on low-income children, families, communities, and the Nation as a whole.

The research undertaken to achieve these goals is carried out primarily by the Administration for Children and Families' (ACF) Office of Planning, Research and Evaluation (OPRE) and the Office of the Assistant Secretary for Planning and Evaluation (ASPE), also within HHS. OPRE and ASPE carefully coordinate their research agendas with each other and with other government agencies and private foundations. Many projects involve collaboration and partnerships.

In a 2003 report, *Program Evaluation: An Evaluation Culture and Collaborative Partnerships Help Build Agency Capacity*, the U.S. General Accounting Office (since renamed the U.S. Government Accountability Office) identified ACF as one of five Federal agencies that have demonstrated a strong evaluation capacity as evidenced by a commitment to self-examination, data quality, analytical expertise, and collaborative partnerships. The report noted that at ACF, the evaluation of State welfare-to-work demonstration programs is part of a network of long-term Federal, State, and local efforts to develop effective welfare policy. It also found that ACF's longstanding and on-going collaborative relationship with ASPE has contributed to the agency's expertise directly through advising on specific evaluations, as well as indirectly through building the expertise of the larger research community that conducts the evaluations.

In a 2001 report, *Evaluating Welfare Reform in an Era of Transition*, the National Academy of Sciences also applauded HHS' broad-based welfare reform research agenda. The Academy, which had convened a Panel on "Data and Methods for Measuring the Effects of Changes in Social Welfare Programs" to provide HHS with unbiased scientific recommendations for studying the outcomes of recent changes in the welfare system, also made recommendations for improvements and expansions in data collection and the development of research questions and methodology. The Department has taken steps to address several of the Panel's recommendations. For example, HHS' efforts to build capacity for conducting high-quality program evaluations at the State level and for conducting household surveys of low-income and welfare populations continue. HHS committed resources to help improve national household survey questions to better measure program participation and program receipt. Projects to improve the usefulness of State-level administrative data have been undertaken. Improvements in State data reporting also are included in the Administration's welfare reauthorization plan,

Working Toward Independence. State-specific data sets produced by each of the grantees studying welfare leavers were made available for secondary data analyses of welfare outcome measures, and a synthesis report was published that includes administrative data findings from all of the ASPE-funded leavers studies. Study and consideration of other Panel conclusions and recommendations will continue.

This chapter summarizes recent research and evaluation findings and provides an overview of additional research and evaluation initiatives related to the Temporary Assistance for Needy Families (TANF) program undertaken by HHS.

Overview of Research and Evaluation Efforts

Evaluating Welfare Reform

Over the past decade, HHS has made significant investments in research and evaluation focused on the implementation and impacts of State welfare reform initiatives. These have included projects focused on reforms carried out to test welfare-to-work strategies under the Job Opportunities and Basic Skills Training (JOBS) program and a variety of policies to promote work and personal responsibility implemented by individual States under waiver demonstrations, as well as assessments of reforms enacted under TANF.

Prior to the implementation of the TANF program, 43 States and the District of Columbia obtained waivers of certain program requirements in title IV-A of the Social Security Act (the Act), as authorized under section 1115 of the Act. ACF required an evaluation component as part of each approved waiver. Continuation of evaluations begun under waivers was permitted but not required under the 1996 welfare reform legislation that created TANF. Twenty States were funded to complete ongoing evaluations, either as originally planned or modified. Final reports on these evaluations were released over time as States completed their demonstrations; most were released during 2000-2003. Findings from waiver evaluations are particularly relevant to TANF, since these demonstrations first implemented many policies now incorporated under State TANF plans.

The Project on State-Level Child Outcomes, a joint project of ACF and ASPE, augmented the welfare waiver demonstration evaluations in five States (Connecticut, Florida, Indiana, Iowa, and Minnesota) to assess the effects of different welfare reform approaches on child well-being. As originally conceived, the demonstration evaluations had focused primarily on adult behaviors and outcomes, such as changes in earnings and welfare dependency. This project added detailed data on children and family processes to these evaluations. The primary data source for each State study was a survey that focused mainly on young school-age children (those between the ages of five and twelve at the time of the interview). The follow-up period for the survey varied among the States, ranging from 2.5 to 6.5 years after random assignment. Between the years 2000 and 2002, the individual States participating in the project published their child impact findings. The report, *Welfare Reform and Children: A Synthesis of Impacts in Five States* (see http://www.acf.hhs.gov/programs/opre/welfare_employ/ch_outcomes/reports/welfare_reform_children/welfare_reform_title.html), compiled by researchers from Abt Associates, Inc., Child

Trends, MDRC, and Mathematica Policy Research, Inc., and released in 2004, synthesized the results from all five States. Since the completion of the child outcome synthesis report, HHS has continued to fund the same consortium of researchers to perform additional analyses of special topics using data from the Project on State-Level Child Outcomes. These special topics include: the effects of welfare policies on adolescents with younger siblings; the impact of welfare reform on domestic violence, and the links between domestic violence, economic outcomes, and child wellbeing; welfare reform and changes in employment, child care, and families; and how levels of risk affect the impacts of State welfare reform programs on parents and children. Papers based on these analyses are expected to be published some time in 2006.

Following up on grants to States to study leavers and applicants (1998-2000), ASPE awarded grants to several States to examine the current caseload. In 2001, ASPE funded Colorado, Maryland, Missouri, South Carolina, and the District of Columbia to study the characteristics of their TANF caseloads. Each State collected data on personal, family, and community factors that may present barriers to employment among welfare recipients using a standardized telephone survey. Topics covered include physical and mental health, disability, substance abuse, and domestic violence. To assist ASPE in designing the survey instrument, Mathematica Policy Research, Inc., developed a summary report, *Survey Design for TANF Caseload Project: Summary Report and Recommendations* (see <http://aspe.hhs.gov/hsp/TANF-Caseload-Studies01/survey-design03/index.htm>), that reviews existing survey questions and scales focused on potential barriers to employment among TANF recipients. Using this report, ASPE tailored a survey instrument for use in the State studies. The Office of Management and Budget (OMB) approved this core instrument, and States have completed data collection.

