The Employment Retention and Advancement Project

Results from the Chicago ERA Site

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BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

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Overview

Although much is known about how to help welfare recipients find jobs, little is known about how to help them and other low-wage workers keep jobs or advance in the labor market. This report presents information on the effectiveness of a program in Chicago that aimed to help employed welfare recipients increase their earnings. The program was tested as part of the Employment Retention and Advancement Project (ERA), which is studying 15 programs across the country. The ERA project was conceived by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services; it is being conducted by MDRC under contract to ACF, with additional funding from the U.S. Department of Labor.

The Chicago ERA program, which operated from February 2002 to June 2004, targeted recipients of Temporary Assistance for Needy Families (TANF) cash assistance benefits who appeared to be stuck in low-paying jobs: individuals who worked at least 30 hours per week for at least six consecutive months but earned so little that they remained eligible for TANF benefits. The program, which was funded by the Illinois Department of Human Services (DHS) and operated under contract to DHS by Employment and Employer Services, sought to help participants advance in their current jobs or move to higher-paying jobs.

The Chicago ERA program is being evaluated using a random assignment research design, whereby eligible individuals were assigned, through a lottery-like process, to one of two groups. Those assigned to the ERA group were recruited for the program and, if they remained on TANF, were required to participate. Those assigned to the control group were neither required nor permitted to participate in ERA, but they could obtain other services from DHS or other organizations.

Key Findings

- **The ERA group was significantly more likely than the control group to receive help finding a better job, but staff struggled to keep people engaged in the program.** The Chicago ERA program was well implemented, and nearly 80 percent of the ERA group had at least some contact with the program. However, many people in the ERA group were not interested in receiving program services, and many of those who participated faced personal or family problems that hindered their ability to make progress.

- **The Chicago ERA program modestly increased employment in the first two years of the study period.** In Year 2, for example, 44 percent of the ERA group worked in all four quarters of the year, compared with 39 percent of the control group, and the ERA group earned, on average, $564 (9 percent) more. It appears that ERA helped some participants move from informal jobs to somewhat higher-paying jobs in the formal labor market. The program also seems to have helped some people who were not working find jobs.

- **ERA generated large reductions in TANF receipt.** At the end of the first year of the study period, only 37 percent of the ERA group were receiving welfare, compared with 52 percent of the control group. Qualitative and quantitative data suggest that some people left welfare to avoid participating in the program; others left because their earnings rose.

MDRC will continue to track both research groups and will present longer-term results in the future. The findings indicate that it is possible to help some employed welfare recipients move to higher-paying jobs. However, the employment gains so far are modest, and the people who left welfare to avoid participating in ERA may have lost income as a result of the program.

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About the Employment Retention and Advancement Project

The federal welfare overhaul of 1996 ushered in myriad policy changes aimed at getting low-income parents off public assistance and into employment. These changes — especially cash welfare's transformation from an entitlement into a time-limited benefit contingent on work participation — have intensified the need to help low-income families become economically self-sufficient and remain so in the long term. Although a fair amount is known about how to help welfare recipients prepare for and find jobs in the first place, the Employment Retention and Advancement (ERA) project is the most comprehensive effort thus far to discover which approaches help welfare recipients and other low-income people stay steadily employed and advance in their jobs.

Launched in 1999 and slated to end in 2008, the ERA project encompasses more than a dozen demonstration programs and uses a rigorous research design to analyze the programs' implementation and impacts on research sample members, who were randomly assigned to the study groups. With technical assistance from MDRC and The Lewin Group, the study was conceived and funded by the Administration for Children and Families in the U.S. Department of Health and Human Services; supplemental support comes from the U.S. Department of Labor. Most of the ERA programs were designed specifically for the purposes of evaluation, in some cases building on prior initiatives. Because the programs' aims and target populations vary, so do their services:

- **Advancement programs** focus on helping low-income workers move into better jobs by offering such services as career counseling and education and training.
- **Placement and retention programs** aim to help participants find and hold jobs and are aimed mostly at "hard-to-employ" people, such as welfare recipients who have disabilities or substance abuse problems.
- **Mixed-goals programs** focus on job placement, retention, and advancement, in that order, and are targeted primarily to welfare recipients who are searching for jobs.

The ERA project's evaluation component investigates the following aspects of each program:

- **Implementation.** What services does the program provide? How are those services delivered? Who receives them? How are problems addressed?

- **Impacts.** To what extent does the program improve employment rates, job retention, advancement, and other key outcomes? How does it affect enrollees' children? Looking across programs, which approaches are most effective, and for whom?

A total of 15 ERA programs are being implemented in eight states: California, Illinois, Minnesota, New York, Ohio, Oregon, South Carolina, and Texas.

The evaluation draws on administrative and fiscal records, surveys of participants, and field visits to the sites.

Acknowledgments

Many people contributed to the evaluation of the Employment Retention and Advancement (ERA) program in Chicago.

In the central office of the Illinois Department of Human Services (DHS), David Gruenenfelder, John Knight, Marilyn Okon, Jane Radliff, Art Hermes, and Collette Ellenberg played particularly critical roles. At the local level, many managers and line staff contributed to the study. Space does not permit us to mention everyone who helped, but we would like to recognize the Chicago-area Regional Administrators during the study period: Marva Arnold, Donna Clay, and Warren Cottrell.

Staff at Employment and Employer Services, which ran the ERA program under contract to DHS, made vital contributions to the study. They hosted site visits, candidly discussed their experiences, and provided a variety of data for the evaluation. Special thanks go to Larry Fitzpatrick, Jeanne Kabler, and Lynn Santos.

At MDRC, we thank Barbara Goldman, Gayle Hamilton, Stephen Freedman, and Charles Michalopoulos, who reviewed drafts of the report. Allison Milld and Zawadi Rucks provided excellent research assistance, and Diane Singer provided administrative support. Zakia Barnes, Natasha Piatnitskaia, Vishtasp Soroushian, and Mark van Dok did the programming. Gilda Azurdia oversaw survey data collection and programming. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

Finally, we extend our deep appreciation to the thousands of Chicago parents who participated in the study and gave generously of their time to respond to a survey.

The Authors

Executive Summary

This report presents interim results for the Chicago site in the national Employment Retention and Advancement (ERA) project. Conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services, the ERA project is testing 15 innovative programs across the country that aim to promote steady work and career advancement for current and former welfare recipients and other low-wage workers. A great deal is known about how to help these groups find jobs, but there are very few proven strategies for promoting retention and advancement. MDRC — a nonprofit, nonpartisan research organization — is conducting the ERA project under contract to ACF and is producing a similar interim report for each site in the project.[1]

The Chicago ERA program, which operated from February 2002 to June 2004, targeted recipients of Temporary Assistance for Needy Families (TANF) cash assistance benefits who appeared to be stuck in low-wage jobs: individuals who had worked at least 30 hours per week for at least six consecutive months but who were earning so little that they remained eligible for TANF benefits. The program, which was funded by the Illinois Department of Human Services (DHS), provided a range of services designed to help participants increase their earnings.

Origin and Goals of the Chicago ERA Program

The importance of the Chicago ERA target group stems from two relatively generous Illinois TANF policies. First, the state disregards (that is, does not count) two-thirds of recipients' earnings when calculating their monthly TANF grants. As a result, recipients — particularly those with large families — can earn a substantial amount and still receive at least a partial grant. Second, any month in which a recipient works at least 30 hours a week does not count toward the state's 60-month lifetime limit on TANF benefits.

When Illinois was considering its approach to the ERA program, DHS officials noted that a large number of TANF recipients were exempt from the time limit because they were working at least 30 hours a week and that many of these individuals had remained in this status for many months. DHS staff wanted to develop an initiative to help these employed recipients advance to

[1]For further information on the ERA project, see Anderson and Martinson, *Service Delivery and Institutional Linkages: Early Implementation Experiences of Employment Retention and Advancement Programs* (Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, 2003). Earlier results for the Chicago site were presented in Bloom, Hendra, Martinson, and Scrivener, *The Employment Retention and Advancement Project: Early Results from Four Sites* (2005).

higher-paying jobs, both to improve the clients' quality of life and to further reduce the state's TANF caseload. (The Illinois caseload dropped by 75 percent between 1996 and 2001.)

Many states share an interest in finding strategies to assist employed TANF recipients: In 2004, about 164,000 TANF recipients were working in unsubsidized jobs in a typical month. Strengthened work requirements mandated by the Deficit Reduction Act of 2006 make this issue even more salient.

The ERA Evaluation

As in the other ERA sites, MDRC is using a random assignment research design to assess the effectiveness of the Chicago program. Each month from February 2002 to June 2003, DHS identified all recipients in 10 selected Chicago welfare offices who met the ERA eligibility criteria — six consecutive months reporting full-time work — and who were scheduled for their annual benefit redetermination appointment in the coming month. Half of these individuals were assigned, at random, to the ERA group, and half were assigned to a control group. Control group members were not eligible for the ERA program, though they could receive employment-related services from other programs.

MDRC is tracking both groups, using data provided by the State of Illinois that show each individual's monthly welfare and food stamp benefits and their quarterly earnings in jobs covered by the Illinois unemployment insurance (UI) program. Two years of follow-up data are available for each person in the report's analysis. In addition, a survey was administered to a subset of ERA and control group members about one year after they entered the study.

Because individuals were assigned to the ERA and control groups through a random process, the two groups were comparable at the start. Thus, any differences that emerge between the groups during the study's follow-up period can be attributed to the ERA program; such differences are known as the *impacts* of ERA. A total of 1,615 people in the ERA and control groups are included in this report's analysis.

The ERA Target Population

Most of the Chicago ERA study participants were African-American single mothers with, at most, a high school diploma. Although most welfare recipients have one or two children, about two-thirds of the ERA sample members had three children or more. This pattern reflects the program's eligibility criteria: Recipients with large families receive larger welfare grants and are thus more likely to remain eligible for benefits after going to work.

In addition, it appears that many sample members were working outside the formal labor market. All sample members reported full-time work to DHS for six consecutive months before entering the study, but only about half worked in a UI-covered job during this period.

Key Findings on Program Implementation

- **For most of the study period, the Chicago ERA program was well managed, staffed, and funded, and it provided a clearly defined set of work-focused advancement services.**

The Chicago ERA program was operated under contract to DHS by a for-profit company, Employment and Employer Services (E&ES), which has extensive experience running job placement programs for welfare recipients and other disadvantaged groups.

Although the specific ERA services were tailored to individual participants, MDRC's field research suggests that the program's most common approach was to help participants move fairly quickly to a new job that paid somewhat more than their current job. The ERA service provider was well suited to implement this approach because it has strong relationships with many local employers. In addition, ERA paid for many of the upfront costs that were incurred as participants started new jobs (for example, for uniforms and training). In a smaller number of cases, ERA staff coached participants to ask for a raise or more hours in their current job or contacted the participant's employer directly to discuss advancement opportunities. The program also paid for some participants to attend short-term training programs.

The ERA program was generously funded until early 2004, when Congress canceled funding for the federal program that had supported ERA. The U.S. Department of Labor eventually provided a special grant to support the program, but there was a substantial disruption in ERA services. Thus, the program operated at full scale for less than two years.

- **A high percentage of the ERA group had contact with the program, and the ERA group was more likely than the control group to receive work-focused advancement services; however, staff struggled to keep people engaged in the program.**

Welfare recipients who were assigned to the ERA group were required to participate in the program. However, many potential participants had fairly small welfare grants and could have chosen to forgo those grants if they thought that the program was not worthwhile. Hence, the ERA program aggressively recruited ERA group members and offered financial incentives to encourage participation.

Ultimately, nearly 80 percent of the ERA group had contact with the program. Data from the 12-month survey indicate that the ERA group was much more likely than the control group to receive help finding a better job but was no more likely to participate in education or training.

Although most sample members had some contact with ERA, many did not participate consistently or for long periods, and obtaining even this level of participation was quite challenging for program staff. Many people in the ERA group were not interested in receiving program services, and both ERA and DHS staff believed that some potential participants requested to have their welfare case closed in order to avoid participating in ERA. Many of those who participated faced serious personal or family problems that hindered their ability to make progress, and ERA staff spent a great deal of time helping participants address these challenges.

Key Findings on Program Impacts

- **Analysis of unemployment insurance (UI) earnings records shows that ERA modestly increased employment during the first two years of the study period; this effect was somewhat larger in Year 2 than in Year 1.**

Table ES.1 summarizes ERA's impacts on employment, public assistance, and income in the first two years of the study period in Chicago. These results are based only on DHS records and UI earnings data. Differences between the two groups that are marked with asterisks are statistically significant, which means that it is very likely that ERA actually had an impact on these outcomes.

As shown in the table's top panel, the ERA group was somewhat more likely than the control group to work in a typical quarter during the two-year period (56 percent of the program group versus 53 percent of the control group). In Year 2, the ERA group earned $564 (9 percent) more than the control group, on average. (The earnings figures include all sample members, even those who did not work.)

- **It appears that ERA helped some participants move from informal jobs to somewhat higher-paying jobs in the formal labor market; in addition, the program seems to have helped some people who were not working find jobs.**

Particularly in the first year of the study period, ERA's impacts on UI-covered employment were concentrated among sample members who did not work in a UI-covered job in the six months before entering the study (not shown in the table). Because all sample members had been reporting employment to DHS during that six-month period, this pattern suggests that ERA helped some people in this subgroup move from non-UI-covered jobs into UI-covered

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Table ES.1

Impacts on UI-Covered Employment, Public Assistance, and Measured Income

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Years 1-2				
Income ($)				
Earnings	12,866	12,122	744	0.13
Amount of TANF received	1,909	2,430	-521 ***	0.00
Amount of food stamps received	8,171	7,974	197	0.17
Total measured income[a]	22,946	22,527	420	0.39
Employment (%)				
Ever employed	73.8	71.1	2.7	0.11
Average quarterly employment[b]	56.4	52.7	3.7 **	0.01
Employed 4 consecutive quarters	55.0	51.1	3.9 *	0.05
Employed with earnings over $10,000[c]	38.8	35.9	2.8	0.16
Year 1				
Income ($)				
Earnings	6,270	6,090	179	0.45
Amount of TANF received	1,307	1,586	-279 ***	0.00
Amount of food stamps received	4,066	4,041	25	0.71
Total measured income[a]	11,643	11,717	-74	0.75
Employment (%)				
Ever employed	69.6	65.9	3.8 **	0.02
Average quarterly employment[b]	57.8	55.2	2.6 *	0.07
Employed 4 consecutive quarters	45.5	43.5	2.0	0.29
Earned over $10,000	30.8	27.3	3.4 *	0.06
Year 2				
Income ($)				
Earnings	6,596	6,032	564 *	0.07
Amount of TANF received	602	844	-242 ***	0.00
Amount of food stamps received	4,105	3,933	172 *	0.07
Total measured income[a]	11,303	10,809	494	0.10
Employment (%)				
Ever employed	65.1	61.0	4.1 **	0.04
Average quarterly employment[b]	55.1	50.3	4.8 ***	0.01
Employed 4 consecutive quarters	43.5	38.5	5.0 **	0.02
Earned over $10,000	30.6	29.0	1.6	0.43
Sample size (total = 1,615)	800	815		

(continued)

Table ES.1 (continued)

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: This table includes only employment and earnings in jobs covered by the Illinois unemployment insurance (UI) program. It does not include employment outside Illinois or in jobs not covered by UI (for example, "off the books" jobs, some agricultural jobs, self-employment, and federal government jobs).

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

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

Dollar averages include zero values for sample members who were not employed or were not receiving TANF or food stamps.

[a]This measure represents the sum of UI earnings, TANF, and food stamps.

[b]The average quarterly employment measure was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed.

[c]This measure indicates whether sample members earned over $10,000 in either Year 1 or Year 2.

jobs. Further evidence on this point comes from the 12-month survey, which covers all employment that respondents' reported, whether or not the jobs are covered by the UI system. When all jobs are considered, ERA did not increase employment in Year 1. Nevertheless, movement from non-UI-covered jobs to UI-covered jobs can be seen as a form of advancement, since UI-covered jobs typically pay higher wages and are more likely to offer fringe benefits and other mandatory benefits, such as Social Security, unemployment benefits, and the Earned Income Tax Credit (EITC).

It also appears that ERA helped some participants who were not working find jobs. This group may have included both people who stopped working before they entered the program and people who were working initially but lost their job during the follow-up period.