The District of Columbia published its final report, *A Study of the District of Columbia's TANF Caseload* (see <http://aspe.hhs.gov/hsp/leavers99/state-rpts/dc/TANF-Caseload.pdf>), in October 2003. The results show that while the majority of the District's TANF recipients face multiple employment liabilities, more than half either were working or had worked recently. Several employment challenges are more common among non-workers than workers—including low work experience, lack of a high school degree/GED, mental health problems, chemical dependency, having a child with health problems and having difficulties with child care; however, low work experience and child care problems stand out as the only individual employment liabilities that are linked with not working, even after separating out the effect on work of other barriers.

Colorado published its final report, *Families on Colorado Works: Employment Assets and Liabilities* (see <http://aspe.hhs.gov/hsp/leavers99/rpts-case.htm#co>), in November 2003. Their report found that mental health problems and family health needs were particularly common employment liabilities, especially among long-term recipients.

Maryland published its final report, *Life on Welfare: The Active TANF Caseload in Maryland* (see <http://aspe.hhs.gov/hsp/leavers99/state-rpts/md/Life-on-Welfare.pdf>), in February 2004. The report focuses on differences between Baltimore City cases and cases in all other Maryland counties. The results show some differences in employment barriers between these two groups; for example, higher proportions of county residents receiving welfare have physical health and mental health problems, while TANF recipients in Baltimore have significantly lower education levels. The study, however, finds no differences between recipients in Baltimore City and in

other Maryland counties in employment history or current employment status.

South Carolina published its final report, *Families on TANF in South Carolina: Employment Assets and Liabilities* (see <http://aspe.hhs.gov/hsp/leavers99/state-rpts/sc/emp-assets-liab-223E.pdf>), in October 2004. The results show that while many different liabilities or challenges are common among TANF recipients in South Carolina, health-related barriers (e.g., physical health problems, mental health problems, caring for a child with health problems) and learning-related challenges (e.g., low-educational attainment, possible presence of a learning disability) are most closely related to employment status.

A report from the remaining grantee, Missouri, is expected later in 2006.

ASPE staff conducted a data synthesis study across all grantees. The final synthesis paper, *Potential Employment Liabilities among TANF Recipients: A Synthesis of Data from Six State TANF Caseload Studies* (see <http://aspe.hhs.gov/hsp/leavers99/emp-liab04/index.htm>), was issued in October 2004. Findings from this analysis project indicate that a wide range of potential liabilities to employment are somewhat common among TANF recipients across the studies—including human capital deficits (e.g., low educational status and low past work experience), personal and family challenges (e.g., physical health problems, mental health problems, caring for a child with special health or behavioral needs), and logistical challenges (e.g., transportation problems, child care problems, and housing problems). Fewer liabilities, however, are significantly related to current employment status. Net of all other liabilities measured in the studies, low levels of past work experience, low educational attainment, physical health challenges, and child care problems are most consistently related to current work status among TANF recipients.

In another study related to the TANF caseload, ASPE contracted with MDRC to study the experiences of welfare “cyclers” (those who received welfare benefits during three or more discrete spells during a four-year observation period). The April 2004 final report, *A Profile of Families Cycling on and off Welfare* (see <http://aspe.hhs.gov/hsp/cyclers04/index.htm>), is based on analysis of five MDRC studies of welfare reform initiatives during the mid- to late-1990s. Overall, cyclers constituted a relatively small portion of the welfare caseload. Only nine percent of recipients became welfare cyclers during the four-year observation period. Cyclers generally fared better than long-term recipients, but not as well as short-term recipients. Cyclers, however, demonstrated a greater propensity to combine welfare and work than both short- and long-term recipients. For cyclers, quarters with both earnings and welfare receipt accounted for just over one-third of all quarters in the period, compared to only 26 percent and 14 percent for short-term and long-term recipients respectively. The report also found that the incidence of cycling increased during the years following implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

ACF and ASPE have also supported *The Project on Devolution and Urban Change*, a multi-disciplinary, longitudinal study of the implementation and impacts of welfare reform in four large urban areas. Detailed reports combining findings from all of the components of the Urban Change study—longitudinal administrative data, survey data, an implementation study, neighborhood indicators, and an ethnographic study—have been issued on the effects of welfare

reform in all four sites: Cleveland (Cuyahoga County), Ohio; Philadelphia, Pennsylvania; Miami, Florida; and Los Angeles, California.

Among the major findings from the Urban Change study are:

- All of the sites applied work participation requirements to a larger proportion of the welfare caseload than they had prior to TANF and succeeded in engaging a higher proportion of recipients in welfare-to-work program activities. The most common work activity was unsubsidized employment. All of the States also increased the amount of money that recipients could keep when they went to work.
- MDRC followed the experiences over time of a survey sample of single mothers who were on welfare in 1995 and who were mostly living in high poverty neighborhoods. Over time, the percentage of this group receiving welfare decreased and the percentage working increased. Average earnings and income also increased. In all four sites, the average wage in 2001 was over \$8 an hour. However, the percentage of respondents who had income from neither work nor welfare also increased. Welfare policies concerning earned income disregards and time limits resulted in large variation in welfare receipt: half of the women in Los Angeles were still receiving welfare in 2001, as compared to only 15 percent of the women in Cuyahoga and Miami.
- As this was not an experimental study, there is no control group whose experiences can be used as a reference point. Instead, MDRC attempted to estimate the counterfactual—what would have happened in the absence of welfare reform—by extending the trends from the 1992 to 1996 period. In all four counties, welfare reform appears to have sped up welfare exits for at least some portion of the caseload. The effects on welfare entry were small and inconsistent across the study sites. There appear to have been some small effects on employment, but mostly in the form of increases to short-term employment.

In FY 2003, ASPE contracted with Mathematica Policy Research, Inc. to examine welfare programs that seek to engage *all* adults in welfare families in work or other activities leading to self-sufficiency. The study sites were Riverside County, CA; El Paso County, CO; Franklin and Montgomery Counties, OH; Oswego County, NY; Davis and Salt Lake Counties, UT; and Dane County, WI. Strategies used by these sites included full employability assessments, ongoing case management, work experience placements, and placing non-job ready recipients in a broad range of activities, including many that do not count in the Federal work participation rate. Researchers also identified administrative procedures designed to ensure that both recipients and case managers take seriously the goals of maximizing participation and promoting work, including communicating a clear message promoting work, careful tracking of participation, and use of the sanction process to re-engage non-participating clients. The final report from this study, *A Study of Work Participation and Full Engagement Strategies* (see <http://aspe.hhs.gov/hsp/full-engagement04/index.htm>), was issued in September 2004.

In FYs 2002 and 2003, ASPE contracted with Mathematica Policy Research, Inc. to examine the implementation of TANF sanctions in three States (Illinois, New Jersey, and South Carolina), looking at the ways that case managers used sanctions to promote compliance with work requirements. They found that case managers often exercised discretion in deciding whether and

when to initiate a sanction, especially when a client partially met participation requirements. Case manager choices, office procedures and philosophies, client behavior, and case manager workload all affected whether a client would be sanctioned. In general, case managers did not consider it their responsibility to conduct outreach to sanctioned clients; nonetheless, most recipients who were subject to a partial sanction did not proceed to a full-family sanction, and many fully sanctioned recipients returned to welfare after exit. Case managers agreed that the prospect of sanctions was a useful tool to encourage recipients to participate in work activities. The final report from this study, *The Use of TANF Work-Oriented Sanctions in Illinois, New Jersey, and South Carolina* (see <http://aspe.hhs.gov/hsp/TANF-Sanctions04/index.htm>), was issued in April 2004.

ACF contracted with Abt Associates, Inc. to study the demographic and financial characteristics of families applying for assistance under TANF and in 2003 released a two-part report titled, *Study of the TANF Application Process* (see <http://www.acf.hhs.gov/programs/ofa/ifr/index.htm>). The first part focused on TANF application policies and procedures and on the content, quality, and format of TANF application data based on surveys of the 54 States and Territories. It found that States often differ on how they define and count TANF application events. As the types of benefits funded by the TANF block grant have expanded, many States include counts of applications for benefits other than ongoing TANF cash assistance in their data on applications, but not necessarily in their data on caseloads. The differences in the definition and measurement of various application events are large enough to compromise the analysis of application data across States. The report finds that the collection of consistent National data for applications would be difficult. The second part of the study focused on TANF application policies and procedures, as well as on the application experiences and outcomes for a sample of families seeking assistance in six selected county and local welfare offices. In the sites with formal diversion policies, diversion was rarely imposed upon or chosen by applicants. In the sites studied, there was far more potential for informal diversion. For example, in five of the sites, from one-quarter to one-third of the research sample decided either not to apply for TANF or not to complete the TANF application process.

Finally, to provide greater context and a more detailed picture of the environment in which welfare programs are being implemented, ASPE contracted with the Lewin Group and the Rockefeller Institute of Government to examine the effects of fiscal capacity on State spending choices on programs to support low-income populations. The project included two major activities: an analysis of 24 years of expenditure data across 50 States to describe and model differences in State spending patterns and in-depth case studies based on site visits to a half-dozen of the poorest States to develop a more detailed analysis of the spending decisions across social welfare programs. The final report, *Spending on Social Welfare Programs in Rich and Poor States* (see <http://aspe.hhs.gov/hsp/social-welfare-spending04/index.htm>), issued in August 2004, found that States with lower fiscal capacity spend less per capita on social welfare programs than richer States. These differences are larger for cash assistance and non-health social services (such as child care, child welfare and energy assistance) than for health-related programs, such as Medicaid and public hospitals. Furthermore, over the last two and a half decades, States have made major changes in how much they spend on different social programs, with spending on Medicaid increasing much more rapidly than spending on other programs, both in absolute terms and as a percentage of all spending on social welfare programs. The proportion of social welfare

spending spent on cash assistance has declined across States of all fiscal capacity. In contrast, the proportion of social welfare budgets spent on non-health social services has declined in poor States, while growing somewhat in the States with higher fiscal capacity. Case study visits suggest that differences in political and administrative processes explain some of these differences in spending in different program areas.

Promoting Healthy Marriage and Responsible Fatherhood

ACF and ASPE have developed a multi-pronged approach to increasing knowledge in this important subject area. In FY 2002, ACF awarded a contract to Mathematica Policy Research, Inc., to conduct the large-scale Building Strong Families (BSF) Demonstration and Evaluation Project. The project involves the development and rigorous evaluation of interventions to increase the well-being of children through provision of voluntary healthy marriage education services to help low-income unwed parents achieve their goals of healthy marriage and positive family functioning. This project builds on research that found that, at the time of the birth of a child, many unwed parents have high hopes of marriage to each other. However, without intervention and supports, only about 10 percent marry within a year. The evaluation will assess impacts of the intervention on the quality and stability of marriages and couple relationships and other measures of well-being including the well-being of children. The contractor continues to provide technical assistance to seven State and local organizations that successfully pilot tested BSF programs and have been selected as evaluation sites. The sites are identifying and enrolling eligible couples and providing the range of BSF services. A report on the early pilot test experience and lessons learned is expected to be available in late 2006. Additional information is available at <http://www.buildingstrongfamilies.info>.