- **ERA generated large reductions in TANF receipt, and it appears that some people left welfare to avoid participating in the program.**

Figure ES.1 shows the rates of TANF receipt (top panel) and food stamp receipt (bottom panel) for the ERA and control groups during the two-year follow-up period. As the top panel shows, the control group left welfare very rapidly, suggesting that DHS's concern about people remaining in "stop-the-clock" status for long periods may have been unwarranted. Nevertheless, ERA generated a large decrease in TANF receipt. For example, at the end of Year 1, 37 percent of the ERA group were receiving TANF, compared with 52 percent of the control group. Further analysis (not shown) found that, for some groups, ERA substantially reduced

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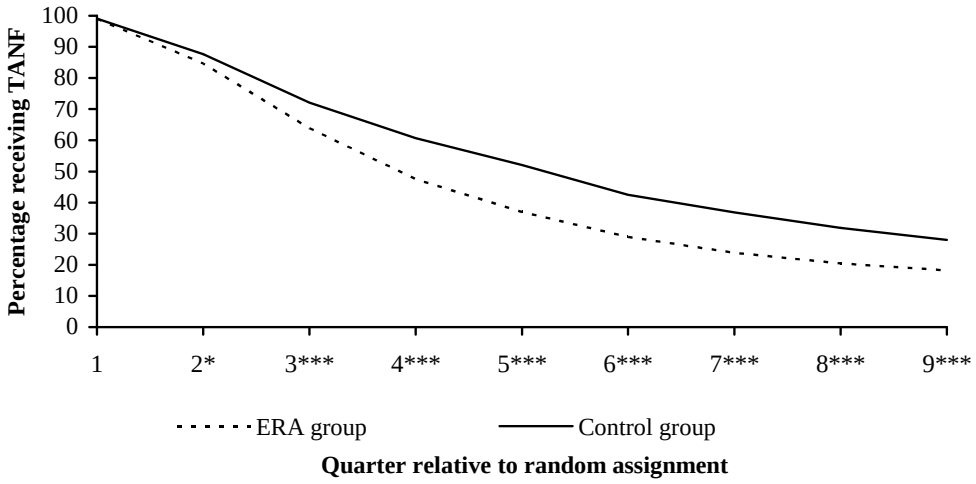
Figure ES.1

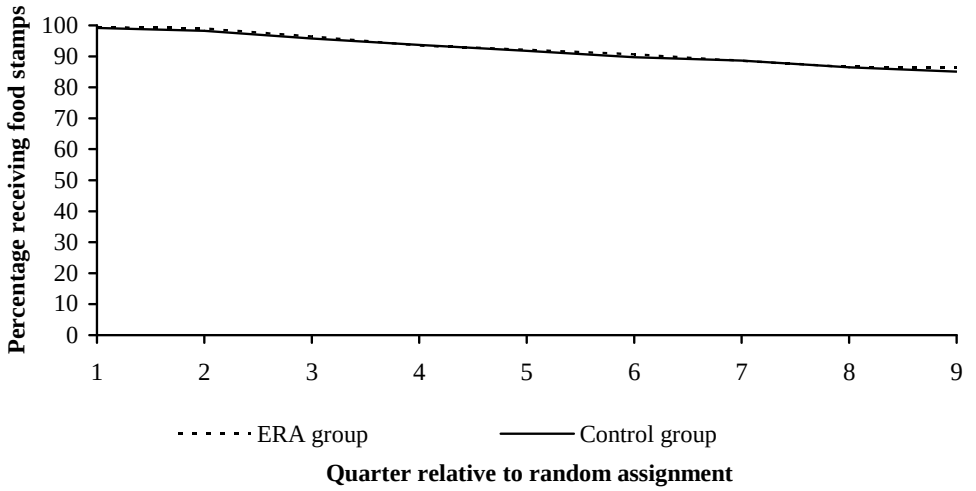
Impacts on TANF and Food Stamp Receipt

Chicago

TANF Receipt



Food Stamp Receipt



SOURCE: MDRC calculations from administrative records from the State of Illinois.

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

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

TANF receipt without increasing employment. This finding, along with the implementation results discussed earlier, suggests that some people left TANF to avoid participating in ERA.

Interestingly, while sample members in both groups left TANF quickly, the bottom panel of Figure ES.1 shows that most leavers continued to receive food stamps; the same is true of Medicaid (not shown). Despite the ERA program's large impact on TANF receipt, Table ES.1 shows that, compared with the control group, the ERA group received slightly more in food stamps during Year 2, perhaps because their food stamp grants were adjusted upward to reflect the loss of TANF benefits.

Many have noted that families leaving TANF often stop receiving food stamps and Medicaid even when they remain eligible for these benefits, which can provide crucial support for low-wage workers. It is not clear whether Illinois is unusually good at helping families access supports after leaving welfare or whether the high receipt rates in this study reflect the fact that most ERA sample members have large families and thus qualify for relatively large grants.

Policy Implications

The results presented in this report are not the final word on the Chicago ERA program. MDRC will track both research groups for at least three to four years, using administrative records and a second follow-up survey, and will also assess the program's financial benefits and costs.

The results to date suggest that it is possible to help some employed welfare recipients — particularly those working outside the formal labor market — move to higher-paying jobs. The results also indicate that targeting employed recipients with mandatory services can produce substantial reductions in welfare receipt. Thus, the Chicago ERA model may be worthy of replication. However, there are several caveats to this conclusion.

First, the program was well funded and was operated by a firm that has unusually strong links to local employers. A program without these features might not produce the same impacts.

Second, although the Chicago results are notable, given the dearth of evidence on how to promote career advancement, the size of the employment gains is modest. With limited skills and many personal barriers, even successful ERA participants typically remained in low-paying jobs. Moreover, many sample members were reluctant to participate in ERA, possibly because the modest wage gains that the program could offer were not sufficient to justify major life changes and the risk of losing access to means-tested benefits.

Finally, some recipients appear to have left welfare in order to avoid participating in ERA. These individuals probably lost income as a result of the program, although there is no evidence that ERA decreased income for the research sample as a whole.

Chapter 1

Introduction

This report presents interim results for the Chicago site in the national Employment Retention and Advancement (ERA) project. Conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services, the ERA project is testing innovative programs across the country that aim to promote steady work and career advancement for current and former welfare recipients and other low-wage workers.[1] MDRC — a nonprofit, nonpartisan research organization — is conducting the ERA project under contract to ACF and is producing a similar interim report for each site in the project.[2]

The Chicago ERA program, which operated from February 2002 to June 2004, targeted recipients of Temporary Assistance for Needy Families (TANF) cash assistance benefits who appeared to be stuck in low-wage jobs: individuals who had worked at least 30 hours per week for at least six consecutive months but who were earning so little that they remained eligible for TANF benefits. The ERA program, which was funded by the Illinois Department of Human Services (DHS), provided a range of services designed to help participants — mostly single mothers with low levels of education — increase their earnings. The program was administered by a for-profit company, Employment and Employer Services (E&ES), under contract to DHS.

This chapter provides background information on the national ERA project, the Chicago site, and the research design for the project.

Overview of the National ERA Project

For over a decade, policymakers and program operators have struggled to learn what kinds of services, supports, and incentives are best able to help low-income working parents retain steady employment and move up to better jobs. This issue has assumed even greater urgency in the wake of the 1990s welfare reforms, which made long-term welfare receipt much less feasible for families. Despite many efforts, scant evidence exits about effective strategies to promote employment retention and advancement. Previously evaluated programs that were aimed at improving job retention or advancement — notably, the Post-Employment Services Demonstration (PESD), a four-site project that tested programs providing follow-up case management to welfare recipients who found jobs — generally failed to improve employment outcomes.[3]

[1]The U.S. Department of Labor has also provided funding to support the ERA project.

[2]Earlier results for the Chicago site are reported in Bloom, Hendra, Martinson, and Scrivener (2005).

[3]Rangarajan and Novak (1999).

The ERA project was designed to improve on past efforts in this area by identifying and testing innovative models designed to promote employment stability and wage progression among welfare recipients and other low-income groups. The project began in 1998, when ACF issued planning grants to 13 states to develop new programs. The following year, ACF selected MDRC to conduct an evaluation of the ERA programs. From 2000 to 2003, MDRC and its subcontractor, The Lewin Group, worked closely with the states that had received planning grants, and with several other states, to mount tests of ERA programs. MDRC, Lewin, and Cygnet Associates also provided extensive technical assistance to some of the states and program operators, since most were starting the project from scratch, with no proven models on which to build.

Ultimately, a total of 15 ERA experiments were implemented in eight states. Almost all the programs target current or former TANF recipients, but the program models are very diverse. One group of programs targets low-wage workers and focuses on advancement. Another group targets individuals who are considered "hard to employ" and primarily aims to place them in stable jobs. Finally, a third group of programs has mixed goals and targets a diverse set of populations, including former TANF recipients, TANF applicants, and low-wage workers in particular firms. Some of these programs initiate services before individuals go to work, while others begin services after employment. Appendix Table A.1 describes each of the ERA programs and identifies its goals and target populations.

The evaluation design is similar in most of the sites. Individuals who meet ERA eligibility criteria (which vary from site to site) are assigned, at random, to the program group — also called the "ERA group" — or to the control group. Members of the ERA group are recruited for the ERA program (and, in some sites, are required to participate in it), whereas members of the control group are not eligible for ERA services. The extent and nature of the services and supports available to the control group vary from site to site. The random assignment process ensures that any differences in outcomes that emerge between the two research groups during the follow-up period can be confidently attributed to the ERA program, rather than to differences in the characteristics of the people in the groups.

The Chicago ERA Program

Origins and Goals of the Chicago ERA Program

Chicago is one of the few sites in the ERA project where there was a history of previous experimentation with retention and advancement services; one of the PESD programs was located in the city. In fact, compared with the other three PESD sites, Chicago had the most fa-

vorable results: It was the only site that produced statistically significant (albeit small) increases in employment and reductions in welfare receipt.[4]

All the PESD sites targeted welfare recipients who had recently found employment, and all sought to help participants retain their jobs. In designing its ERA program, DHS — the state agency that administered both PESD and ERA — adopted a somewhat different approach. As noted earlier, the ERA program targeted current welfare recipients who had been reporting employment steadily for some time, and it focused specifically on helping these individuals advance in the labor market.

The importance of the ERA target group stems from two relatively generous Illinois TANF policies. First, the state disregards (that is, does not count) two-thirds of recipients' earned income in calculating their monthly TANF grants. As a result, recipients — particularly those with large families — can earn a substantial amount and still receive at least a partial TANF grant.[5] Second, any month in which a recipient works at least 30 hours a week does not count toward the state's 60-month lifetime limit on TANF benefits.[6] In other words, Illinois has a time limit on "welfare without work" rather than on welfare receipt per se.

When Illinois was considering its approach to ERA in 2000, DHS officials noted that a large and growing number of TANF recipients were exempt from the time limit because they were working at least 30 hours a week and that a substantial number of these individuals seemed to be remaining in "stop-the-clock" status for many months.[7] DHS staff wanted to develop an initiative to help these employed recipients advance to higher-paying jobs, both to improve the clients' quality of life and to further reduce the state's TANF caseload. (The Illinois caseload dropped by 75 percent between 1996 and 2001.)

Many states share an interest in finding strategies to assist TANF recipients who are working but earning so little that they remain eligible for benefits. Although the Illinois stop-the-clock time-limit policy is unusual, many states have similar enhanced earnings disregards.

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[4]Rangarajan and Novak (1999). These three other PESD sites were Portland, Oregon; Riverside, California; and San Antonio, Texas.

[5]During the period that ERA operated, a single mother with two children in Chicago could earn up to $1,188 per month without losing eligibility for cash assistance. Because TANF grant amounts are larger for larger families, the maximum earnings threshold is higher for such families. For example, a single mother with three children could earn up to $1,305 without losing eligibility.

[6]Under federal law, states cannot provide federally funded TANF assistance to most families for more than 60 months. However, there is no time limit on assistance paid for with state funds; as a result, states have broad flexibility in designing time-limit policies. A few states have no time limit, and many others, like Illinois, exempt certain categories of recipients from their time limits. Illinois uses state funds to pay for the benefits provided to recipients who are exempt from the time limit.

[7]A recent study found that 30 percent of Illinois TANF recipients were employed at least 30 hours per week — a higher proportion than in most other states (Kirby, Fraker, Pavetti, and Kovac, 2003).

Partly as a result of these policies, the percentage of welfare recipients who are employed has grown substantially in recent years. Nationally, in Fiscal Year 2004, about 164,000 TANF recipients were working in unsubsidized employment in a typical month, constituting more than half of all the adults who participated in any work activity.[8]

Funding for the Chicago ERA program was secured from the Governors' Discretionary portion of the state's Welfare-to-Work block grant.[9] These funds were administered by the Illinois Department of Labor and Employment Security (now the Department of Commerce and Economic Opportunity), which worked with DHS to establish the program. DHS identified 10 welfare offices in Chicago, plus the two offices in St. Clair County, to participate in the project, and it also contracted with service providers to deliver program services to ERA clients. (This report focuses on the ERA program in Chicago; results for the St. Clair County program are presented in Appendix Table B.2.) In addition, DHS altered its rules to allow ERA clients to replace up to 10 hours of employment with 10 hours of education and training without causing their time-limit clock to start; in other words, ERA clients could work 20 hours a week, go to school 10 hours a week, and remain exempt from the time limit. The program began operating in February 2002.

The Chicago ERA Model

The objective of the Chicago ERA program was to help participants advance in the labor market. Before the program began operating, there was considerable discussion about how best to achieve this goal. Preliminary analysis by DHS staff indicated that many of the TANF recipients who were reporting full-time work were employed for less than the minimum wage in cash-paying jobs outside the formal labor market — for example, working as babysitters or housecleaners. Others were working "on the books" but were earning so little that they remained eligible for benefits, perhaps because they had several children. Most of these TANF recipients had only a high school diploma or less education.

There were initial discussions about how "advancement" should be defined. DHS was clearly interested in helping participants increase their earnings enough to make them ineligible for TANF benefits — implying that increases in hourly wages or weekly work hours, or both, should be a key goal. However, planners understood that participants might value other features of jobs besides earnings, such as short commutes, flexible work hours, fringe benefits, or a low-pressure work environment.

[8] Administration for Children and Families (2005).

[9] The Welfare-to-Work grants program distributed funding to states to provide employment services to "hard-to-employ" TANF recipients and noncustodial parents. The program was administered by the U.S. Department of Labor.

There were also debates about what kinds of services would be most effective at promoting advancement. Some who were involved in the planning process believed that the ERA program should focus heavily on education and training. Others were skeptical that many participants would be interested in these activities, arguing instead for a "work-based" strategy focused on connecting participants with higher-paying jobs, preferably in firms or sectors that offered access to career ladders.

There is evidence to support both approaches. National data have documented a long-term decline in the wages of workers who have a high school diploma or less and a growing disparity between the earnings of workers with and without postsecondary education. In other words, given the low levels of educational attainment among the ERA target group, opportunities for substantial advancement without further education appeared limited.

At the same time, recent research has shown that many low-wage workers manage to increase their earnings somewhat over time, most often by switching jobs. Moreover, it appears that there are substantial disparities in the wages and advancement opportunities offered by particular firms even within the same industry. Thus, the authors of one recent study argue that the best advancement strategy is to use labor market intermediaries to try to attach low-wage workers to these "better" firms.[10] Similarly, other studies have emphasized the role of social contacts in job search efforts, noting that many low-income women lack social connections to good jobs in the formal labor market.[11]

In the end, DHS did not specify one approach or the other; the ERA service provider was given substantial discretion in how to work with participants. As noted earlier, DHS altered its rules to allow ERA participants to substitute up to 10 hours per week of education or training for employment. However, the contractor that was selected to operate the ERA program in Chicago — Employment and Employer Services (E&ES) — was known primarily for its contacts with local employers and its previous success in quickly connecting welfare recipients to jobs.

As discussed in detail in Chapter 2, ERA had no uniform service strategy. The approach was highly individualized and depended on the participants' current work situation, goals, and preferences — and the availability of higher-paying jobs. If a participant liked her current job and if there were opportunities to advance, ERA staff would help her try to access those opportunities. More commonly, staff helped connect participants with higher-paying jobs in companies that had relationships with E&ES. Education and training also played a role, but the main focus remained on work-based strategies.

[10] Andersson, Holzer, and Lane (2005).
[11] See, for example, Chapple (2001).

Finally, it is also important to note that ERA, unlike many other programs for welfare recipients, continued working with participants after they had left the welfare rolls. This suggests that DHS's goals for the project were broader than simply reducing the number of families who were receiving benefits.

Characteristics of the Chicago ERA Site and Its External Environment

The Chicago ERA program operated from early 2002 to mid 2004, a period when the national economy was recovering from the 2001 recession. Unemployment rates did not change dramatically during the period, either nationally or in the Chicago area. The unemployment rate in Chicago was slightly above the national rate during the study period (the annual unemployment rates in Chicago in 2002 and 2003 were 6.7 and 6.8, respectively).

Since the 1990s, the TANF caseload has declined more dramatically in Illinois than in almost any other state. The total number of families receiving TANF benefits declined from 220,000 in fall 1996 to 56,000 in fall 2001, a drop of 75 percent. The state's caseload continued to decline — albeit somewhat more slowly — during the period that ERA operated, and it is now just over 41,000 families. Approximately 80 percent of the state's TANF families reside in Chicago.

The ERA program targeted TANF recipients who were served by 10 of the 23 DHS offices in Cook County (Austin, Calumet Park, Englewood, Garfield, Michigan, Northwest, Oakland, Pershing, Roseland, and Southeast).[12] These offices serve some of the poorest neighborhoods in the City of Chicago.

Although Chicago's Hispanic population has grown very rapidly in recent years, the ERA caseload was overwhelmingly African-American (see the next section). As in many large cities in the Midwest and Northeast, there is a high degree of residential segregation in Chicago: The city's African-American population is highly concentrated in certain neighborhoods.[13] In addition, several studies have found that Chicago's African-American population is quite isolated from the areas where jobs are located. One study calculated a "spatial mismatch index," which describes the extent to which the areas in which African-Americans reside are different from the areas in which jobs are located. Among cities with at least 500,000 residents, Chicago was found to have the second-highest mismatch index (only Detroit's index was higher).[14] Although this study focused on the growth of jobs in the suburbs, ERA staff also noted that many ERA participants lived in neighborhoods that are isolated from downtown Chicago — another area where job openings are prevalent.

[12]Although Cook County extends beyond the City of Chicago, all the DHS offices that were selected to participate in the ERA project are located in Chicago.

[13]McConville and Ong (2001).

[14]Stoll (2005).

The Chicago ERA Target Population

As described previously, the Chicago ERA research sample consists of TANF recipients who reported at least 30 hours per week of work for at least six consecutive months. Table 1.1 shows selected characteristics of these ERA sample members at baseline, or the point that they entered the study. These data were drawn from the DHS statewide welfare database and unemployment insurance (UI) wage records from the State of Illinois.

Of note is the proportion of sample members who had large families when they entered the study. Two-thirds of the ERA sample members had 3 children or more, and the average number of children was 3.4, compared with a statewide average of 2.7 children per TANF family.[15] This pattern is not surprising, because recipients with larger families qualify for larger grant amounts and, therefore, are able to earn more while maintaining their eligibility for TANF benefits.