In FY 2002, ACF also funded a study by the Urban Institute that examined existing and potential settings for healthy marriage services to low-income populations and included a systematic review of the literature on the effectiveness of services to strengthen marriage. There are separate reports for each component of the study. The program review report presents the researchers' assessment of key factors to understanding how marriage education programs are implemented in terms of the setting and organizational structure, the intervention (approach, format, curriculum), and population served. In examining potential opportunities for expansion, the authors suggest two possible approaches: expanding the participant base for existing marriage programs to include low-income couples or enabling and encouraging programs serving low-income couples to incorporate marriage education services into their traditional work. The systematic review found that, on average, programs to strengthen relationships and marriage had significant positive impacts on relationship satisfaction and relationship communication. The final reports were released in winter 2004 (see http://www.acf.hhs.gov/programs/opre/strengthen/serv_delivery/index.html).

Further, in FY 2002 ASPE funded a project to examine differences among single- and married-parent family types in the TANF and Food Stamp programs. The project describes trends in eligibility and participation and the various factors that might be related to those trends. Findings show that participation rates in these programs are lower for married-parent families than single-parent families and that these differences persist even among eligible families with similar characteristics and facing similar economic circumstances. Between 1996 and 2000,

declines in the TANF caseload were proportionally similar for married and single parents. However, the drop in married-parent cases resulted primarily from lower rates of participation among eligibles, whereas the drop in single-parent cases reflected a combination of reductions in the number of low-income, the percent of low-income that are eligible, and the percent of eligibles participating. This project uses output from various micro-simulation models to describe the participation trends and regression analysis to examine the likely importance of State-level program rules and economic variables, as well as family and individual characteristics. The final report, *Public Assistance Use Among Two-Parent Families: An Analysis of TANF and Food Stamp Program Eligibility and Participation* (see <http://aspe.hhs.gov/hsp/05/2parent-part/>), was released in spring 2005.

ACF and ASPE also are jointly funding evaluations of the Partners for Fragile Families demonstrations in nine States in order to document the effects of these interventions on poor, young, unwed fathers' employment, child support payments, parenting and family relationships. ASPE and ACF also have funded grants to researchers to conduct additional analysis of data from the Fragile Families and Child Well-Being Survey, a 20-city longitudinal survey of unwed parents beginning at the birth of their child. Findings from this analysis show that:

- Parents highly value the institution of marriage, but believe that significant financial and emotional milestones need to be met prior to entering into marriage.
- A year after the birth of their first child, 39 percent of unwed mothers remained on TANF. Another 11 percent were “involuntary leavers” who left due to a sanction, while five percent left voluntarily. Sanctioned leavers had significantly higher levels of material hardship.
- Policy variations account for about half of State differences in TANF participation, but individual characteristics are much stronger predictors of TANF participation than are policies.
- Only one percent of unwed mothers rely exclusively on their own earnings and/or support from the father; even those who work rely on public support (such as Women, Infants and Children (WIC), Medicaid and Food Stamps) to make ends meet.

Another project jointly funded by ACF and ASPE will develop options for gathering more complete marriage and divorce data at the national, State, and local levels. This project is being conducted by the Lewin Group and the Urban Institute. This effort builds on findings and recommendations from the Counting Couples workshop sponsored by the Federal Interagency Forum on Child and Family Statistics. It involves assessing the needs of various marriage and divorce data users, the strengths and gaps in current survey and administrative data on marriage and divorce, and the challenges inherent in modifying such data systems. Under one task, the researchers have reviewed and documented the capacity of existing survey data, such as the American community Survey, to provide annual measures of marriage and divorce rates as well as other related measures. Another major task involves a survey of State and local officials responsible for the collection and maintenance of marriage and divorce records data. The researchers will use the information obtained from the various sources to formulate options for

obtaining more reliable national statistics on marriage and divorce. The final report, expected in late 2006, will present and assess an array of options related to both surveys and administrative data systems to strengthen marriage and divorce data. In addition, this effort will position the Department in a way that it can respond to opportunities for improving marriage and divorce data that arise throughout the course of the project.

In late FY 2003, ACF funded two additional major evaluation efforts to assess the effectiveness of different approaches to promoting healthy marriages. The Supporting Healthy Marriage (SHM) evaluation is being conducted by MDRC and will assess the effectiveness of interventions to support healthy marriage and positive family functioning among low-income couples who are married or planning to marry. An initial working paper assessing recent descriptive statistics on the formation and stability, characteristics, and quality of marriages in the low-income population of the U.S. has been released (see <http://www.supportinghealthymarriage.org/publications/6/workpaper.html>). The next stages of the project involve the identification of interested agencies at the State and local level that are interested in developing a SHM project and helping those agencies design and implement programs that conform to the SHM program model.

The other large evaluation is the Community Healthy Marriage Initiative Evaluation (CHMI) being conducted by RTI and the Urban Institute. The CHMI evaluation includes implementation/outcome evaluation of multiple section 1115 waiver projects authorized by the Office of Child Support Enforcement that utilize a community approach to healthy marriage within the goals and objectives of the child support program. The projects are varied but most include an array of healthy marriage activities that are offered community-wide and involve multiple public and private community partners in carrying out the projects. Two reports describing local implementation of the projects and lessons learned have been produced and are available at: http://www.acf.hhs.gov/programs/opre/strengthen/eval_com/index.html. Additional implementation reports will continue to be produced on a rolling basis reflecting site implementation schedules. Impact evaluation may be conducted in selected sites where there is a substantial saturation model implemented. The impact evaluation will utilize a comparison site design and will measure child support enforcement outcomes as well as other measures.

In addition, in FY 2003 ACF funded the Urban Institute to document and develop a database of financial disincentives for marriage based on a range of State and Federal policies relevant for low-income families and analyze the potential effects of the policies alone and in combination based on marital status or living arrangements. The project includes the development of an interactive calculator that will allow interested parties to simulate the effects on benefits of different family formation decisions based on income and wages for each adult, given different family sizes. The marriage calculator can be accessed at: <http://marriagecalculator.acf.hhs.gov/marriage/>

ACF has provided funding through the National Institute of Child Health and Human Development (NICHD) Network on Child and Family Well Being for an examination and assessment of the state-of-the-art in measuring marriage and couple relationships. Child Trends is carrying out this work. As a resource for researchers and program operators, an initial product under this project is a compendium of existing measures and tools used in large and small scale studies designed to measure couple relationships across a broad range of categories.

Employment Retention and Advancement

Over the last eight years, ACF has committed research funds to address varied issues related to increasing employment among welfare recipients. ACF's latest major initiative in this area, *The Employment Retention and Advancement Evaluation* (ERA), builds on earlier experience in order to test experimentally a new generation of approaches to promoting employment retention and advancement.

The goal of this multi-year demonstration and evaluation project is to gain knowledge about how best to help low-income families sustain attachment to, and advancement in, the labor market. ACF and the contractor, MDRC, have worked with participating development sites to fully implement their programs. By the middle of 2003, 15 intervention strategies had been implemented in eight States (California, Illinois, Minnesota, New York, Ohio, Oregon, South Carolina, and Texas). In early 2004, ACF released a report that details some of the early lessons learned in implementing employment retention and advancement programs. The report also examines the relationships between TANF and Workforce Investment Act (WIA) agencies in the provision of retention and advancement services for low-income workers. In November 2004, ACF released a report entitled *Practical Tips and Tools to Strengthen Your ERA Program: A Technical Assistance Guide for the Employment Retention and Advancement Project* (see http://www.acf.hhs.gov/programs/opre/welfare_employ/employ_retention/reports/prac_tips/prac_title.html), that provides practical tools specifically designed for ERA programs. In mid-2005, ACF released a report on the early impact findings of four of the longest operating interventions (see http://www.acf.hhs.gov/programs/opre/welfare_employ/employ_retention/reports/early_results/early_title.html).

All sites are randomly assigning participants to control and experimental groups, and several important variations on the retention and advancement themes are being tried:

- Cleveland is experimenting with a cooperative effort between employers and the TANF agency that offers career progression.
- New York is attempting to enhance employment retention and advancement among substance abusers.
- Texas is offering significant cash incentives to increase participation in its post-employment services program.
- Minnesota is providing enhanced services for participants with acute mental health problems.
- Eugene, Oregon is targeting newly employed TANF recipients with a variety of flexible education, training, and career development services designed to help participants advance into better jobs.
- South Carolina is aggressively reaching out to former welfare recipients who have been off the rolls for at least nine months, attempting to locate and work with prior TANF recipients who may need employment-related assistance in order to avoid recidivism.

- Los Angeles, California is testing a variation of “work first” in the form of enhanced job club activities.

ACF has also provided funds to evaluate the *New Visions Self-Sufficiency and Lifelong Learning Demonstration Project*, a joint effort of the Riverside Community College (RCC) and the Riverside County California Department of Public and Social Services (DPSS). It targets welfare recipients who are already working at least 20 hours per week and are interested in furthering their education and to advance to better jobs. RCC designed a special college curriculum and guidance program especially tailored to the needs and conditions of welfare recipients. DPSS assists in recruiting recipients to the project. Those recipients volunteering for New Visions were randomized into a treatment group eligible for the program at RCC and into a control group that was not eligible for this particular program. The final report for this demonstration was published early in 2006, and is available at http://www.acf.hhs.gov/programs/opre/welfare_employ/new_visions/reports/clg_job_adv/nv_final_pdf.pdf.

The Workforce Investment Act of 1998 (WIA), which created a consolidated and comprehensive labor market support system through one-stop centers, also mandated that public assistance recipients and other low-income individuals were to have priority for employment-related services when resources were insufficient to serve all those seeking help. In 2002, ASPE contracted with Abt Associates, Inc. to conduct a study of the degree to which TANF and WIA programs work together to further their mutual policy goals at a time when both programs are being debated for congressional reauthorization. The project, concluded in early 2004, gathered information on how WIA participation and services for TANF clients and other low-income populations may be affected by TANF and WIA program context, management structures, policies, and administrative arrangements. Findings, based on in-depth interviews at seven purposively selected one-stop centers, include:

- Successful WIA/TANF program coordination is promoted where program management functions, case management functions, and administrative systems are shared across agencies and where WIA and TANF line staffs are co-located and/or communicate regularly to discuss specific cases and policies.
- Differing institutional cultures, a lack of knowledge and understanding of policy and procedures across agencies, and agency administrative systems that do not interface or automatically exchange relevant case information inhibit effective coordination.
- WIA participation among TANF clients and other low-income individuals is greater where local WIA agencies make a commitment to focus intensive and training services on those clients, where education and training services are on-site at one-stop centers, and where training services are tailored to local labor market needs for entry-level workers.
- Both WIA performance standards and Federal TANF work participation rules may affect what WIA training services are provided to TANF clients. Many informants indicated that relatively high expectations for post-training placements for WIA participants embedded in Federal WIA performance standards have led to procedures to screen out individuals with low educational attainment and/or low work experience. Federal TANF

work participation policies restrict the percentage of a State's nonexempt TANF caseload that may be engaged in education or training services and be counted toward the work participation rate.

- Informants indicated that work-first TANF policies that stress immediate job placement over longer-term training also may affect enrollment of TANF clients in WIA intensive or training services.
- Study sites have implemented a number of innovative and promising approaches to improving WIA/TANF coordination and integration.

Given the TANF program's emphasis on employment, the policies, practices, and attitudes of the employers of TANF recipients have received surprisingly little attention. Thus, HHS knows little about why employers hire or do not hire recipients, how employers successfully employ recipients, which segments of the population present the greatest challenges, and what would enable employers to increase and improve their efforts. In order to begin to answer such questions, ASPE began a project in 2002, in collaboration with Abt Associates, Inc., the Upjohn Institute for Employment Research, and an expert panel, that centered on a comprehensive review of research literature and data sources and consideration of options for further study. The May 2004 report, *Private Employers and TANF Recipients* (see <http://aspe.hhs.gov/hsp/private-employers04/index.htm>), synthesizes current knowledge on employers, workforce intermediaries, and TANF recipients. The report also considers a range of options for further study—including possibilities for a national survey of employers and workforce intermediaries.