Table 1.1 also illustrates other interesting demographic characteristics of the Chicago research sample. At the point that they entered the study, members of this population were likely never to have married (83 percent) and were raising their children as single mothers. In addition, the population is predominantly African-American, non-Hispanic (87 percent), with low levels of education; over half (56 percent) had not completed high school. The ERA target group was also somewhat older than the statewide TANF caseload: ERA sample members were, on average, 33 years old, compared with a statewide average of 29 years old.[16]

Finally, it appears that a large proportion of the ERA population were working outside the formal labor market. Although all sample members had been reporting employment to DHS in the months before they entered the study, only 56 percent had any earnings in jobs covered by unemployment insurance in the two quarters prior to entering the study.

About the ERA Evaluation in Chicago

The Research Design

Research Questions

The ERA evaluation focuses on the implementation of the sites' programs and their effects, or impacts. Key questions addressed in this report are summarized on page 9.

[15]Kirby, Fraker, Pavetti, and Kovac (2003).
[16]Kirby, Fraker, Pavetti, and Kovac (2003).

The Employment Retention and Advancement Project

Table 1.1

Selected Characteristics of Sample Members at Baseline

Chicago

Characteristic	Full Sample
Age (%)	
20 years or younger	1.1
21-30 years	35.6
31-40 years	46.3
41 years or older	17.0
Average age	33.4
Race/ethnicity (%)	
Black, non-Hispanic	87.3
Hispanic	8.1
White, non-Hispanic	3.9
Other	0.7
Gender (%)	
Male	0.6
Female	99.4
Number of children in household (%)	
0	0.4
1	10.5
2	22.2
3 or more	66.9
Average number of children	3.4
Age of youngest child (%)	
2 years or younger	25.9
3-5 years	23.0
6 years or older	51.1
Highest level of education completed (%)	
General Educational Development (GED) certificate	1.3
High school diploma	35.0
Technical certificate/associate's degree/some college	7.5
4 years (or more) of college	0.2
None of the above	56.0
Any UI-covered employment in the 2 quarters prior to random assignment (%)	55.9
Marital status (%)	
Married and living with spouse	3.7
Divorced	2.6
Never married	83.4
Other	10.3
Sample size	1,615

SOURCES: Illinois DHS records and unemployment insurance records from the State of Illinois.

- **Implementation.** How did E&ES execute the Chicago ERA program? What services and messages did the program provide and emphasize? How did program staff spend their time?

- **Participation.** Did ERA succeed in engaging a substantial proportion of individuals in services? What types of services did people receive? To what extent did the program increase service levels above the levels that would "normally" be received, as represented by the control group's behavior?

- **Impacts.** Within the follow-up period, did ERA increase employment and earnings, provide employment stability and wage growth, and improve job characteristics for the ERA group, relative to the control group?

The Random Assignment Process

Starting in February 2002, TANF recipients who were served by the 10 participating Chicago welfare offices and who met the criteria for ERA (working at least 30 hours a week, with their time-limit clock stopped, for at least six consecutive months) — and who were scheduled to have their annual welfare benefit redetermination meeting in the following month — were identified by the DHS computer database. These individuals were then assigned, at random, to either the ERA group or the control group; 50 percent of the sample were assigned to each group. Sample members were notified of their research status during their redetermination appointment with their DHS caseworker. Caseworkers explained the ERA study and the meaning of the client's research status; they asked clients to complete a contact information sheet; and they verified demographic information in the client database.

Individuals who were assigned to the ERA group were referred to an ERA service provider — and, in fact, were required to participate in ERA. (The implementation of this mandate is discussed in Chapter 2.) Those who were assigned to the control group were not referred to the ERA provider. Random assignment of recipients to the ERA and control groups continued until June 2003. The ERA program operated until June 2004, allowing at least one year of access to program services for all sample members. (Individuals who were randomly assigned earlier had a longer period of potential program exposure, since the program had no fixed exit point.)

The Counterfactual: What Is ERA Being Compared With?

Individuals who were randomly assigned to the control group — who represent the counterfactual for the study — were told about the ERA evaluation by DHS staff. It was explained that, as part of the evaluation, they were selected to be in a group that would continue to receive the current, standard services offered by DHS, while the members of another group would receive services from the new ERA program. Control group members were informed

that their TANF, food stamp, Medicaid, and UI records would be tracked and that they could be contacted to participate in surveys.

Although control group members were not referred to the ERA service provider, they could still receive employment-related services, particularly if they continued to receive cash assistance. If a control group member lost her job or reduced her work hours, she would have been required to participate in services designed to help her find a new job (or increase her hours), provided either by DHS staff directly or by a contracted employment vendor. If she continued to work full time, her DHS caseworker might have provided some encouragement or assistance in advancing, but this appears to have varied substantially across the DHS offices. Services for the control group are discussed further in Chapter 2.

Data Sources

The data sources for the analyses presented in the report are described below.

Baseline Data

Monthly, after each round of random assignment, MDRC collected data on sample members' demographic characteristics from the DHS client database. This information was used to describe the study population (as shown in Table 1.1) and to identify subgroups whose results are analyzed separately.

Administrative Records

Effects on employment and earnings were computed using automated unemployment insurance (UI) wage records data, and effects on public assistance were computed using automated TANF and food stamp administrative records. Two years of follow-up data were available for all sample members when the analyses for this report were conducted.

Program Participation and Implementation Data

E&ES provided MDRC with data on the sample members' participation in program activities. In addition, MDRC conducted a "time study" of ERA staff, which tracked their activities. Finally, information on program operations was obtained from interviews with ERA and DHS staff and from reviews of participants' case files.

The ERA 12-Month Survey

Information about sample members' participation in program services and about their employment, income, and other outcomes was gathered by the ERA 12-Month Survey, which was administered to a subset of ERA and control group members approximately 12 months af-

ter random assignment. (A second survey is being administered approximately 42 months after random assignment.)

Sample Sizes

A total of 1,729 people were randomly assigned in Chicago between February 2002 and June 2003. However, the analysis focuses on the 1,615 individuals who were randomly assigned between February 2002 and March 2003. (Very few people entered the study after March 2003, and these individuals were excluded from the analysis to allow at least two full two years of follow-up for the entire sample.)

As shown in Figure 1.1, the "fielded sample" of 747 individuals was selected from among those sample members who were randomly assigned between September 2002 and March 2003. A total of 598 people (80 percent of the fielded sample) completed the ERA 12-Month Survey and are called the "respondent sample."

Roadmap of the Report

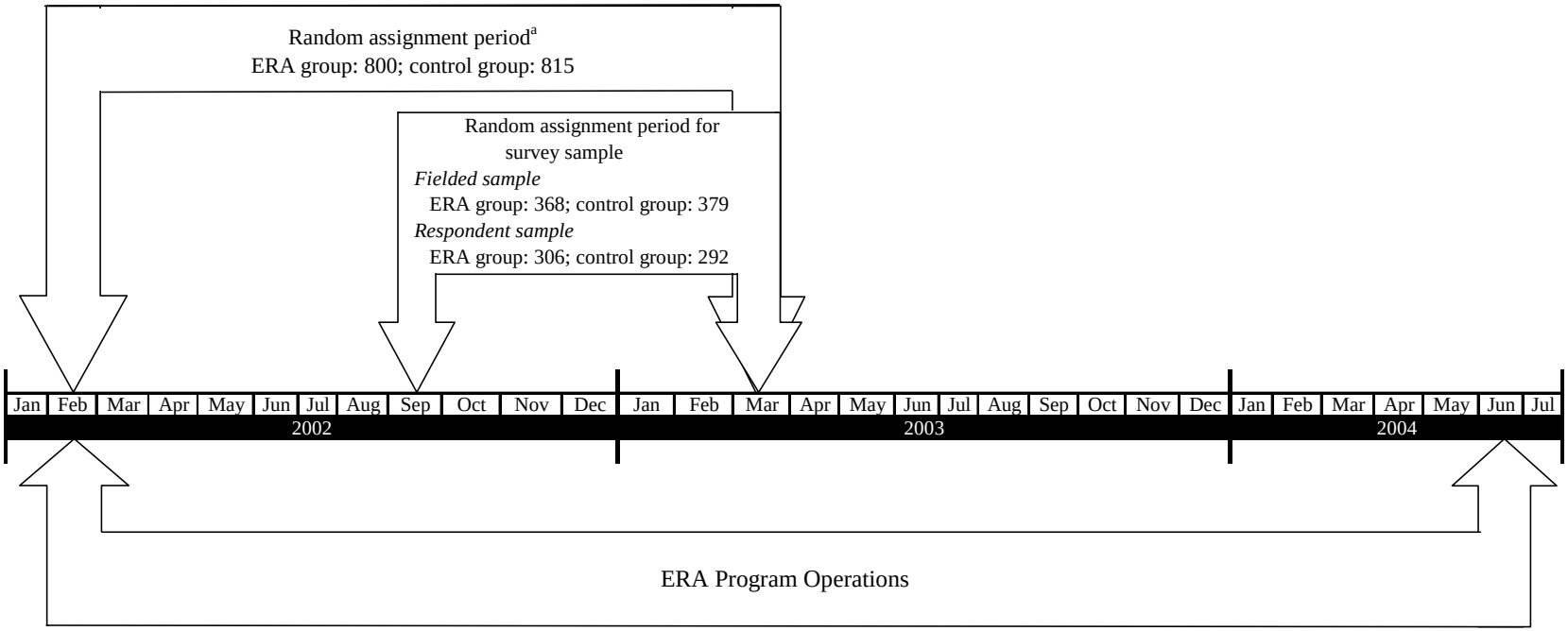
This report focuses on the ERA program's implementation and impact findings in Chicago. Chapter 2 further describes the ERA program and its implementation. Chapter 3 provides information on the program's impacts on service receipt, employment, earnings, job characteristics, and other outcomes.

The Employment Retention and Advancement Project

Figure 1.1

Random Assignment Periods and Sample Sizes

Chicago



NOTE: [a]Figures reflect sample members randomly assigned from February 2002 to March 2003. An additional 114 people were randomly assigned from April to June 2003, but they are not included in this analysis.

Chapter 2

The Implementation of the Chicago ERA Program

Summary

For most of the study period, the Chicago Employment Retention and Advancement (ERA) program was well managed, well staffed, and well funded, and it provided a clearly defined set of advancement-focused services. Moreover, the program had at least some contact with a large percentage of the individuals who were assigned to the ERA group — nearly 80 percent. However, many sample members did not participate in the program consistently or for long periods, and obtaining even this level of participation was challenging for program staff. Many people in the ERA group were not interested in receiving program services or faced serious personal or family problems that hindered their participation.

Although the specific ERA services in Chicago were tailored to individual participants, MDRC's field research suggests that the program's most common approach was to help participants move fairly quickly to a new job that paid somewhat more than their current job. (Many participants started out in very low-paying, off-the-books jobs.) The ERA service provider was well suited to implement this approach because it has strong relationships with many local employers. In a smaller number of cases, the ERA staff coached participants to ask for a raise or for more hours in their current job, or they contacted the participant's employer directly to discuss advancement opportunities.

While the ERA service provider had access to many job openings, the kinds of positions available to participants who had low levels of education and skills offered only modest wage gains. Thus, ERA staff often urged participants to consider further education or training, and the program paid for some participants to attend short-term training programs. However, the number of participants who actually enrolled in education or training appears to be fairly small, and while the emphasis on these services seems to have increased over time, for the most part the Chicago program remained strongly focused on the work-based advancement strategies described above.

The Framework of the Chicago ERA Program: Structure, Staffing, and Management

Organizational Structure

The Illinois ERA program was conceived and developed by the Illinois Department of Human Services (DHS), the agency that operates the state's Temporary Assistance for Needy Families (TANF) program.

After deciding on the target group for ERA (see Chapter 1), DHS staff queried the statewide welfare database to identify TANF recipients who had reported full-time employment to the agency for at least six consecutive months. After examining these data, DHS selected ten of its welfare offices in Chicago to participate in the project.[1] For the most part, these were the offices with the largest number of recipients who met the ERA eligibility criteria.

DHS often contracts with outside agencies to deliver employment-related services to TANF recipients, and this strategy was chosen for ERA. In Chicago, DHS contracted with a for-profit company, Employment and Employer Services (E&ES), to administer the ERA program. Established in 1982, E&ES had previous experience delivering job placement services to TANF recipients and other disadvantaged populations, and the company was known for having strong connections with many local employers.

Building on its previous experience operating welfare-to-work programs, E&ES worked with each of the ten participating DHS offices to develop program intake procedures and systems for reporting on the progress of ERA participants. E&ES also worked with some other agencies to deliver specific services to ERA participants, such as tax preparation assistance and short-term skills training.

Individuals in the control group were not referred to the ERA service provider. However, as discussed further below, they may have received some employment-related services, either from DHS staff or from other contracted service providers.

Staffing and Training

E&ES established a relatively simple staffing structure for the Chicago ERA program. A group of staff were selected or hired as ERA Career and Income Advisors (CIAs), who acted as "generic" case managers and handled all aspects of the ERA program, starting with the development of a Career and Income Advancement Plan (CIAP).[2] In addition to working with a caseload of ERA participants, each CIA was also responsible for job development — that is, for identifying job openings with local employers. However, ERA participants also received assistance from other E&ES staff who specialized in job development and served participants in all of the company's programs. Similarly, some ERA clients participated in companywide workshops focusing on employability skills, computer training, or other topics.

[1]Two offices in St. Clair County were also identified. Appendix Table B.2 presents ERA's impacts on employment, public assistance, and income in St. Clair County.

[2]ERA staff were not responsible for welfare eligibility functions. Participants continued to be assigned to a DHS caseworker as long as they remained on public assistance.

For most of the study period, there were seven or eight CIAs assigned to work with ERA participants.[3] Although E&ES operates programs in several locations, for most of the study period, all of the ERA staff were based in the organization's main office in downtown Chicago. Each CIA was assigned to work with clients from one or two of the ten participating DHS offices, which were dispersed around the city. Although CIAs sometimes traveled to meet with participants in other E&ES program locations, in DHS offices, or in such community locations as libraries, they typically did not conduct home visits and only rarely visited participants at their workplaces. Thus, ERA participants generally had to travel downtown for face-to-face meetings with ERA staff. Program managers believed that this was appropriate, because many of the advancement opportunities that were available to participants would also require them to commute to downtown locations.

The CIAs' caseloads grew larger over time. For most of the study period, there was no exit point from ERA. Once a participant was randomly assigned to the ERA group, she was placed in a CIA's caseload and remained there indefinitely, even if she left welfare, lost her job, or lost contact with the program. Because the program was more or less fully staffed from the outset, CIAs' caseloads were quite small initially, when few cases had been randomly assigned. As the number of clients in the ERA group steadily increased, CIAs' caseloads grew correspondingly. By mid-2003, when random assignment ended, most of the CIAs reported that they were responsible for between 100 and 120 cases, with perhaps half that number being active at any one time. At that point, many of the individuals in each CIA's caseload were no longer receiving cash assistance.

The CIAs were trained by E&ES managers and also received training from Cygnet Associates, a firm retained by MDRC. The MDRC-sponsored training focused on how to market ERA services to potential participants, how to develop advancement plans for participants, and how to document the CIA's work with participants.

E&ES uses financial incentives for staff as a management tool. ERA staff were given specific quarterly performance goals and could earn financial bonuses for meeting or exceeding these targets. It was challenging to come up with appropriate goals for ERA, since the population and the focus on advancement were new to E&ES. Initially, the targets were defined somewhat narrowly: Staff needed to help participants raise their hourly wages or increase their work hours to generate at least a 6 percent increase in gross earnings.

[3]For the first few months of program operations, there were about fifteen CIAs assigned to ERA; eight in the main office were fully dedicated to ERA, and seven others were stationed in Workforce Investment Act one-stop centers operated by E&ES. These outstationed staff worked part time with ERA clients. After this initial period, program managers decided to consolidate all ERA participants with the eight fully dedicated staff in the main office.

There was some concern that the initial set of goals did not fully reward the range of advancement-related services that staff were providing to participants — particularly participants who were not immediately ready to change jobs or raise their work hours. Thus, in early 2003, program managers revamped and broadened the system to reward other outcomes. For example, the revised system gave credit for helping participants enroll in education or training, open a bank account, or obtain the Earned Income Tax Credit (EITC).

Examples of ERA service strategies in Chicago are interspersed in boxes throughout the remainder of the chapter; see Box 2.1.

Box 2.1

Examples of ERA Service Strategies in Chicago

MDRC conducted a detailed review of 40 cases in the Employment Retention and Advancement (ERA) program in Chicago in order to understand how the program worked with participants. All the participants whose cases were selected had developed a Career and Income Advancement Plan (CIAP); half were coded by Employment and Employer Services (E&ES) as having advanced in their jobs, and the other half had not advanced.

Some of the 40 cases are summarized in boxes interspersed throughout this chapter. The cases that are described were not selected randomly; rather, they were chosen to illustrate the barriers to advancement that participants encountered and the main strategies that E&ES used to address them. Although not all of these cases are success stories, they all involved substantial contact between the participant and the Career and Income Advisor (CIA). As discussed elsewhere in this chapter, many other sample members did not participate in ERA at all, or they did so only briefly.

Funding

For most of the study period, the Chicago ERA program was well funded. E&ES managers reported that their contract with DHS provided them sufficient resources to staff the program appropriately and to give relatively generous supports to participants (particularly since the number of people who were randomly assigned to the ERA group was smaller than originally projected). As discussed below, the program provided incentive payments to participants who reached certain program milestones, paid for tuition for training programs and uniforms and equipment needed for jobs, provided monthly transit passes to a large proportion of participants, and, on some occasions, used program funds to help participants deal with emergencies, such as imminent evictions, that threatened their ability to stay employed.