To gain a better understanding of the labor market factors that affect job retention and wage advancement among TANF recipients and disadvantaged workers, ASPE has funded a series of analyses using data from the Longitudinal Employer Household Dynamics (LEHD) program housed at the Census Bureau. These data contain administrative records on both workers and the firms that hire them, linked longitudinally over 10 years for nearly the entire labor force. In addition, detailed information from national surveys (e.g., the Current Population Survey (CPS), Survey of Income and Program Participation (SIPP) and Decennial Census) is available for a subset of those workers. One project in this series used the LEHD data to examine TANF recipients' ability to hold a job and work out of low-wage status. The final report, *Successful Transitions out of Low-Wage Work for Temporary Assistance for Needy Families (TANF) Recipients* (see <http://aspe.hhs.gov/hsp/low-wage-workers-transitions04/index.htm>), was released in April 2004. Findings show that for those on TANF in 1999, average wage growth was positive between 2000 and 2001 for most income brackets. Nonetheless, within each income bracket, roughly 50 percent did not experience wage growth. The ability of TANF workers to move beyond low-wage status varied greatly by employer characteristics such as industry, with the exit rate ranging from a high of 33 percent in the special trade contractor industry to a low of around five percent for those working in eating and drinking establishments. Although this analysis is limited to TANF recipients identified in the Decennial Census data, HHS has another project exploring the possibility of adding TANF administrative data to the LEHD in the future. This would enable the use of the LEHD data for studying employment progression for the full universe of current and former TANF recipients.

In a related project funded by ASPE, Mathematica Policy Research, Inc. used data from the SIPP to study the low-wage labor market for TANF recipients and other low-wage workers. The April 2004 final report, *Characteristics of Low-Wage Workers and Their Labor Market Experiences: Evidence from the Mid- to Late-1990s* (see <http://aspe.hhs.gov/search/hsp/low-wage-workers04/index.htm>), examines the post-PRWORA labor market experiences of low-wage workers using the 1996 SIPP panel, which provides longitudinal data from 1996 to early 2000. Consistent with other research, the study shows that 28 percent of all workers in March 1996 were low-wage workers (i.e., had hourly wage rates less than \$7.50). While this share remained relatively stable throughout the panel, the share of low-wage workers decreased slightly (from 28 percent to 25 percent) through the mid- to late-1990s. Females, African Americans and Hispanics, single parents with children, individuals with health limitations, those who had recently received public assistance, and workers in households with incomes below the Federal poverty level are disproportionately likely to be low-wage workers. The study also showed substantial job mobility among low-wage workers, with many low-wage workers experiencing upward mobility (mainly into “medium-wage” jobs) and wage growth during the study period. Finally, upward mobility was more common for those low-wage workers who began the period with better quality jobs (e.g., somewhat higher wages, health benefits available, full-time hours) and for continuous workers who switched jobs (relative to those who remained in their starting job).

Effective Strategies for Serving the Hard-to-Employ

State and local TANF officials and other service providers have expressed the need for more information and guidance as they develop employment-focused strategies to work more effectively with TANF recipients who face substantial barriers to employment. These include adults with substance abuse and/or mental health problems, physical or developmental disabilities, learning disabilities or very low basic skills, those who have experienced domestic violence, or those who have a general history of low and intermittent employment. In many instances, agencies will need new methods and strategies to meet the needs of individuals facing one or more of these barriers in order for them to enter and succeed in the labor market.

ACF, ASPE, and the Department of Labor (DOL) are funding a major evaluation project that builds on lessons from earlier work and is intended to increase knowledge about the most effective strategies for helping hard-to-employ parents find and sustain employment and improve family and child well-being. The Enhanced Services for the Hard-to-Employ Demonstration and Evaluation project is a multi-year, multi-site effort. It began by first identifying agencies and organizations already working with or interested in working with such parents. Then the project will collaborate with the selected sites in designing and implementing programs that address barriers to employment. The evaluation will use an experimental design to assess program effectiveness and will document the implementation and operational lessons from the perspective of program operators, administrators, and participants. The evaluation will test intervention strategies in four sites, including: (1) a transitional work and employment support program for recent prison parolees in New York City; (2) an outreach in Rhode Island designed to Medicaid recipients with depression into mental health treatment and connected to employment services, (3) three Early Head Start Programs in Kansas and Missouri involving enhancing and expanding the self-sufficiency components of the program to build both employment gains and positive

child impacts; and (4) a program in Philadelphia testing two promising approaches for TANF recipients with significant barriers—a transitional employment approach and an approach relying on in-depth assessment and an individually tailored menu of employment and support services and intensive case management. An interim report will be available in the fall of 2008, and the project will be completed in September 2010.

Rural Welfare-to-Work Strategies

ACF is investing resources to learn how best to help TANF and other low-income rural families enter into and sustain employment. This study will help identify effective rural welfare-to-work strategies, operational challenges, and solutions that can be used by State and local TANF agencies and others.

In FY 2000, ACF awarded a contract to Mathematica Policy Research, Inc., for an evaluation of rural welfare-to-work strategies employing a random assignment experimental design. The project will assess programs being implemented in Illinois and Nebraska. An implementation report (see http://www.acf.hhs.gov/programs/opre/welfare_employ_rural_wtw/reports/rwtw/rwtw_title.html) was released in mid-2004, and a final report is expected at the end of 2007. The evaluation will highlight promising models and determine the effectiveness and cost-benefits of these welfare-to-work strategies in rural areas.

- The Illinois Future Steps Program, implemented in five counties in southern Illinois beginning in July 2001, has an intensive employment and case management program tailored to people with low incomes.
- The Building Nebraska Families Program is an education-based developmental program that began in March 2002 and works with participants in 37 rural counties throughout the State. It provides one-on-one instruction and assistance in clients' homes focused on helping Nebraska's TANF/Employment First clients who have not found or sustained employment through regular program activities get enhanced services.

Addressing the Needs of Other Special Populations

In FY 1999, ACF and ASPE contracted with the Urban Institute to examine critical issues in the screening and assessment of TANF and/or welfare-to-work recipients who experience barriers to employment, with a focus on substance abuse, mental health or illness, low basic skills, physical or developmental disabilities (including learning disabilities), and domestic violence. The March 2001 report, *Screening and Assessment in TANF/Welfare-to-Work: Ten Important Questions TANF Agencies and Their Partners Should Consider* (see <http://aspe.hhs.gov/search/daltcp/Reports/scrasmes.htm>), discusses the important issues and challenges faced by TANF agencies and administrators as they develop screening and assessment strategies for identifying TANF recipients with significant barriers to employment. Three regional meetings were held in 2000 and 2001 to further discuss these issues, and site visits to six States and localities were undertaken to describe local approaches to screening, assessment, and service delivery. Discussion of the site visits is contained in *Screening and Assessment in TANF/Welfare-to-Work: Local Answers to Difficult Questions* (see

<http://aspe.hhs.gov/search/daltcp/Reports/dfqueses.htm>), published in December 2001.

An ASPE-funded study, *Children in Temporary Assistance for Needy Families (TANF) Child-Only Cases with Relative Caregivers* (see <http://aspe.hhs.gov/hsp/child-only04/index.htm>), published in June 2004, examined the demographics, family circumstances, service system involvement, service needs, and well-being of children in TANF child-only cases with relative caregivers. Between 1996 and 2001, welfare cases declined nationally by 52 percent, while child-only cases declined by much less. Thus, while the number of child-only cases has fluctuated over time, their proportionate share of the TANF caseload has increased. Children in TANF child-only cases with relative caregivers occupy uncertain territory between the TANF and the child welfare service systems. Since these children are exempt from work requirements and not expected to move to self-sufficiency prior to adulthood, they are not well aligned with the TANF agency's expectations and service offerings. Because they have not been identified as having experienced maltreatment, they are outside the child welfare system's protective mandate, although they may be in need of supportive services. ASPE contracted with RTI International to review the policies and program structures that shape States' responses to children in TANF child-only cases with relative caregivers and the ways States assess, respond to, and monitor the needs and well-being of children in TANF child-only cases with relative caregivers.

Evaluation of the Welfare-to-Work Grants Program

While the welfare reform law of 1996 heralded a new emphasis on work first and time limits, policy makers also acknowledged that those most likely to remain on welfare would be those with the greatest barriers to employment. Congress created a temporary program, the Welfare-to-Work (WtW) Grants Program administered by the Department of Labor, to provide additional resources targeted at getting the hardest-to-serve members of the TANF population, including the non-custodial parents of children on TANF, into work. The Balanced Budget Act of 1997 authorizing the WtW grants program also required HHS to evaluate the program's effectiveness and report findings to Congress. ASPE, the lead for HHS on this project, worked closely with the Office of Management and Budget, the Departments of Labor and Housing and Urban Development, and ACF in designing and implementing the study that ran from August 1998 to September 2004.

The evaluation consisted of a description of the implementation status and structure of the grantees' programs, an enhanced process and implementation study that described implementation and operational realities and examined administrative and survey data for a sample of WtW program participants in order to measure changes in their employment and well-being outcomes over time, and a separate process and implementation study of Tribal WtW programs. The evaluation also focused on sub-populations of particular interest, such as non-custodial parents. Findings include the following:

The National Evaluation of the Welfare-to-Work Grants Program: Final Report (see <http://aspe.hhs.gov/hsp/wtw-grants-eval98/final04/index.htm>). This report summarizes findings across the multi-year evaluation and presents findings on enrollees' outcomes two years after entry into WtW programs in 11 study sites. Major findings include:

- Study sites focused, as intended, on employment rather than education or training, but many went beyond job readiness/job search assistance.
- The average study site cost \$3,607 per enrollee, about the same as typical JOBS programs created under the earlier Family Support Act.
- Most enrollees found jobs, but their employment was unstable. Employment fell between the first and second years after program entry.
- Enrollees employed after two years worked a lot of hours for low wages and limited fringe benefits.
- Poverty was common among WtW enrollees two years after program entry, but it was lower among those who were employed.

The study also identified key lessons learned from the WtW program experience: effective interagency partnerships were an important aspect of the program; program flexibility encouraged innovative programming; and stringent eligibility criteria and fiscal requirements can result in low program enrollment.

Unemployment Insurance as a Potential Safety Net for TANF Leavers: Evidence from Five States (see <http://aspe.hhs.gov/hsp/wtw-grants-eval98/ui04/index.htm>). During the past several years, increasing attention has focused on the role of the safety net—such as Unemployment Insurance (UI)—available to welfare recipients who exit welfare and find jobs in the context of a time-limited welfare system. Some policymakers and researchers believe that the eligibility rules of the UI program make the program less accessible to low-wage, entry-level workers, especially to former welfare recipients who move in and out of the labor force and who often do not have histories of stable employment. This study examined the extent to which former welfare recipients, if they were to experience a job loss, are likely to have monetary eligibility for UI.

Targeted Help for the Hard-to-Employ: Outcomes of Two Philadelphia Welfare-to-Work Programs. This report examines two programs that were central components of the overall Welfare-to-Work (WtW) grant program strategy in Philadelphia: the Regional Service Centers (RSCs) and the Transitional Work Corporation (TWC). These programs differed in their approaches to serving the hard-to-employ and in their target populations. The RSCs offered 30 days of basic job search assistance services to the broad WtW-eligible population, while TWC provided paid work experience for up to six months and targeted WtW-eligible people who had little or no work experience. Findings show that both groups of participants had increases in employment and earnings and declines in TANF receipt, although—consistent with the targeting and sequencing of the programs—RSC participants had better outcomes overall than the TWC participants.