This situation changed dramatically in early 2004, when the U.S. Congress voted to rescind unspent funds in the Welfare-to-Work block grant, the source of funds for the Illinois ERA program. The original deadline for spending these funds had been June 30, 2004 — the date when ERA operations were slated to end.

DHS requested a special grant from the U.S. Department of Labor (DOL) to permit the Chicago ERA program to continue operating at a reduced level through June 2004, allowing at least one year of program services for all study participants. (The last random assignments occurred in June 2003.) DOL eventually agreed to provide a grant, but several weeks elapsed between the rescission of funds and the provision of the special grant. E&ES continued operating the program during this period, but managers were forced to reassign most of the staff and to stop issuing most support service payments.

Case 1

At program entry, this participant was providing child care in her home and was earning less than the minimum wage. She spoke Spanish but not English.

The Career and Income Advisor focused on helping the participant find a higher-paying job that did not require English. Cleaning companies and hotel housekeeping positions were identified as the primary targets. The participant was hired by a cleaning company at the wage of $9.10 per hour, although her hours fluctuated. E&ES reimbursed the employer for a portion of the participant's wages during an initial on-the-job training period. At one point, the CIA contacted the participant's supervisor on her behalf, to clarify her employment status (temporary or permanent). The CIA also referred the participant to a counselor at a Spanish-speaking organization, after the participant told the CIA that she was feeling depressed and suicidal. The CIA also helped the participant obtain housing assistance, by contacting outside agencies on her behalf and then connecting her with those contacts.

The CIA had 12 telephone contacts and 4 in-person contacts with this ERA participant over a 10-month period.

Moreover, although the rescission did not officially occur until January 23, 2004, it was widely discussed beginning in the fall of 2003. From that point forward, the substantial uncertainty about the ERA program's future clearly affected staff morale, and program services began to phase out. As a result, individuals who were randomly assigned in the last few months of

the sample intake period received much more limited exposure to the program than those who were assigned earlier.[4]

The Services and Messages of the Chicago ERA Program

Intake, Assessment, and Client Engagement

Each month during the study intake period, DHS staff in the state capital identified all TANF recipients who were served by one of the targeted welfare offices, who met the ERA eligibility criteria (that is, six consecutive months with time-limit clock stopped for full-time work), and who were scheduled for their annual TANF redetermination interview in the upcoming month. Using a computer program developed by MDRC, DHS staff then assigned each eligible client, at random, to either the ERA group or the control group. Lists of both groups' clients were then sent to each participating DHS office, and an ERA group list was sent to E&ES. Individuals were considered part of the study from the point that random assignment took place, even though many ERA group members did not have their first contact with E&ES until six to eight weeks later.

Case 2

At program entry, this participant was teaching infants and toddlers at a child care center and was earning $7.00 per hour. She generally liked her job but wanted to earn more money, and she was nervous about asking the center's director for a raise.

The Career and Income Advisor gave the participant some tips about how to talk to the boss, and they role-played the conversation. The client asked for the raise and got it — to $8.13 per hour. Later, her hourly wage was raised again, to $8.67.

Over a one-year period, the CIA had 8 telephone contacts and 4 in-person contacts with the participant, including a phone contact in the evening and an in-person contact at the participant's workplace.

[4]As noted in Chapter 1, the small number of individuals who were randomly assigned in April, May, and June 2003 — whose exposure to the program was seriously truncated — are not included in this report's analysis. However, it is likely that individuals who were randomly assigned in the months just before April also received a shortened treatment.

The Intake Process

The specific process for enrolling ERA group members into the program varied somewhat, depending on the sample member's DHS office. Most of the offices preferred to have E&ES meet with clients after the redetermination had been completed. That way, the DHS caseworker could notify the client about ERA and could modify the individual's Responsibility and Service Plan (RASP) to require cooperation with E&ES.[5]

Case 3

At program entry, this participant was a homemaker, earning $6.25 per hour, working 30 to 35 hours per week. The participant had severe, visually apparent, dental problems.

The initial goal was to help the participant find a better-paying job in a different industry. After helping the participant prepare a résumé and providing instruction on how to complete job application forms, E&ES referred her to a job opening with a "second-tier" security firm and paid several hundred dollars for fingerprints, initial training, child care during training, and work shoes. The participant was hired, part time, at $7.00 per hour, but she never started the job because she was assaulted and injured and was unable to work. Following the assault, the Career and Income Advisor referred the participant to a social service agency for assistance. The CIA also helped the participant file papers to expunge her own criminal record, and E&ES was considering paying for extensive dental work for the participant.

Later, the participant was referred to and prepared for an interview with a higher-paying security agency, but she failed the drug test at an E&ES screening before the interview. A drug treatment referral was made through DHS, and the participant was screened periodically throughout her time in ERA. The CIA gave the participant some incentive payments as a reward for attending the drug treatment program.

After the failed drug test, the CIA gave the participant several other job leads, but these jobs were generally not with E&ES partner companies. Although the CIA had 18 telephone contacts and 23 in-person contacts with this participant over a period of about one year, the participant never managed to advance.

[5]The RASP outlines the steps a TANF recipient will take to move toward employment and self-sufficiency.

In some cases, E&ES staff would visit the DHS offices to meet clients when they came in for redetermination. Other participants had their first contact with ERA at the main E&ES office rather than at DHS, either before or after redetermination. An initial plan to conduct group orientation sessions at the DHS offices was difficult to implement in practice because clients often did not show up for scheduled redetermination meetings, because redeterminations were sometimes conducted by phone, and because the overall number of random assignments was smaller than expected. Often, the initial contact took place six to eight weeks after the date of random assignment, in part because random assignment occurred in the month before a case was scheduled for redetermination.

Case 4

This participant was unemployed at program entry, having lost a factory job a few months earlier.

The participant was referred to an E&ES partner company (a security firm), completed a 20-hour training course, and was hired at $7.00 per hour for a 30-hour workweek. E&ES paid for initial expenses associated with training. After working for about four weeks, the participant called the Career and Income Advisor and said that she had called in sick and that her supervisor had "sounded upset." The CIA recommended that she get extra sleep, go to work the next day — sick or not sick — and offer to fill in on another site, to mend fences with the supervisor. In subsequent check-ins, the CIA encouraged the participant to talk to the supervisor about opportunities for advancement. Later, the CIA helped the participant address another conflict with the supervisor, by helping her change work sites (which also resulted in a raise).

Shortly thereafter, the CIA learned that the participant had missed several days of work owing to her daughter's asthma, her son's "run-in with the law," and Section 8 housing appointments. The CIA planned to work with the participant on "work survival skills," but the participant was on the verge of losing her job. The CIA had 18 telephone contacts and 10 in-person contacts with this participant over the course of a year.

In any case, the recruitment process usually began with an upbeat letter from E&ES introducing the program, urging the recipient to attend her redetermination (or to come to the E&ES office), and promising a $50 gift certificate for a local grocery store to recipients who began working with ERA. The letter, which focused on the opportunity to increase one's income, also included a $10 McDonald's gift certificate and two single-use transit cards. A copy of one version of this letter is included in Appendix C. The CIA usually followed up this letter with a phone call to the recipient.

The Challenge of Recruitment and Engagement

ERA staff reported that some participants were immediately enthusiastic about what the program had to offer but that many other people in the ERA group were not interested in receiving ERA services. It was difficult both to recruit individuals into the program and, once that was achieved, to maintain their participation over time.

Case 5

At program entry, this participant was working as an in-home child care provider and was earning about $6.00 per hour, full time.

After missing two initial appointments with the Career and Income Advisor, the participant was sanctioned. She come in to meet with the CIA and expressed anger about the sanction. There were no contacts after that for two months, despite weekly attempts by the CIA.

Eventually, the participant engaged with the program and was referred to an E&ES partner company — a hotel — to interview for a housekeeping job. The participant was prepped for the interview and eventually was hired. The CIA spoke to the participant one day after she started work, and the participant reported that she "loved" the job. One week later, she was fired. After attending part of an E&ES job readiness class, the participant was referred to another housekeeping job and was prepped for the interview, but she did not get hired.

Later, the participant began receiving treatment for depression and was temporarily exempted by DHS from participation in the program; she was also diagnosed with anorexia. After the exemption ended, the CIA and the DHS caseworker had a conference call to discuss the next steps, since the participant had reached 56 months of TANF receipt. The participant was then referred for a job at another E&ES partner company (in security) and was prepped for the interview but was rejected because she was "too timid." Later, she was scheduled for two more interviews but did not show up.

The CIA had 18 telephone contacts and 15 in-person contacts with this participant over a period of 18 months of sporadic participation.

As discussed in Chapter 1, DHS knew from the outset that many of the recipients who met the ERA eligibility criteria were not working in the formal economy. In implementing its 30-hour work requirement (and its stop-the-clock policy), DHS did not require recipients to be in any particular kind of job or to earn above the minimum wage. Recipients could document their employment by providing a pay stub or a letter from an employer. Although there is no way to know whether inaccurate reporting was prevalent, the stop-the-clock policy created a

strong incentive for recipients to report full-time work at very low pay (thereby stopping the time-limit clock without substantially reducing the size of the family's TANF grant).

Case 6

At program entry, this participant was a licensed in-home child care provider, caring for two children at $20.05 per child per day.

The participant enjoyed child care and did not want to change jobs. Thus, the Career and Income Advisor helped the participant create an advertising flier as a strategy for increasing her client base and recommended places to post it (such as churches, schools, the DHS office). E&ES printed the flier, which resulted in the participant's gaining one additional child. Other parents contacted her, but the participant did not take in any additional children because she was forced to move.

The CIA had 5 telephone contacts and 5 in-person contacts with this participant over one year.

As expected, E&ES quickly discovered that many ERA group members were working for cash as babysitters, housecleaners, or in other similar positions and, at least officially, were earning far below the minimum wage. In addition, many appeared to be working near their homes and had flexible hours that allowed them to pick up their children after school or to meet other family responsibilities. E&ES offered access to jobs in the formal labor market, but the idea of commuting to downtown Chicago — an unfamiliar setting — to work in a more rigid, formal work environment was often not appealing, even if the wage would be somewhat higher. Other participants told staff that they had fulfilled the TANF requirement by working 30 hours per week and were not interested in any further services or assistance. Both E&ES and DHS staff reported that a substantial number of individuals who had been assigned to the ERA group asked their DHS caseworker to close their cash assistance case (but keep their Medicaid and food stamp cases open) in order to avoid the requirement to participate in ERA.

Staff repeatedly stated that many potential ERA customers were "comfortable" doing what they were doing and did not necessarily have traditional, middle-class views of what constitutes a "better" job. Thus, they did not necessarily find ERA's "pitch" appealing. In some ways, this is not surprising; potential participants may have understood the labor market well enough to know that that the potential rewards for leaving their "comfort zone" were generally modest. In other words, the jobs available to single mothers who had low skills may not have paid enough to make a major lifestyle change worthwhile. Finally, as discussed further below, some potential participants were simply overwhelmed with personal or family problems that interfered with their ability to participate in ERA.

These characterizations of the ERA population are quite consistent with other recent qualitative studies of welfare recipients — although it is important to reiterate that the ERA sample members are unusual in the sense that many of them have large families. One study, based on in-depth interviews with 92 women on welfare in San Francisco, found that many of the women preferred to work close to their homes and were uncomfortable seeking jobs outside their neighborhood.[6]

Case 7

At program entry, this participant was working as a dietary aide in a nursing home, making $6.30 hour and working about 25 hours per week.

The initial strategy was to obtain a job in a different industry. The participant was referred to several job openings but was not hired. Eventually, the Career and Income Advisor discovered that the participant had a previous felony conviction that she had not disclosed.

The CIA concluded that the participant's criminal history would make it difficult for her to get another job, so the strategy shifted to focus on advancement within the current job. The CIA called the participant's work supervisor and was told that the participant would get a raise if she obtained a sanitation license. E&ES paid several hundred dollars to clear an old debt to the city college system and to pay for tuition and textbooks for the sanitation course, which the participant completed. However, the owner of the nursing home refused to give the participant a raise. The CIA contacted the owner on behalf of the participant, but to no avail.

The CIA had 13 telephone contacts and 10 in-person contacts with the participant over a period of 15 months.

Closer to home, another study interviewed 58 welfare recipients in Chicago and developed a classification scheme based on the respondents' views about work and family.[7] At one end of the spectrum, "strivers" are characterized as determined to move up and leave welfare. These individuals might have benefited from the coaching and support offered by a program like ERA — although they might also have found assistance and support elsewhere if ERA did not exist.

In contrast, "nurturers" prioritized child-rearing over employment and typically had enough support from a spouse or other family member to avoid working. "Reluctant providers" — a group that seems familiar from the ERA discussion above — also preferred to be home

[6]Chapple (2001).
[7]Lewis, Carvalho, and Nelson (2001).

with their children but were forced by economic necessity to work; they did not have the same level of family support as the nurturers. These individuals "choose jobs with schedules that accommodate their family's and children's lives . . . are not interested in a professional career . . . work only when needed and often take part-time jobs with little opportunity for advancement." Another group, also familiar from the ERA experience, are the "disaffected." These individuals are "overwhelmed and unable to cope with the pressure of raising children and making a living . . . health, mental health, and substance abuse problems are common."

Case 8

This participant was not working when she entered the program, having recently lost a job at a fast-food restaurant. She was referred to an E&ES partner company (a security firm) and hired at $8.59 per hour, full time. E&ES paid for work shoes and a uniform, a security license fee, and initial union dues, and also helped the participant expunge her criminal record.

During check-ins, the Career and Income Advisor coached the participant on how to talk to her supervisor about advancement, but it is not clear whether the participant followed through. At one point, the participant's supervisor led her to believe that she would be laid off because the company had lost a major contract. The CIA checked with an E&ES staff person who acted as liaison to the company and found that the rumor was not true. E&ES also assisted with a housing crisis (the participant was evicted when her building was foreclosed), and an E&ES staff person's spouse gave the participant driving lessons. When the case review took place, the participant was still working for the security firm, and her wage had increased slightly, to $9.09 per hour.

The CIA had 19 telephone contacts and 10 in-person contacts with this participant over a period of 15 months.

Marketing ERA

As E&ES staff realized how reluctant many of the potential participants were, they began to develop aggressive marketing and recruitment strategies. If an individual did not respond to the CIA's initial letters and calls (or responded and then later lost touch with the program), the case was eventually handed over to E&ES's phone center for periodic telephone outreach. Later, a staff person was designated to do telemarketing for ERA.

In addition, with advice from the MDRC consultant, E&ES managers continually revised and improved the marketing materials used to recruit participants. By 2003, they had developed a range of colorful flyers and brochures, reminder letters, a monthly newsletter, and

other materials, some of which are included in Appendix C. Wherever possible, the materials focused on the outcomes or benefits of participating in ERA, rather than listing the services that E&ES could provide.

At one point, a special version of the recruitment letter — targeted to reluctant participants — was designed as a "scratch-off" card promising gifts of up to $250 for those recipients who came to the E&ES office (see Appendix C). Later, E&ES made a videotape of an ERA awards ceremony, including testimonials from several successful participants, and mailed it to 300 people as a recruiting tool.

E&ES continued to actively recruit all members of the ERA group until late 2003, when managers finally decided to give up on about 200 completely nonresponsive cases (accounting for about one-fourth of those who had been assigned to the ERA group).

Carrots and Sticks

In addition to aggressive outreach and attractive materials, financial incentives and penalties were used to attract and engage ERA participants.

From the Chicago program's inception, E&ES used financial incentives to promote client engagement. As noted above, the introductory letter included McDonald's gift certificates, and individuals who attended the initial orientation and assessment received a $50 gift certificate to a local grocery store. Incentives ranging from $25 to $125 were provided for achieving specific milestones, such as starting a better job, keeping the job for 90 days, and enrolling in an education or training program. In addition, employed recipients who remained in contact with the program could come to the office to pick up monthly transit passes worth $75. The incentive structure is detailed in Appendix C.

In addition to rewards, there were also penalties for nonparticipation, since — in principle, at least — ERA was a mandatory program. That is, individuals who were assigned to the ERA group were required to participate in the ERA program as long as they continued to receive TANF cash assistance. Illinois, like about 20 other states, uses "gradual full family sanctions" to enforce participation requirements. The first time a recipient fails to comply without good cause, her welfare grant is reduced by 50 percent until she begins to cooperate. After three months of noncompliance, the grant is canceled until the recipient begins to comply. Further instances of noncompliance result in more severe penalties.[8] Staff from a service provider such as E&ES can initiate the enforcement process by sending a "reconciliation letter" informing the

[8]The second instance of noncompliance results in a 50 percent cut in the grant for a minimum of three months, followed by cancellation of the grant. On the third instance, the grant is canceled for at least three months. For more information on the implementation of sanctions in Illinois, see Pavetti et al. (2004).

recipient of the noncompliance and requesting an explanation. If the issue cannot be resolved, a sanction would ultimately be issued by the recipient's DHS caseworker.

ERA presented unique challenges for the enforcement process. It was difficult to come up with a clear definition of "satisfactory participation" for an individual who was already working 30 hours per week, thereby meeting the state's standard work requirement. During the planning process, everyone agreed that a recipient who was assigned to the ERA group needed at least to meet with E&ES to discuss a plan, but there was less agreement about what was required beyond that point (assuming that the participant remained employed), particularly because ERA did not have many formal, scheduled activities. Most program services were delivered through one-on-one conversations between staff and participants.

Even before the program was launched, DHS and E&ES staff understood that the participation requirement would be difficult to enforce. Because they were working full time, many of the ERA group members were receiving relatively small TANF grants (for example, about one-fourth of the sample were receiving less than $100 a month at the time of enrollment), and they might easily decide to forgo that grant if they felt that ERA was not offering anything of value to them. This would not have achieved the program's goal, which focused on helping participants advance in the labor market. Thus, from the Chicago program's inception, E&ES marketed ERA as though it were a voluntary program. Hence, it deployed all the elaborate marketing materials and incentives described above, which ordinarily would not exist in a mandatory program.