Overcoming Challenges to Business and Economic Development in Indian Country (see <http://aspe.hhs.gov/hsp/wtw-grants-eval98/tribal-dev04/index.htm>). This report, which presents an overview of economic development initiatives in eight Tribes, documents the wide range of economic development initiatives underway in Tribal lands, examines the unique legal, historical, and cultural context of such initiatives, and identifies the main challenges to Tribes’

success in encouraging business development.

Operating TANF: Opportunities and Challenges for Tribes and Tribal Consortia (see <http://aspe.hhs.gov/hsp/TANF-tribes03/index.htm>). This report presents the experiences of 10 Tribal grantees in planning, implementing, and operating Tribal TANF programs. Among other things, study grantees emphasized the importance of developing a sound Tribal TANF plan, coordinating with State staff, and addressing challenges with reporting program performance.

Implementation of the Welfare-to-Work Program (see <http://aspe.hhs.gov/hsp/wtw-grants-eval98/implement02/index.htm>). This report describes the implementation of the WtW program in 11 sites based on information collected through two rounds of site visits in 1999 and 2001, and management information system data maintained by the programs. The programs fell into three general models for delivery of services: Enhanced Direct Employment, Developmental/Transitional Employment, and Intensive Post-Employment Skills Development.

Understanding the Costs of DOL Welfare-to-Work Grants Programs (see <http://aspe.hhs.gov/hsp/wtw-grants-eval98/costs02/>). This report examines the costs of 18 WtW programs in nine in-depth evaluation sites to identify the cost structure of these programs and the factors that influenced their costs. The costs per participant in these programs ranged from \$1,887 to \$6,641, reflecting differences in the package of services that participants received.

Program Structure and Service Delivery in Eleven Welfare-to-Work Grant Programs. This interim implementation report shows that WtW grant programs have been innovative despite initial delays in start-up and enrollment; that most WtW services are delivered through highly decentralized systems; that most programs serve all WtW-eligible individuals, but some focus on particular subgroups, such as non-custodial parents or those with particularly difficult barriers to work; that activities are primarily work-focused; and that most WtW administrative agencies are workforce development agencies but often have formal ties with TANF.

Serving Noncustodial Parents: A Descriptive Study of Welfare-to-Work Programs (see <http://fatherhood.hhs.gov/ncp-wtw-d00/index.htm>). This study examines 11 WtW grants programs with a focus on serving noncustodial parents. It finds that such programs tend to be more successful when they have well designed recruitment activities, a combination of positive inducements and pressures for participation are present, a variety of employment support services, and when multiple agencies collaborate in service provision.

Contracting with Faith-Based Providers

State and Local Contracting for Social Services Under Charitable Choice. Welcoming faith-based organizations as valued partners in providing social services is a top priority for the President. In 2002, ASPE contracted with Mathematica Policy Research, Inc. and their subcontractors, the Hudson Institute, the Center for Public Justice, and the Sagamore Institute for Policy Research, to examine the varying ways in which the Charitable Choice (CC) provisions covering TANF and Substance Abuse Prevention and Treatment (SAPT) programs are interpreted and implemented by State and local government officials. For the TANF program, information is being collected through a survey of State TANF officials in the 45 States with

State-level contracting, TANF officials in the county with the largest TANF caseload in the 26 States that conduct county-level contracting, and approximately 80 local TANF officials that recently contracted with faith-based organizations. Sixty State and local SAPT liaisons were surveyed as well. The final report, released in August 2005, found that Charitable Choice provisions have had little or no effect on agencies' preexisting contracting policies regarding faith-based organizations. There are, however, significant efforts to reach out to faith-based organizations to encourage their involvement in TANF and SAPT and to remove barriers. The majority of agencies recognize that certain characteristics and behaviors make faith-based organizations ineligible for funding under Charitable Choice, but in several instances, agencies did not appear to know or apply the relevant Charitable Choice provisions that establish the eligibility of certain types of faith-based organizations for TANF and SAPT funding. These discrepancies may indicate a need for greater training of agency staff.

The National Study of Child Care for Low-Income Families

The *National Study of Child Care for Low-Income Families*, conducted by Abt Associates Inc. of Cambridge, Massachusetts, and the National Center for Children in Poverty at Columbia University's Joseph Mailman School of Public Health in New York City, is a seven-year research effort in 17 States and 25 communities. Funded by ACF, the study is designed to examine: how States and communities implement policies and programs to meet the child care needs of families moving from welfare to work, as well as those of other low-income families; how policies change over time; and how the relationships between these policies and other factors affect the type, amount, and cost of care in communities. In addition, the study is investigating the factors that shape the child care decisions of low-income families and the role that child care subsidies play in those decisions. Finally, the study is examining, in depth and over a period of two and a half years, a group of families that use various kinds of family child care and their child care providers, to develop a better understanding of the family child care environment and to what extent the care provided in that environment meets parents' needs for care that supports their work-related needs and meets children's needs for a safe, healthy and nurturing environment. In late 2005, ACF released a report entitled *Care in the Home: A Description of Family Child Care and the Experiences of the Families and Children Who Use It (Wave I)* describing how family child care meets the needs of many low-income working families, as well as noting some limitations. Additional reports, including a final report, will also be released in late 2006.

Improving the Use of TANF and Other Administrative Data

ASPE and ACF have been working collaboratively on a series of projects to improve the use of TANF administrative data, both for program management and for research purposes. One such project has developed user-oriented enhancements to ACF/OFA's web-based TANF reporting system that States use to enter aggregate data for TANF and related programs. The enhancements are intended to make the system more useful to the States and others for program management and monitoring. A second project, still underway, is making the disaggregated, micro-level TANF data submitted by States to the Federal government available to the research community through the web. A third project has been developing indicators and a new software

tool for use by States in analyzing data for program management and performance measurement. Under the first phase of this project, 20 indicators have been developed in consultation with ten States; eight of these indicators have been programmed into an initial prototype of a software tool, and a pilot test has begun in one State.