MDRC does not have detailed information on how often the DHS enforcement process was invoked to compel individuals to participate in ERA. Although there was some variation across DHS offices, there appears to have been a general trend toward increasing strictness over time. At first, ERA staff were clearly reluctant to invoke the enforcement process; they preferred to send a positive, upbeat message. However, over time, there seems to have been greater willingness to send reconciliation letters and, eventually, to request sanctions — particularly if clients failed to respond at all. This may have resulted in part from pressure exerted by the DHS offices, which insisted that E&ES seek to engage ERA group members, particularly those whose work hours had fallen below 30 per week and those who were approaching the 60-month time limit on TANF benefits.

By mid-2003, ERA staff were conducting a monthly "staffing" in each of the 10 participating DHS offices. During these meetings, E&ES and DHS staff would review each ERA case still receiving assistance to ensure that the individual was actively participating and was receiving appropriate services. In advance of these monthly meetings, E&ES staff were required to provide extensive documentation for each case.

In considering the role of the TANF enforcement process, it is critical to note that a large proportion of the ERA group left TANF fairly quickly after random assignment. As discussed in

Chapter 3, one year after random assignment, only a little over one-third of the ERA group continued to receive cash assistance. Thus, while the TANF enforcement process may have been useful in the initial recruitment process, it played less of a role in promoting ongoing engagement.

Assessment and Career Planning

Despite the difficulties discussed above, a large proportion of the ERA group had at least some contact with the program (discussed further below). After an orientation (either at a DHS office or at E&ES's office), participants usually came to the E&ES main office to begin their formal participation. They began by taking the Tests of Adult Basic Education (TABE), filling out some obligatory paperwork for the welfare and workforce systems, and providing basic information about their educational and employment histories. However, the key goal of the initial meeting (sometimes more than one meeting) was to complete a Career and Income Advancement Plan (CIAP).

The CIAP followed a standard format, which was revised several times as staff and managers gained more experience. The final version, included in Appendix C, was a simple, positive-sounding form that gathered information about the participant's current job and then asked, "What Do I Want to Change?" After outlining the participant's strengths and skills, the plan asked, "How Will I Accomplish This?" The plan itself was divided into short-term and long-term goals, and then it listed the barriers to achieving those goals and the resources available to help overcome the barriers. The plan was intended to evolve over time as the participant made progress or refined her goals. Staff emphasized the importance of developing clear, short-term steps that could be accomplished before the next meeting with the participant, thereby creating a sense of momentum.

Just as it was difficult to engage participants, CIAs also reported that it was often challenging to persuade participants to consider advancement. Many participants had never thought of themselves as being on a career track, and so they had very limited horizons. Others had significant personal and family problems that acted as barriers to advancement. Staff spent a substantial amount of time and effort trying to motivate participants and persuade them that undesirable aspects of their life could possibly be changed. The ERA program developed a number of handouts targeted to specific types of participants — for example, one showing an airplane taking off with the slogan "Sometimes Moving Up Means Changing Jobs" and another entitled "Turn Your Job Into A Higher Paying Job" that gave several examples of advancement paths, such as child care provider to teacher's aide and home health aide to certified nursing assistant. Several examples are included in Appendix C. Some staff used standardized career exploration tools, but these were not routine or required.

Rates of Initial Engagement

E&ES tracked the participation of ERA clients in a special database. According to those data, 78 percent of ERA group members in Chicago ever had a face-to-face contact with E&ES staff. A slightly smaller number, 72 percent, ever completed a Career and Income Advancement Plan (CIAP). Thus, overall, ERA "touched" a large proportion of the ERA group, although — as discussed below — there was great variation in the extent to which individual clients participated in program services for lengthy periods.

In addition, many sample members did not complete the initial steps until several months after random assignment. This is partly attributable to the scheduling issue described above (initial ERA appointments often were not scheduled until six to eight weeks after random assignment) and partly related to the frequency of missed appointments. For example, among individuals randomly assigned in September 2002, 84 percent eventually completed a CIAP. However, the percentage completing a CIAP was only 65 percent among individuals randomly assigned in November and 69 percent among individuals randomly assigned in December 2002.

Finally, it is important to note that sample members who were assigned to the ERA group early in the sample intake period were more likely to have contact with the program. This is illustrated in Figure 2.1, which shows the percentage of the ERA group who completed an ERA assessment, by month of random assignment. ERA managers speculated that rates of contact may have been higher for the early enrollees because CIAs' caseloads were smallest at that point. With few ongoing participants to work with, staff could spend more time reaching out to new potential clients.

ERA Retention and Advancement Services

The goal of ERA's unusual targeting strategy was to identify a group of individuals who had proved their ability to work steadily. It was assumed that, for this group, employment retention would not be a significant problem and that the program could immediately start focusing on advancement.

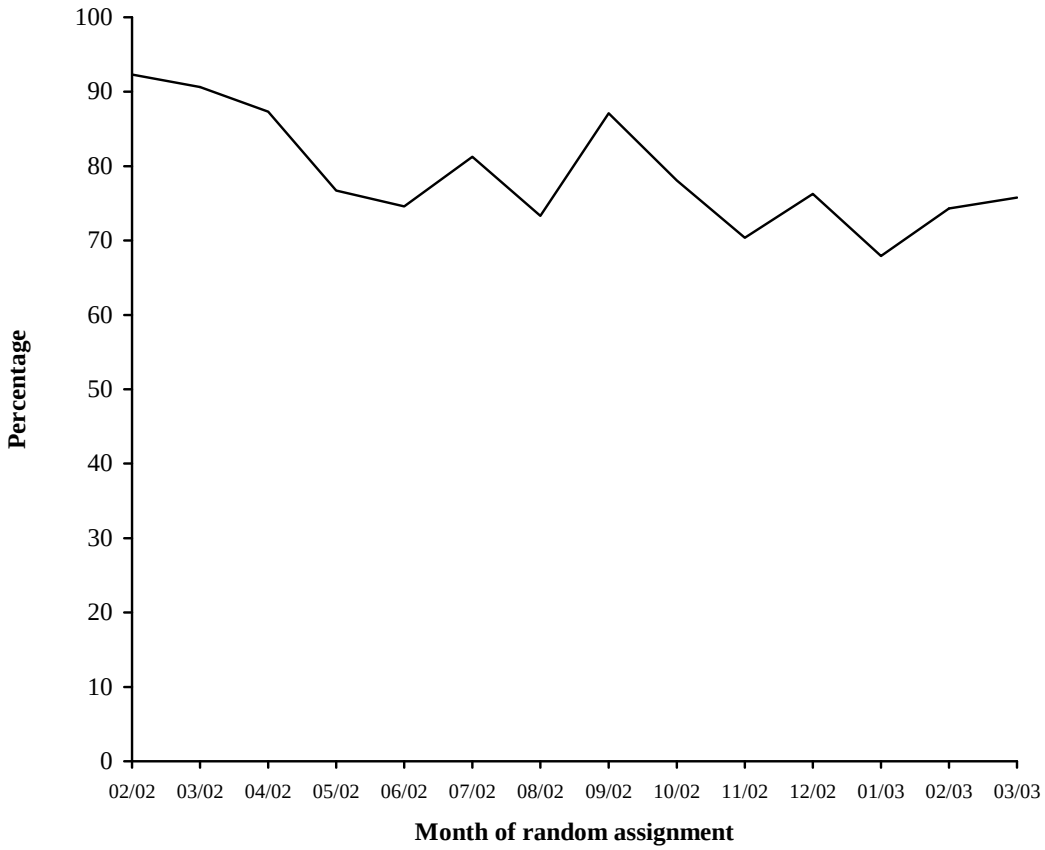
In fact, it appears that the ERA population in Chicago was substantially more disadvantaged than many had anticipated. As discussed further below, a significant number of ERA group members were, in fact, not working by the time they entered the program. Many others were working sporadically or seemed tenuously connected to the labor market, and they faced serious personal or family challenges. Even those who were working steadily were often reluctant to consider changing jobs. Some staff speculated that, in the context of a dramatic decline in the TANF rolls, individuals who choose to remain on welfare after going to work may have serious problems or may find change particularly threatening. Thus, in many cases, staff had to struggle to shift the focus to advancement.

The Employment Retention and Advancement Project

Figure 2.1

Percentage of the ERA Group Who Completed an ERA Assessment, by Month of Random Assignment

Chicago



SOURCES: MDRC calculations from ERA program records.

In addition, CIAs faced an ongoing challenge trying to keep participants engaged in the program over time. On paper, E&ES did not stop working with people after they had advanced once, and, as described above, the program did not give up on people who were not responding. Thus, the case files describe a constant battle to stay in touch with participants and to persuade them to keep appointments. Aside from the incentives described above, the program used other methods, such as regularly scheduled dinners — either award ceremonies or welcome dinners for new enrollees — to try to keep people engaged.

Work-Based Advancement

ERA services were highly individualized, so there was no "typical" sequence of activities. In general, when clients started off in a job that they liked and that offered some possibility of advancement, the CIA began by discussing what would be required to obtain a promotion, a raise, or additional work hours. In those situations, the CIA might coach the client about how to talk to the job supervisor about advancement. In some cases, the CIA would contact the participant's supervisor directly.

ERA staff reported that increases in work hours or hourly wages were much more common than promotions. Relatively few jobs offered the possibility of promotion, and those that did typically would require the participant to become a supervisor, which was not of interest to many ERA participants. Staff also noted that, in many jobs, the only way to obtain a substantial raise is to work an evening or night shift, which can create insurmountable child care problems for a single mother. In a few cases, when individuals were providing in-home child care and refused to consider changing jobs, the CIA helped the participant try to recruit additional children to care for.

If the client's current job offered no possibility of advancement, the CIA would typically start talking to the client about changing jobs. Staff reported that this situation was quite common, since many ERA clients were working in informal jobs like babysitting or housecleaning that offered no career path. If the participant was willing to consider changing jobs, the CIA would typically identify appropriate job openings in companies that E&ES worked with that paid at least somewhat more than the participant's current position (or that offered more hours or better benefits). The CIA would help the participant develop a résumé and cover letter, would schedule the interview, and would prepare the participant for the interview. E&ES's close relationships with employers were quite helpful in this process; for example, staff often knew in advance what kinds of questions would be asked in interviews, could easily work out scheduling or logistical issues with the employer, and could quickly follow up and get feedback after an interview took place.

ERA staff also offered other assistance that could facilitate job placement. For example, E&ES would sometimes administer drug tests in its office, allowing staff to identify in advance

those participants who would not be able to pass an employer's drug screening. This was helpful in several respects: The participant could be referred for appropriate help; the employer would avoid wasting time; and E&ES would not jeopardize its reputation by sending an unqualified job applicant to a valued customer. ERA also had funds available to pay for the substantial expenses that are often incurred by new employees — such as fees for uniforms, equipment, and training. In some of the cases described in the boxes throughout this chapter, such expenses totaled several hundred dollars.

MDRC researchers observed that it was not always possible to tailor the job development services to an individual participant. For example, E&ES had strong linkages with firms in the fast-growing security industry. Thus, many ERA participants were referred to jobs in those firms even if they did not initially express strong interest in the security field.

The Role of Education and Training

In its previous welfare-to-work programs, E&ES focused strongly on moving participants into jobs quickly, using its extensive network of employer contacts. This approach was consistent with the "work-first" emphasis of the TANF program in Illinois (and in most other states as well).

In the early months of ERA's implementation in Chicago, the program seemed to adapt the work-first focus to a postemployment context. The goal was usually to move participants as quickly as possible into a new job paying somewhat more than their current job.

Over time, the program's focus seemed to broaden, including a somewhat stronger emphasis on education and training. In an interview with MDRC staff, one program manager noted that it was often possible to get participants a modest raise by helping them move from an off-the-books job to an entry-level job in a growing field like security or health care but that more substantial advancement would usually require some education or training.

MDRC's review of program case files found that staff frequently discussed education and training with participants but that there were relatively few instances in which participants actually enrolled in programs; completions were rarer still. Staff reported that it was very difficult to persuade single mothers working full time to spend additional time in the evening or weekends going to school or training. This would have been a particular challenge for the ERA population, 70 percent of whom had three children or more.

When ERA participants did obtain training, it was usually in short-term programs like the three-month course to become a certified nursing assistant or even shorter programs like the 20-hour course to obtain an Illinois Permanent Employee Registration Card, which is needed to

work in the security industry. Program records show that about 50 participants completed such programs, with ERA frequently covering the tuition.

Working with Unemployed Participants

A substantial number of ERA participants in Chicago were not employed when they started the program. These individuals might have lost a job after they were identified in the DHS monthly selection process but before they met with E&ES, or they might have stopped working before random assignment but failed to report this immediately to their caseworker.[9] Many other participants lost their jobs at some point after they become involved with ERA — including many who lost jobs after they had advanced in them.

For the most part, services for participants who were not working were similar to the job placement assistance provided to those who were seeking to switch jobs (discussed above). However, participants who were not working — particularly those who were receiving TANF benefits — were often assigned to job readiness or life skills workshops run by E&ES, since they needed to fulfill the TANF requirement to remain active for at least 30 hours per week. The workshops covered such topics as "empowerment," how to prepare a résumé, how to complete job application forms, how to interview for a job, dressing appropriately, getting along with supervisors and coworkers, and time management.

Employment Retention Services

ERA staff in Chicago spent much more time than anticipated dealing with basic employment retention issues. Staff were given cell phones and were available at any time to help participants deal with crises.

Program case files detail a range of very serious personal and family problems faced by the ERA population and describe the intensive efforts by CIAs to address such issues. A detailed review of 40 cases uncovered at least four participants who had felony convictions that barred them from specific occupations;[10] a participant who was injured in an assault and ended up homeless while in the program; several participants whose children had serious physical or mental health problems; a participant who was evicted from her apartment with only seven days' notice; a participant whose son was assaulted and severely injured, causing her to miss a substantial amount of work; a participant who reported that she was depressed and suicidal; several participants who

[9]Consider a hypothetical participant who lost a job in February but did not immediately report this to her caseworker. She was then selected for ERA in April, since the welfare computer system still showed her employed and she was scheduled for redetermination in May. When she first met with ERA in June, she had been out of work for four months.

[10]A study in 2003 found that 36 percent of Illinois TANF recipients had been arrested during the prior six years (Kirby, Fraker, Pavetti, and Kovac, 2003).

repeatedly failed drug tests; a participant who had a heart attack while in the program; and a participant who was caring for 10 children. (In several of these cases, the DHS caseworker granted the participant a temporary exemption from TANF work requirements.)

The case files show a number of examples in which CIAs referred participants to outside social service agencies for assistance with the kinds of problems described above. DHS offices also had access to many social services, so E&ES staff sometimes conferred with DHS caseworkers or recommended that participants do so. On a few occasions, E&ES provided participants with financial assistance to deal with an emergency, such as an imminent eviction. As noted earlier, E&ES also provided employed participants with monthly transit passes if they came to the office to pick them up; the passes (worth $75 per month) both facilitated job retention and helped ERA staff stay in touch with clients over time.

As might be expected, one critical job retention issue is related to child care. ERA staff in Chicago did not handle child care directly — a statewide resource and referral network is contracted by DHS to help parents locate care and arrange subsidies. However, staff reported that they often spent time helping participants strategize how to handle child care problems or filling out paperwork to obtain subsidies.

Other Services

ERA provided a range of other services to support and supplement the direct retention and advancement services described above. For example, E&ES worked with a community-based organization to develop a free tax-preparation program that was designed to encourage employed participants to take advantage of the federal earned income tax credit (EITC). There was also a program to help participants open checking accounts; E&ES provided funds to meet the minimum balance requirement.

E&ES also operates a resource room that houses a number of personal computers with software teaching Microsoft Office products, helping participants clarify their career interests, and allowing participants to study for the General Educational Development (GED) exam.

How ERA Staff Spent Their Time

MDRC administered a time study in all the ERA sites to better understand the practices of program case managers. The study captured detailed information on the nature of ERA staff-client interactions and on the topics covered in these interactions. It also collected information on how ERA case managers typically spent their time each day. In Illinois, the time study was completed by all six of the ERA Career and Income Advisors (CIAs) who were on board during a two-week period in October 2003.

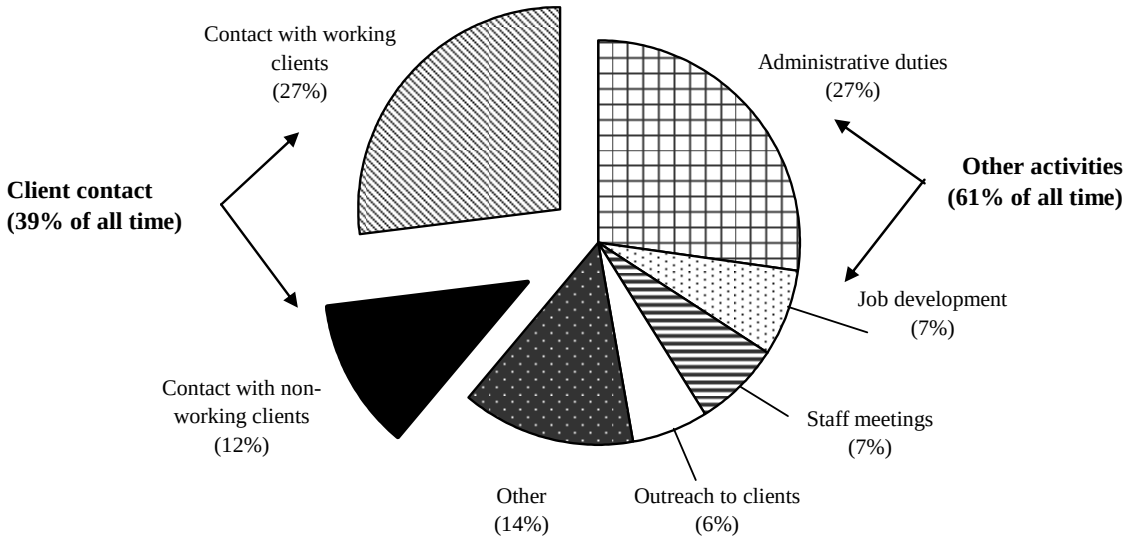
Figure 2.2 shows that CIAs spent just under 40 percent of their time in direct contact with ERA participants. This is a higher percentage of time than case managers spent in most of the other ERA sites. It is also important to note that much of the time not spent in direct contact with participants was still productive. For example, Chicago's staff spent time on job development and outreach to reluctant participants, and 27 percent of their time — a figure that is typical across the ERA sites — was spent on administrative duties, such as writing up case notes.

The Employment Retention and Advancement Project

Figure 2.2

Summary of How ERA Case Managers Typically Spend Their Time

Chicago



SOURCE: MDRC calculations from the ERA time study.

As expected, the majority of the contact time was spent with employed participants. As shown in Appendix Table D.1, on average, each CIA had contact with about seven participants per day, and each contact lasted about 23 minutes. Appendix Table D.2 shows that about 40 percent of the contacts were in-person — typically in the program office — while the rest were mostly by phone. About half the contacts were initiated by the CIA.

Appendix Table D.3 provides detailed information on the topics that were covered during the contacts with participants. As expected, more than half the in-person contacts included

some discussion of reemployment. About 40 percent of the in-person contacts included discussion of supportive services; this probably reflects the fact that ERA participants needed to come to the office to pick up monthly transit cards. Discussion of career goals and advancement was also a common tropic, coming up in a third of the in-person contacts. Initial engagement was not a common topic, probably because the time study was administered several months after random assignment took place for the last study participants.

Services for the Control Group in Chicago

MDRC interviewed managers and caseworkers in four of the DHS offices that served the largest number of ERA participants (and, consequently, also served the largest number of control group members). Detailed data on participation in employment activities were not collected for the control group — except via the ERA 12-Month Survey (discussed in Chapter 3).

Staff in all four of the Chicago offices reported that caseworkers paid close attention to the TANF recipients in their caseload and contacted them frequently. Most DHS staff reported that there was not much difference between ERA and the control group environment for recipients who were not working. All four offices reported that recipients who lost jobs were called into the office and were connected fairly quickly with either group job clubs or individual job placement assistance. Sometimes these services were provided by DHS staff directly, and sometimes they were provided by outside vendors like E&ES.

Although this is largely the same process that E&ES followed with ERA group members who lost jobs, it is possible that ERA staff were likely to find out about job loss more quickly than their DHS counterparts. Perhaps more important, E&ES continued to serve participants who had left cash assistance. In contrast, a control group member who left cash assistance and then lost a job would have had to return to welfare in order to receive group or individual job placement assistance through DHS. This is an important distinction, because a large proportion of sample members in both groups left cash assistance soon after random assignment.

The distinction between ERA and the control group environment was harder to define for individuals who remained employed close to full time. Some of the DHS offices reported that they worked aggressively with employed recipients, contacting them frequently and urging them to seek additional work hours or new, higher-paying jobs. In fact, in one office, staff asserted that DHS caseworkers had more frequent contact with employed control group members than E&ES CIAs had with employed ERA group members. In contrast, other offices reported that recipients working more than 30 hours per week were a low priority and were not contacted regularly.

In any case, it is clear that the DHS offices did not provide the kinds of incentives that ERA offered to participants, and they also did not have access to E&ES's large number of employer partners. In addition, as emphasized above, it is important to note that E&ES did not draw a distinction between participants who received cash assistance and those who did not.

Chapter 3

Early Impacts of the Chicago ERA Program

This chapter discusses the estimated impacts, or "effects," that the Chicago Employment Retention and Advancement (ERA) program had on participation in services, employment and earnings, public assistance, and total income. The impacts are measured as the difference between the average outcomes of ERA group members and the average outcomes of control group members. Because sample members were randomly assigned either to the ERA group or to the control group, differences between the two groups that are statistically significant can confidently be attributed to the ERA program.[1]

Early Impacts on Participation and Service Receipt

This section describes participation in the Chicago ERA program and other, similar services. It primarily focuses on the differences between the experiences of individuals in the ERA group and those in the control group, using data from the ERA 12-Month Survey. Examining these differences is central to understanding the impacts of the ERA program on retention and advancement outcomes. As noted in Chapter 2, control group members were not able to receive services from the ERA program but were able to receive standard services from the Illinois Department of Human Services (DHS), as well as services from other programs and agencies in the area. The control group members also could receive Temporary Assistance for Needy Families (TANF), food stamps, and Medicaid, and they could engage in education, training, or other employment-related activities that were available in the community.

- **Compared with control group members, ERA group members were more likely to have had contact with case managers, to have received help with job preparation or job retention and advancement, and to have participated in employment-related activities.**

As Table 3.1 shows, 61 percent of the ERA group reported that they had had contact with a case manager or employment program since they entered the study, compared with 31

[1]The impacts are estimated using linear regression, which controls for a range of background characteristics. Statistical significance is used to assess the likelihood that an ineffective program would have generated effects of a given size. The impact analysis for ERA utilizes two-tailed t-tests to measure statistical significance. In the results of this report, an effect is statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated impact could have stemmed from a program that had no real effect. Statistical significance is also presented at the 5 percent level and at the 1 percent level. Unless noted otherwise, all impacts — or "increases" or "decreases" — are statistically significant.

The Employment Retention and Advancement Project

Table 3.1

Impacts on Participation and Service Receipt

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Impacts on contacts with program staff				
Any contacts with case manager/employment program since random assignment[a] (%)	61.1	31.2	30.0 ***	0.00
Average number of contacts with staff/case manager	9.9	2.8	7.1 ***	0.00
In person	4.2	1.5	2.8 ***	0.00
By telephone	5.6	1.3	4.3 ***	0.00
Talked with staff/case manager in past 4 weeks (%)	25.9	9.5	16.4 ***	0.00
Ever met with staff/case manager (%)	51.7	23.2	28.5 ***	0.00
At home	0.3	1.4	-1.1	0.14
At workplace	1.9	1.1	0.8	0.46
At staff/case manager's office	49.8	22.5	27.4 ***	0.00
At school/training program	15.2	4.3	10.9 ***	0.00
At other places	5.8	0.8	5.0 ***	0.00
Staff/case manager talked with respondent's employer (%)				
Never	83.8	95.0	-11.2 ***	0.00
Once or twice	7.2	3.1	4.1 **	0.03
More than twice	5.1	1.2	3.9 ***	0.01
Don't know	3.9	0.7	3.3 ***	0.01
Impacts on areas in which respondent received help (%)				
Received help with support services	39.8	35.7	4.0	0.30
Finding or paying for child care	27.8	32.2	-4.5	0.23
Finding or paying for transportation	22.9	12.3	10.6 ***	0.00
Received help with basic needs[b]	32.0	34.2	-2.2	0.57
Received help with public benefits[c]	48.1	54.8	-6.7	0.11
Received help with job preparation	38.0	18.0	20.0 ***	0.00
Enrolling in job readiness or training	24.1	10.7	13.4 ***	0.00
Looking for a job	32.5	10.1	22.4 ***	0.00
Finding clothes, tools, or supplies for work	13.5	7.1	6.5 **	0.01
Received help with retention/advancement	37.0	12.7	24.3 ***	0.00
Finding a better job while working	28.0	5.2	22.8 ***	0.00
Other activities while working[d]	13.7	2.4	11.4 ***	0.00
Career assessment	21.5	6.9	14.7 ***	0.00
Dealing with problems on the job	8.7	4.6	4.1 **	0.05
Addressing a personal problem that makes it hard to keep a job	7.1	1.8	5.2 ***	0.00

(continued)

Table 3.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Impacts on participation in job search, education, training, and other activities				
Ever participated in any activity[e] (%)	64.0	47.7	16.2 ***	0.00
Participated in a job search activity (%)	56.4	35.8	20.6 ***	0.00
Group job search/job club	43.6	18.7	24.8 ***	0.00
Individual job search	43.4	28.5	14.9 ***	0.00
Participated in an education/training activity (%)	23.2	25.0	-1.8	0.60
ABE/GED	12.3	13.9	-1.6	0.57
ESL	1.7	0.7	1.0	0.27
College courses	6.5	6.5	0.0	1.00
Vocational training	4.5	8.0	-3.5 *	0.07
Participated in unpaid work/subsidized employment (%)	6.9	7.5	-0.7	0.76
Ever participated in an employment or education activity while working (%)	35.0	24.6	10.4 ***	0.01
Average number of weeks participating in:				
Job search activities	3.9	3.4	0.5	0.51
Education/training activities	2.9	3.3	-0.5	0.50
Unpaid work/subsidized employment	1.2	1.1	0.1	0.87
Sample size (total = 598)	306	292		

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix J.

[a]This measure includes respondents who said that they had experiences with programs or organizations that help people find or keep jobs and/or have had any contact with a case manager or a staff person from an employment, welfare, or other agency since random assignment. However, the remaining questions regarding number and location of contacts were asked only of respondents who said they had contact with a case manager. Therefore, there are some respondents who reported having experiences with organizations that helped them keep or find a job but who were not asked about the number and location of contacts.

[b]"Basic needs" includes housing problems, access to medical treatment, and financial emergency.

[c]"Public benefits" includes Medicaid and food stamps.

[d]This measure includes such other activities as life skills and child development classes.

[e]"Any activity" includes job search activities, education/training activities, life skills, and other types of activities.

percent of the control group. This difference, or impact, of 30 percentage points is statistically significant, as is indicated by the asterisks. (Appendix H explains how to read the impact tables in the ERA evaluation.) Among the ERA group respondents who reported any contact with a case manager or program staff, program records show that about 80 percent developed a Career and Income Advancement Plan (CIAP), as described in Chapter 2 (result not shown in table). Compared with control group members, ERA group members were much more likely to have

met in person with staff or case managers, and most meetings took place at the staff/case manager's office. A higher proportion of ERA group members than control group members reported that their staff person or case manager ever talked with their employer, but, even among the ERA group, this happened infrequently.

In addition to experiencing increased contact with program staff, ERA group members were more likely to receive help in areas that were central to Chicago's ERA intervention. The rows of Table 3.1 that begin with "Received help with retention/advancement" show that 37 percent of the ERA group reported receiving help keeping a job or advancing to a better job, compared with 13 percent of the control group. Increases in receiving such help encompassed assistance with finding a better job while working, career assessment, dealing with problems on the job, enrolling in classes while working, and addressing personal problems that made it hard to keep a job. ERA group members also were more likely to receive help in other areas — notably, help with job preparation and with finding or paying for transportation.

Compared with control group members, ERA group members also were more likely to participate in employment-related services — most notably, job search activities. In the year following random assignment, approximately 64 percent of the ERA group (compared with about 48 percent of the control group) reported that they had participated in job search, education or training, or other types of employment-related activities. Differences in activity participation, however, were driven almost exclusively by differences in involvement in group and individual job search, rather than by differences in education or training activities. In addition, ERA group members were more likely to have participated in employment- or education-related activities while working. Box 3.1 presents more information on the participation measures used in this report.

Early Impacts on Employment Retention and Advancement

As discussed in Chapter 2, the ERA program in Chicago was well implemented and appears to be a fair test of one model of advancement and retention services. However, the success of a "supply-side" program[2] like ERA also depends on the availability of better jobs that match this population's skills and that are consistent with the population's child care requirements. Even if the ERA program is perfectly implemented, it will not make any difference if better jobs that suit this population are not available. This section discusses whether ERA has had an effect on employment retention and advancement outcomes.

[2]Supply-side programs focus on improving workers' skills, job search, or incentives. Demand-side programs focus on the employers' aspects of the labor market.

Box 3.1

Measuring Participation in ERA

In order to interpret the results of a random assignment evaluation, it is critical to understand the "dose" of services that each research group receives. In many studies, this is relatively straightforward because the "treatment" is easy to measure (for example, the number of hours of training or the dollar value of incentive payments). In contrast, in many of the ERA programs, including Chicago's, services were delivered mostly in one-on-one interactions, during which staff advised, coached, or counseled participants. This type of service is somewhat difficult to measure, and it is possible that the overall participation levels may be over- or underestimated. There is, however, no reason to believe that Table 3.1 does not accurately reflect the program's *impact* on service receipt, because data were collected in the same way for both the ERA group and the control group. Survey questions cannot refer to the ERA program in particular but, instead, must ask in general about the kinds of services that ERA provided.

MDRC sought to measure service receipt in three main ways (shown in Table 3.1), using the ERA 12-Month Survey. Each approach has both strengths and limitations, and each contributes to the overall analysis:

- First, the survey asked how frequently respondents had had contact with staff members from employment or social service agencies and where these contacts took place. These questions are more central to the ERA programs, but it is somewhat difficult to determine which types of staff respondents were referring to. For example, contact with a worker who determines food stamp eligibility is likely to be quite different from contact with an ERA case manager. Moreover, it may be difficult for respondents to recall the number of such contacts over a one-year period. Still, while the overall levels may be inaccurate, the estimated *impacts* on this measure are reliable, since respondents' perceptions and recall should be the same for members of both research groups.

- Second, the survey asked whether respondents received assistance in a variety of specific areas, some of which — such as "finding a better job while working" — are central to ERA. These questions are fairly straightforward, but they do not provide any information about the *amount* of service that was received in each area.

- Third, the survey asked whether respondents participated in "traditional" employment-related services such as job search workshops and training classes, and how many weeks they participated. These services are relatively easy to measure, but they are not the heart of most ERA programs, including Chicago's.

- **Analysis of unemployment insurance (UI) earnings records shows that ERA modestly increased employment during the first two years of the study period; this effect was somewhat larger in Year 2 than in Year 1. It appears that the program both moved sample members from informal to formal jobs and helped some individuals who lost work find jobs.**

Table 3.2 summarizes ERA's impacts on measures of UI-covered employment, public assistance receipt, and total income over the first two years following each sample member's entry into the study. These results are based only on DHS records and UI earnings data.[3] In Year 1, only about 66 percent of control group members worked in jobs covered by UI records. This percentage is rather low, given that all sample members were reporting employment when they entered the study. However, fieldwork suggests that many were working in non-UI-covered jobs. It is also possible that some were not working as of random assignment.[4]

In Year 1, ERA increased the percentage of ERA group members who were ever employed in a UI-covered job by nearly 4 percentage points over the control group's average of 66 percent. The increase in employment is most likely related to the fact that UI records do not cover all jobs, and ERA increased the percentage of sample members who moved from informal employment to formal, UI-covered employment. This impact might also reflect the movement from no employment to UI-covered employment. ERA also increased other measures of employment in Year 1, such as the percentage employed who had earnings over $10,000. While ERA had no effect on total earnings in Year 1, nearly 31 percent of ERA group members had earnings above $10,000. This was more than 3 percentage points higher than the control group's average of 27 percent.

In Year 2, ERA also generated increases in employment. Table 3.2 suggests that, in the absence of ERA, individuals would have lost employment more quickly. Among control group members, both the average quarterly employment rate and the percentage employed dropped by nearly 5 percentage points from Year 1 to Year 2. However, ERA kept employment rates from

[3]UI earnings data miss wages not reported to the UI system in Illinois. These include "off-the-books" jobs, some agricultural jobs, self-employment, and federal government jobs. Also, UI records usually do not measure job characteristics.

[4]TANF recipients were identified for ERA and were randomly assigned before their redetermination meeting with their caseworker, based on their reported earnings over the prior six months. It is possible that some recipients were, in fact, not working at the time of random assignment but had not yet reported their job loss (they may have reported it when they met with their caseworker for redetermination, but they were already in the sample by then). Other sample members could have lost their job after random assignment but before they started working with Employment and Employer Services (E&ES), since there was a significant lag between random assignment and the first contact with a participant. In fact, responses to the ERA 12-Month Survey (discussed later in the chapter) suggest that 16 percent of the sample did not work in any job (including jobs not covered by the UI system) since the time of random assignment. While this may partly reflect recall error, it does suggest that not all sample members were employed at the time of random assignment.

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Table 3.2

Impacts on UI-Covered Employment, Public Assistance, and Measured Income

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Years 1-2				
Income ($)				
Earnings	12,866	12,122	744	0.13
Amount of TANF received	1,909	2,430	-521 ***	0.00
Amount of food stamps received	8,171	7,974	197	0.17
Total measured income[a]	22,946	22,527	420	0.39
Employment (%)				
Ever employed	73.8	71.1	2.7	0.11
Average quarterly employment[b]	56.4	52.7	3.7 **	0.01
Employed 4 consecutive quarters	55.0	51.1	3.9 *	0.05
Employed with yearly earnings over $10,000[c]	38.8	35.9	2.8	0.16
Year 1				
Income ($)				
Earnings	6,270	6,090	179	0.45
Amount of TANF received	1,307	1,586	-279 ***	0.00
Amount of food stamps received	4,066	4,041	25	0.71
Total measured income[a]	11,643	11,717	-74	0.75
Employment (%)				
Ever employed	69.6	65.9	3.8 **	0.02
Average quarterly employment[b]	57.8	55.2	2.6 *	0.07
Employed 4 consecutive quarters	45.5	43.5	2.0	0.29
Earned over $10,000	30.8	27.3	3.4 *	0.06
Year 2				
Income ($)				
Earnings	6,596	6,032	564 *	0.07
Amount of TANF received	602	844	-242 ***	0.00
Amount of food stamps received	4,105	3,933	172 *	0.07
Total measured income[b]	11,303	10,809	494	0.10
Employment (%)				
Ever employed	65.1	61.0	4.1 **	0.04
Average quarterly employment[b]	55.1	50.3	4.8 ***	0.01
Employed 4 consecutive quarters	43.5	38.5	5.0 **	0.02
Earned over $10,000	30.6	29.0	1.6	0.43
Sample size (total = 1,615)	800	815		

(continued)

Table 3.2 (continued)

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

[a]This measure represents the sum of UI earnings, TANF, and food stamps for the ERA group.

[b]The average quarterly employment measure was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed.

[c]This measure indicates whether sample members earned over $10,000 in either Year 1 or Year 2.

dropping as quickly. Further analysis, found in Appendix Tables B.10 and B.11, indicates that ERA group members were more likely than control group members to be reemployed during Year 2. This was especially the case among sample members who entered the program after already having obtained UI-covered employment.

In Year 2, ERA increased the earnings of ERA group members by more than $500 over the control group's average of $6,032. Most of the earnings impact was caused by an increase in the proportion who became employed, rather than by increases in earnings among those who were already employed. Though the impacts on employment retention and earnings were stronger in Year 2 than in Year 1, Appendix Table B.1 shows that these increases were no longer statistically significant by the last quarter of Year 2. It is too early to tell whether this signals the beginning of a long-term weakening of the impacts.

ERA also increased two important measures of employment retention over the two-year period.[5] The ERA group was somewhat more likely than the control group (56 percent versus 53 percent) to work in a UI-covered job in a typical quarter during the two-year period. ERA group members were also more likely than the control group (55 percent versus 51 percent) to be employed in four consecutive quarters. Most of the new employment that was generated by ERA can be considered "stable employment:" ERA increased the proportion of sample members who had never had a quarter of unemployment since they had started working — by 4 percentage points above the control group's average of 37 percent (Appendix Table B.11).

- **The impacts of ERA on UI-covered employment and earnings were somewhat stronger among those who entered the program with no recent employment in UI-covered jobs. This subgroup analysis provides**

[5]Appendix G fully describes the employment-related measures used in this report.

further evidence that ERA increased the movement from the informal to the formal job market.

A subgroup analysis examined the effectiveness of ERA among the 902 sample members who worked in UI-covered jobs during the two quarters prior to entering the study (the "UI-covered" subgroup) and the 713 sample members who were not working in jobs covered by the UI system (the "informal employment" subgroup). Figure 3.1 shows that ERA produced larger increases in average quarterly employment among the informal employment subgroup, among whom ERA group members were 5.8 percentage points more likely than control group members to work in a UI-covered job in a typical quarter. (The estimated effect of ERA on average quarterly employment for the UI-covered subgroup is not statistically significant.) Among the informal employment subgroup, impacts on total earnings are quite large: ERA increased earnings by $1,315, or 33 percent, above the control group's average.[6] (The estimated effect of ERA on total earnings for the UI-covered subgroup is not statistically significant.) Because all sample members had to have reported employment to DHS during the six-month period prior to random assignment — in order to have been eligible for the study — this pattern suggests that ERA helped some members of the informal employment subgroup move into UI-covered jobs. Further evidence on this point comes from the 12-month survey, which is discussed below.

- **ERA had no effect on various measures of overall employment, as measured by the ERA 12-Month Survey (which, unlike UI records, covers all jobs). ERA group members, however, worked in jobs that had somewhat better characteristics.**

Although UI records serve as a source of reliable information on employment outcomes, they capture only basic characteristics, such as total earnings, and they cover jobs only in the formal economy. The latter limitation may prove to have implications for the present sample, where the difference between client-reported employment and employment recorded in the UI system is relatively large. Table 3.3, which is based on the ERA 12-Month Survey, shows that approximately 84 percent of the respondent sample (across both research groups) reported having worked since random assignment. This exceeds the estimate provided by the administrative records data of the percentage employed in Year 1, by over 15 percentage points. However, it also serves as a reminder that not all sample members who entered the ERA program were employed.

Data from the 12-month survey can help fill the gaps in the UI records. Table 3.3 suggests that both ERA and control group members worked at jobs that paid low wages and provided few

[6]The difference across the subgroups is statistically significant for the ever-employed measure but not for other employment outcomes, such as average quarterly employment or total earnings.

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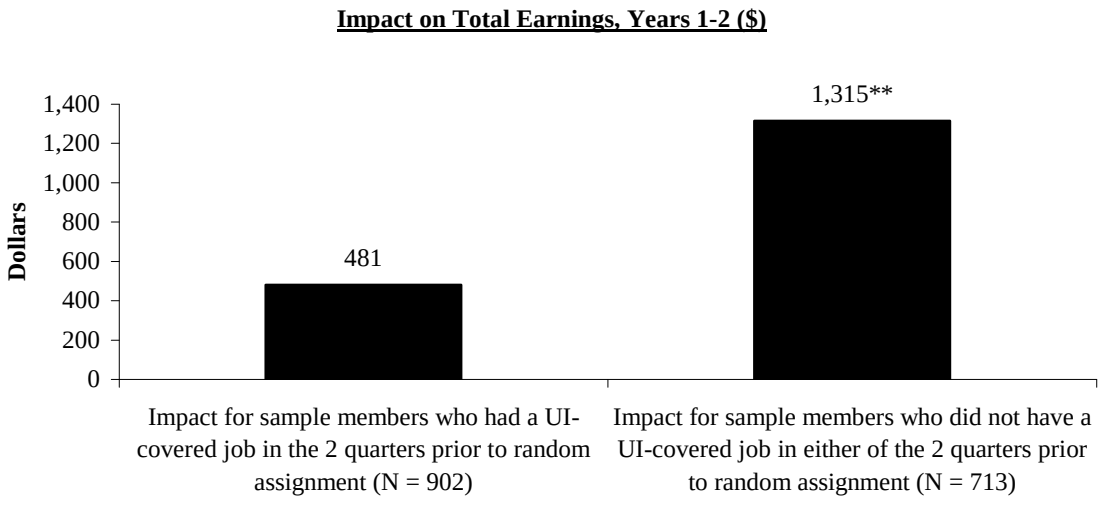
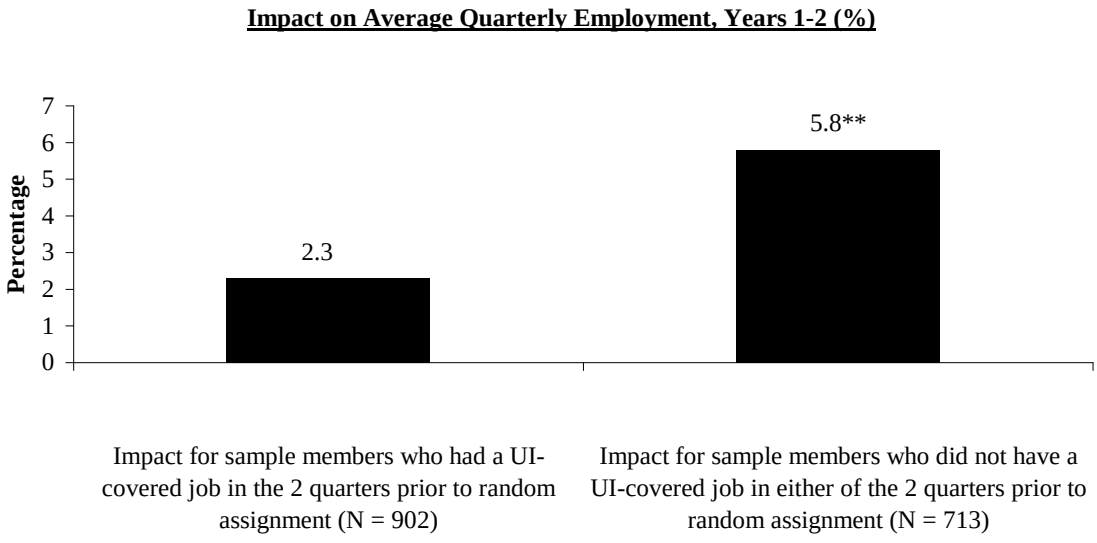
Figure 3.1

Impacts for Two Subgroups: Those With and Without UI-Covered Jobs Prior to Study Entry

Chicago





SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

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Table 3.3

Impacts on Characteristics of Current Job

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Employment status				
Ever employed since random assignment (%)	82.7	84.9	-2.2	0.47
Currently employed	67.8	67.6	0.2	0.95
No longer employed	14.8	17.0	-2.1	0.48
Current working status (%)				
Full time	54.3	55.8	-1.5	0.71
Part time	13.6	11.8	1.7	0.53
Currently employed at a "good job"[a] (%)	13.9	9.7	4.2	0.10
Hours				
Average hours per week[b]	23.6	23.6	-0.1	0.95
Total hours per week (%)				
Less than 30	13.6	11.8	1.7	0.53
30-34	12.7	14.1	-1.3	0.65
35-44	36.4	36.2	0.2	0.96
45 or more	5.1	4.6	0.6	0.76
Earnings				
Average hourly wage (%)				
Less than $5.00	8.3	11.2	-2.9	0.22
$5.00 - $6.99	20.5	26.8	-6.3 *	0.07
$7.00 - $8.99	26.6	18.7	7.8 **	0.02
$9.00 or more	12.5	10.9	1.5	0.56
Average weekly earnings[b] ($)	167	158	9	0.43
Total earnings per week (%)				
Less than $200	23.5	26.0	-2.5	0.47
$201-$300	28.5	29.7	-1.2	0.75
$301-$500	14.2	9.5	4.7 *	0.08
$500 or more	1.7	2.4	-0.7	0.53
Benefits				
Currently employed and receiving employer-provided benefits at current job[c] (%)				
Sick days with full pay	20.0	16.0	4.0	0.20
Paid vacation	29.6	29.6	-0.1	0.98
Paid holidays other than Christmas and New Year	28.9	26.2	2.7	0.45
Dental benefits	14.5	12.5	2.0	0.48
A retirement plan	12.1	7.5	4.6 *	0.06
A health plan or medical insurance	18.5	15.5	3.0	0.32

(continued)

Table 3.3 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Schedule[d] (%)				
Regular	38.9	39.8	-0.9	0.83
Split	1.0	1.4	-0.4	0.66
Irregular	3.1	2.6	0.5	0.70
Evening shift	10.5	6.5	3.9 *	0.09
Night shift	2.7	5.0	-2.3	0.16
Rotating shift	9.0	10.7	-1.7	0.49
Other schedule	0.6	0.8	-0.2	0.78
Odd job	2.1	0.9	1.2	0.24
Job skills index				
Percentage reporting that the job requires each at least monthly: (%)				
Reading and writing skills	44.5	43.1	1.4	0.73
Work with computers	16.8	18.7	-1.8	0.56
Arithmetic	31.1	33.8	-2.7	0.48
Customer contact	54.9	60.6	-5.7	0.17
Sample size (total = 598)	306	292		

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix J.

[a]This definition of a "good job" is adapted from Johnson and Corcoran (2003). A "good job" is one that offers 35 or more hours per week and either (1) pays $7.00 or more per hour and offers health insurance or (2) pays $8.50 or more per hour and does not provide health insurance.

[b]This measure includes zeros for participants who were not working.

[c]These outcomes represent the percentage of the sample who were both employed *and* offered the benefits. The denominator for this percentage, like all of the measures in this table, includes all sample members, regardless of whether they were currently employed. To determine the percentage who were offered benefits *among* those employed, one must divide the percentage shown in the table by the current employment rate for the research group in question. For example, Table 3.3 shows that 16.0 percent of control group members were offered paid sick days as a benefit and that 67.6 percent of control group members were currently employed. Thus, among those employed, 23.7 percent of control group members were offered this benefit (16.0/67.6 = 23.7).

[d]A split shift is defined as one consisting of two distinct periods of each day. An irregular schedule is defined as one that changes from day to day. A rotating shift is one that changes regularly from days to evenings to nights.

benefits. For example, over half the control group members who were employed at the time of the survey earned less than $7.00 per hour (a result obtained by summing the percentage whose wages were less than $7.00 per hour and dividing by the percentage currently employed). Most respondents worked at jobs that did not offer employment-based health insurance.[7]

The estimated effects of ERA on various measures of employment from the 12-month survey are not statistically significant. The top rows of Table 3.3 show that ERA had no effects on the percentage ever employed since random assignment or on the percentage employed at the time of the survey interview. The estimated effect of ERA on the percentage of the sample working in part-time or full-time jobs is also not statistically significant. These results suggest that the overall employment increases that are attributable to ERA in Year 1 (the time period covered by the survey) are limited to UI-covered jobs. In other words, if informal jobs were counted in UI wage records, the survey results suggest that ERA would not be found to have generated a significant increase in the percentage of the sample who were ever employed during Year 1.[8]

Taken as a whole, the evidence presented in this chapter suggests that most of ERA's effect on employment in Year 1 may have been to move sample members from informal to UI-covered jobs. This is a positive outcome, because UI-covered jobs generally have better characteristics (see Box 3.2). This analysis found that UI-covered jobs were much more likely to be categorized by respondents as "good jobs" and were more than twice as likely to offer such benefits as health insurance.

Because ERA modestly increased the percentage of the sample working in UI-covered jobs, this translated into improvements in job quality. Table 3.3 shows that ERA group members tended to work in slightly better jobs: The program was successful in moving sample members from jobs with very low wages to jobs with slightly higher wages. ERA produced no overall impact on weekly wages, nor on the number of hours worked.

While ERA increased the percentage of sample members who worked at jobs that offered a retirement plan, the program did not affect the percentage who received employment benefits in any of the other categories. Table 3.3 shows that while most ERA and control group members worked the regular shift, a variety of other shift arrangements were common. ERA increased the percentage of sample members who worked the evening shift. This may be related

[7]However, as shown in Appendix Table B.8, most (over 90 percent) of both ERA and control group members were covered by some form of health insurance, such as Medicaid.

[8]As discussed in Appendix F, the size and direction of the impacts on UI-covered employment are fairly similar for the respondent sample and the full research sample, which enables a test of this hypothesis. The effects of ERA on UI-covered earnings and employment were rather weak for the fielded survey sample. However, due to some response bias, the respondent sample ended up experiencing impacts of ERA that were similar to the full sample's impacts. Unfortunately, the 12-month survey did not include members of the early cohort, for whom the impacts of ERA were strongest.

Box 3.2

Are UI-Covered Jobs Better?

Among respondents to the ERA 12-Month Survey (both ERA group and control group members) who reported being employed at the time of the survey interview, approximately two-thirds were working in jobs covered by the unemployment insurance (UI) system, and the remainder presumably reported employment in non-UI-covered jobs. This presents an opportunity to examine the characteristics of the two types of employment. The survey outcomes shown below suggest that UI-covered jobs have better characteristics than non-UI-covered jobs.

Outcome	UI-Covered Job	Non-UI-Covered Job	Difference (Impact)
Employment status			
Currently employed at a "good job" (%)	22.6	7.9	14.6
Hours			
Works 45 hours or more per week (%)	4.5	12.2	-7.7
Average hourly wage (%)			
Less than $5.00	5.3	31.7	-26.4
$5.00 - $6.99	37.2	30.2	7.0
$7.00 - $8.99	38.3	24.5	13.9
$9.00 or more	19.2	13.7	5.5
Average hourly wage ($)	7.48	6.09	1.38
Earnings			
Average weekly earnings ($)	257	209	49
Employer-provided benefits at current job (%)			
Sick days with full pay	35.0	10.8	24.2
Paid vacation	59.0	14.4	44.6
Paid holidays other than Christmas and New Year	51.5	20.1	31.4
Dental benefits	28.2	4.3	23.9
Retirement plan	21.1	2.2	18.9
Health plan or medical insurance	33.8	8.6	25.2
Schedule (%)			
Regular shift	61.7	51.1	10.6
Occupation (%)			
Personal care and service	16.2	46.8	-30.6
Office and administrative support	19.2	7.9	11.3
Miscelleaneous			
Average length of commute to work (minutes)	53.1	40.3	12.9
Received child care subsidy (%)	61.7	35.3	26.4
Filed federal taxes (%)	94.7	54.7	40.1
Had health coverage in prior month (%)	95.1	90.6	4.5
Total household income in prior month (%)	1,285	1,093	192
Sample size (total = 405)	266	139	

NOTE: Tests of statistical significance were not performed.

to the fact that Employment and Employer Services (E&ES) — the ERA service provider in Chicago — referred many clients to security jobs. Appendix E provides information about the industries and occupations where survey respondents worked.

- **ERA substantially reduced cash assistance receipt and slightly increased food stamp payments, but the program had little effect on total income.**

Figure 3.2 shows the rates of TANF receipt (top panel) and food stamp receipt (bottom panel) for the ERA and control groups during the two-year follow-up period. As explained in Chapter 1, a major goal of ERA in Chicago was to reduce the caseload that was in "stop-the-clock" status.[9] Thus, TANF receipt rates and payments bear close monitoring as key outcomes. It is also important to check whether food stamp receipt and Medicaid eligibility are "decoupled" from TANF receipt. That is, given the low earnings levels discussed in the previous section, many sample members should have retained eligibility for food stamps and Medicaid, even if they moved off TANF.

As Figure 3.2 shows, nearly 100 percent of control group members received TANF and food stamps at some point since the start of the study. Though TANF receipt rates fell rapidly over time (to just over 50 percent for the control group by the end of Year 1 and to less than 30 percent by the end of Year 2), food stamp receipt rates stayed quite high (still over 85 percent at the end of Year 2). The same is true of Medicaid (not shown).

Control group members left welfare rapidly, suggesting that DHS's concern about people remaining in stop-the-clock status for long periods may have been unwarranted. Nevertheless, ERA generated a large decrease in TANF receipt. For example, at the end of Year 1, 37 percent of the ERA group were receiving TANF, compared with 52 percent of the control group. For much of Year 2, ERA essentially halved the TANF receipt rate. The reduction in welfare is also evident in results from the ERA 12-Month Survey (see Appendix Table B.7).

At first, it may seem logical that ERA would reduce welfare receipt, due to increases in participants' employment and earnings. However, as discussed in Chapter 2, conversations with staff suggest that many sample members in the ERA group may have left TANF in order to avoid meeting the participation requirements of ERA. In fact, analysis of different subgroups of the study sample (shown in Appendix B) found large welfare reductions among subgroups and cohorts that did not experience increased employment or earnings.

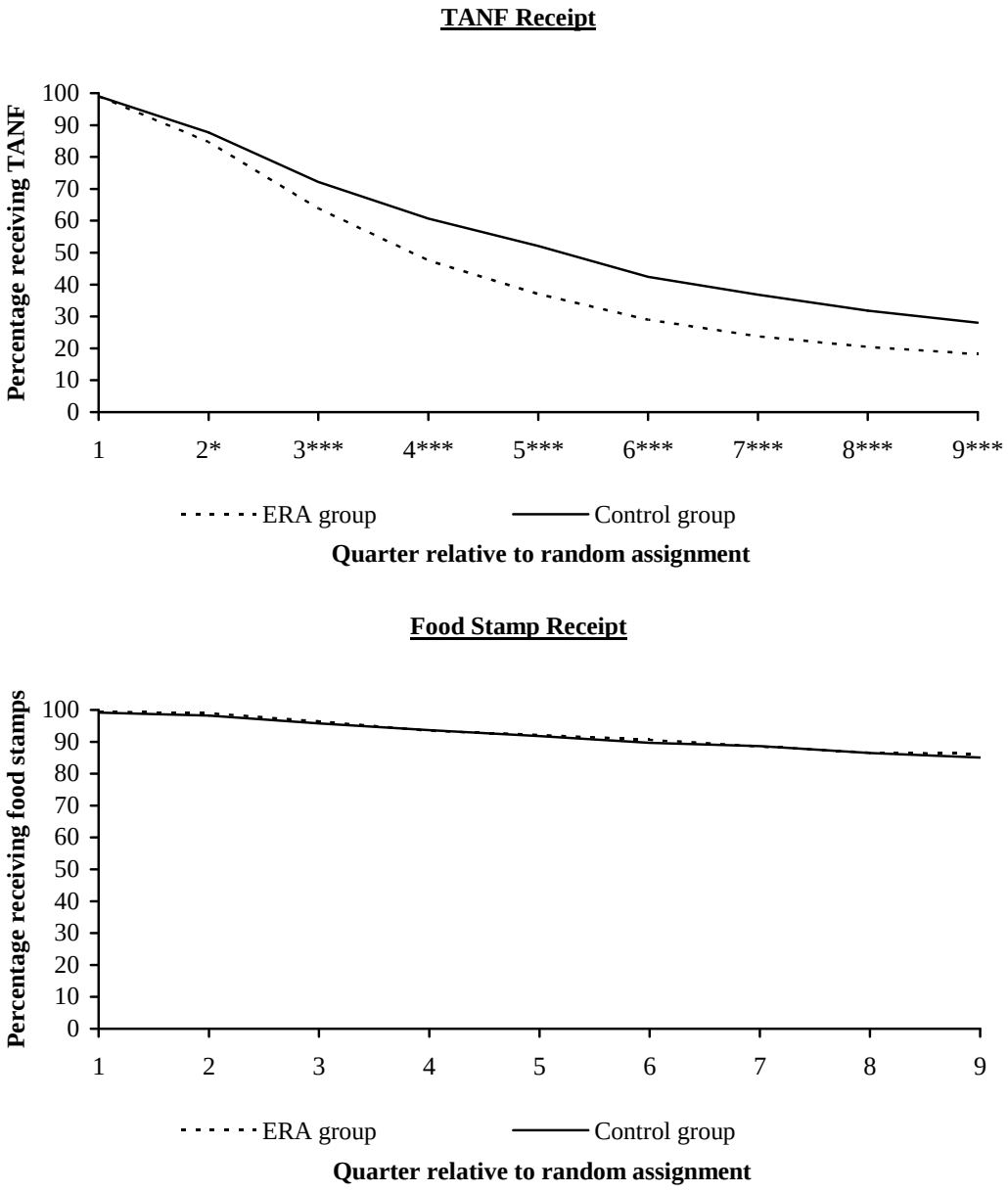
[9] As discussed in Chapter 1, when Illinois was considering its approach to ERA in 2000, officials from the Illinois Department of Human Services (DHS) noted that a large and growing number of TANF recipients were exempt from the time limit because they were working at least 30 hours a week — and that a substantial number of these individuals seemed to be remaining in stop-the-clock status for many months.

The Employment Retention and Advancement Project

Figure 3.2

Impacts on TANF and Food Stamp Receipt

Chicago



SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

ERA had no effect on the percentage receiving food stamps; receipt rates stayed high for both research groups. Additional analysis (not shown) found that essentially 100 percent of the sample were covered by Medicaid at some point during Year 1. By the end of Year 1, approximately 97 percent of ERA group members were still covered by Medicaid. This represents a statistically significant 2 percentage point increase above the control group's level. Thus, if anything, ERA increased Medicaid coverage, despite also producing a large reduction in welfare receipt.[10]

Table 3.2 shows the effects of ERA on measures of TANF, food stamp receipt, and total income. The data suggest that just over half of measured income was from earnings and that just under half was derived from a combination of food stamps and TANF payments. ERA reduced welfare grants by $521 over the two-year follow-up period, which represents a 21 percent decrease from the control group's average of $2,430. Reductions in TANF payments seem to have been driven mostly by reductions in TANF receipt (rather than by reductions in welfare grant amounts among those who were still receiving welfare).

The estimated effect of ERA on the amount of food stamps received over the full two-year follow-up period is not statistically significant. Table 3.2 shows, however, that ERA increased the amount of food stamps received in Year 2 by $172 over the control group's average of $3,933. This increase, though relatively modest, is likely due to the decrease in TANF payments, which allowed ERA group members to qualify for somewhat larger food stamp grants.

Many have noted that families leaving TANF often stop receiving food stamps and Medicaid — which can provide crucial support for low-wage workers — even when they remain eligible for these benefits. It is not clear whether Illinois is unusually good at helping families access supports after welfare or whether the high receipt rates in this study reflect the fact that most ERA sample members have large families and may have found these benefits especially important. Either way, ERA in Chicago is one of the first examples of the possibilities provided by an advancement-focused program that operates in the context of high levels of work supports, such as food stamps and Medicaid.[11]

The decrease in welfare among Chicago's ERA participants was offset by an increase in earnings, creating no net effect on income. The estimates of income shown in Table 3.2, however, underestimate total household income. A fuller measure of income — which includes earnings from jobs not covered by the UI system, income from other household members, child support, Supplemental Security Income (SSI), and income from other sources — is available from the ERA 12-Month Survey (see Appendix Table B.7). According to that estimate, total

[10]Medicaid eligibility data for Year 1 were available for a slightly smaller sample (N = 1,365).

[11]Levels of these work supports were high for both ERA and control group members, and ERA had little effect on them. It may be the case, however, that a program like ERA is more effective when these supports are in place.

income exceeded $1,100 per month (the equivalent of $13,200 per year) for both research groups. It is also important to recall that the measure of income shown in Table 3.2 does not include such important sources as the Earned Income Tax Credit (EITC).

* * *

MDRC will continue to track the effects of ERA in Chicago using UI wage records and a longer-term follow-up survey.

Appendix A

Supplementary Table for Chapter 1

The Employment Retention and Advancement Project

Appendix Table A.1

Description of ERA Projects

State	Location	Target Group	Primary Service Strategies
Advancement projects			
Illinois	Cook (Chicago) and St. Clair (East St. Louis) Counties	TANF recipients who have worked at least 30 hours per week for at least 6 consecutive months	A combination of services to promote career advancement (targeted job search assistance, education and training, assistance in identifying and accessing career ladders, etc.)
California	Riverside County Phase 2	Newly employed TANF recipients working at least 20 hours per week	Test of alternative strategies for promoting participation in education and training activities
Placement and retention (hard-to-employ) projects			
Minnesota	Hennepin County (Minneapolis)	Long-term TANF recipients who were unable to find jobs through standard welfare-to-work services	In-depth family assessment; low caseloads; intensive monitoring and follow-up; emphasis on placement into unsubsidized employment or supported work with referrals to education and training, counseling, and other support services
Oregon	Portland	Individuals who are cycling back onto TANF and those who have lost jobs	Team-based case management, job search/job readiness components, intensive retention and follow-up services, mental health and substance abuse services for those identified with these barriers, supportive and emergency services

(continued)

Appendix Table A.1 (continued)

State	Location	Target Group	Primary Service Strategies
Placement and retention (hard-to-employ) projects (continued)			
New York	New York City PRIDE (Personal Roads to Individual Development and Employment)	TANF recipients whose employability is limited by physical or mental health problems	Two main tracks: (1) Vocational Rehabilitation, where clients with severe medical problems receive unpaid work experience, job search/job placement and retention services tailored to account for medical problems; (2) Work Based Education, where those with less severe medical problems participate in unpaid work experience, job placement services, and adult basic education
New York	New York City Substance Abuse (substance abuse case management)	TANF recipients with a substance abuse problem	Intensive case management to promote participation in substance abuse treatment, links to mental health and other needed services
Projects with mixed goals			
California	Los Angeles County EJC (Enhanced Job Club)	TANF recipients who have been required to search for employment	Job search workshops promoting a step-down method designed to help participants find a job that pays a "living wage"
California	Los Angeles County (Reach for Success program)	Newly employed TANF recipients working at least 32 hours per week	Stabilization/retention services, followed by a combination of services to promote advancement: education and training, career assessment, targeted job development, etc.
California	Riverside County PASS (Post-Assistance Self-Sufficiency program)	Individuals who have left TANF due to earned income	Intensive, family-based support services delivered by community-based organizations to promote retention and advancement

(continued)

Appendix Table A.1 (continued)

State	Location	Target Group	Primary Service Strategies
Projects with mixed goals (continued)			
Ohio	Cleveland	Low-wage workers with specific employers making under 200% of poverty who have been in their current jobs less than 6 months	Regular on-site office hours for counseling/case management; Lunch & Learn meetings for social support and presentations; newsletter for workers and employers; and supervisory training for employer supervisors
Oregon	Eugene	Newly employed TANF applicants and recipients working 20 hours per week or more; mostly single mothers who were underemployed	Emphasis on work-based and education/training-based approaches to advancement and on frequent contact with clients; assistance tailored to clients' career interests and personal circumstances
Oregon	Medford	Newly employed TANF recipients and employed participants of the Oregon Food Stamp Employment and Training program and the Employment Related Day Care program; mostly single mothers	Emphasis on work-based and on education/training-based approaches to advancement and on frequent contact with clients; assistance tailored to clients' career interests and personal circumstances; access to public benefits purposefully divorced from the delivery of retention and advancement services
Oregon	Salem	TANF applicants	Job search assistance combined with career planning; once employed, education and training, employer linkages to promote retention and advancement
South Carolina	6 rural counties in the Pee Dee Region	Individuals who left TANF (for any reason) between 10/97 and 12/00	Individualized case management with a focus on reemployment, support services, job search, career counseling, education and training, and use of individualized incentives
Texas	Corpus Christi, Fort Worth, and Houston	TANF applicants and recipients	Individualized team-based case management; monthly stipends of $200 for those who maintain employment and complete activities related to employment plan

Appendix B

Supplementary Exhibits

The Employment Retention and Advancement Project

Appendix Table B.1

Impacts on Quarterly UI-Covered Employment and Earnings for the Report Sample

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)		P-Value
Report sample					
Ever employed (%)					
Quarter 1	60.3	58.2	2.1	*	0.07
Quarter 2	59.5	56.8	2.7	*	0.07
Quarter 3	58.7	56.0	2.7		0.12
Quarter 4	56.4	54.2	2.1		0.26
Quarter 5	56.7	53.7	3.0		0.14
Quarter 6	55.6	52.3	3.3		0.11
Quarter 7	55.9	50.1	5.8	***	0.00
Quarter 8	55.1	48.4	6.8	***	0.00
Quarter 9	53.7	50.3	3.4		0.12
Earnings ($)					
Quarter 1	1,517	1,516	1		0.99
Quarter 2	1,525	1,462	63		0.24
Quarter 3	1,576	1,556	20		0.77
Quarter 4	1,568	1,504	64		0.39
Quarter 5	1,600	1,568	32		0.69
Quarter 6	1,595	1,510	85		0.31
Quarter 7	1,655	1,527	127		0.14
Quarter 8	1,686	1,476	211	**	0.02
Quarter 9	1,660	1,518	142		0.11
Sample size (total = 1,615)	800	815			

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.2

Years 1-2, Impacts on UI-Covered Employment, Public Assistance, and Income: St. Clair County

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Total earnings ($)	10,866	11,001	-135	0.90
Ever employed (%)	72.6	75.7	-3.1	0.56
Average quarterly employment (%)	55.8	56.1	-0.3	0.94
Earned over $20,000 (%)	25.0	23.5	1.6	0.78
Amount of TANF received ($)	2,188	2,367	-179	0.58
Ever received TANF (%)	85.9	94.5	-8.6 *	0.06
Amount of food stamps received ($)	7,892	7,610	282	0.51
Ever received food stamps (%)	100.0	98.6	1.4	0.18
Total measured income ($)	20,946	20,978	-32	0.98
Sample size (total = 177)	96	81		

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.3

Years 1-2, Impacts on UI-Covered Employment, Public Assistance, and Income, by Employment Status

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Employed in UI-covered job in the two quarters prior to random assignment				
Total earnings ($)	18,992	18,511	481	0.51
Ever employed (%)	96.1	96.8	-0.7	0.57
Average quarterly employment (%)	81.3	79.0	2.3	0.24
Earned over $20,000 (%)	45.5	42.0	3.5	0.25
Amount of TANF received ($)	1,850	2,179	-329 **	0.02
Ever received TANF (%)	84.8	88.4	-3.6	0.11
Amount of food stamps received ($)	8,320	8,265	55	0.77
Ever received food stamps (%)	99.5	99.6	-0.1	0.83
Total measured income ($)	29,162	28,955	207	0.77
Sample size (total = 902)	454	448		
Not employed in UI-covered job in either of the two quarters prior to random assignment				
Total earnings ($)	5,245	3,930	1,315 **	0.04
Ever employed (%)	45.9	38.5	7.4 **	0.04
Average quarterly employment (%)	25.2	19.4	5.8 **	0.01
Earned over $20,000 (%)	9.6	6.8	2.8	0.17
Amount of TANF received ($)	1,965	2,759	-795 ***	0.00
Ever received TANF (%)	87.6	90.2	-2.6	0.27
Amount of food stamps received ($)	7,971	7,623	348	0.13
Ever received food stamps (%)	99.9	98.5	1.5 **	0.04
Total measured income ($)	15,181	14,312	868	0.18
Sample size (total = 713)	346	367		

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.4

Years 1-2, Impacts on UI-Covered Employment, Public Assistance, and Income, by Amount of TANF Receipt at Random Assignment

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
TANF grant of $100 or less during the month of random assignment				
Total earnings ($)	17,428	17,278	149	0.89
Ever employed (%)	83.9	82.0	1.9	0.50
Average quarterly employment (%)	69.3	67.3	2.0	0.51
Earned over $20,000 (%)	44.7	45.8	-1.2	0.79
Amount of TANF received ($)	654	1,105	-451 ***	0.00
Ever received TANF (%)	74.0	81.3	-7.3 *	0.09
Amount of food stamps received ($)	6,593	6,869	-276	0.32
Ever received food stamps (%)	99.4	99.5	-0.1	0.91
Total measured income ($)	24,675	25,252	-577	0.58
Sample size (total = 369)	178	191		
TANF grant between $101 and $240 during the month of random assignment				
Total earnings ($)	12,918	12,124	795	0.26
Ever employed (%)	74.0	71.5	2.5	0.29
Average quarterly employment (%)	57.1	53.0	4.0 **	0.05
Earned over $20,000 (%)	29.7	25.6	4.1	0.13
Amount of TANF received ($)	1,805	2,242	-436 ***	0.00
Ever received TANF (%)	87.7	90.3	-2.6	0.23
Amount of food stamps received ($)	7,953	7,565	388 **	0.05
Ever received food stamps (%)	99.7	98.6	1.1 *	0.09
Total measured income ($)	22,676	21,930	747	0.28
Sample size (total = 810)	409	401		

(continued)

Appendix Table B.4 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
TANF grant of $241 or more during the month of random assignment				
Total earnings ($)	8,991	7,667	1,324	0.16
Ever employed (%)	65.5	60.7	4.8	0.21
Average quarterly employment (%)	44.6	39.5	5.1 *	0.08
Earned over $20,000 (%)	16.9	11.7	5.2	0.11
Amount of TANF received ($)	3,187	3,877	-690 ***	0.01
Ever received TANF (%)	93.5	93.2	0.3	0.89
Amount of food stamps received ($)	9,918	9,649	269	0.39
Ever received food stamps (%)	100.0	99.6	0.4	0.45
Total measured income ($)	22,096	21,193	903	0.32
Sample size (total = 436)	213	223		

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.5

Years 1-2, Impacts on UI-Covered Employment, Public Assistance, and Income, by Region

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)		P-Value
Southern region (Calumet Park, Roseland, and Southeast)					
Total earnings ($)	12,113	11,637	477		0.59
Ever employed (%)	69.6	68.2	1.3		0.67
Average quarterly employment (%)	54	49	5.0	*	0.06
Earned over $20,000 (%)	28.2	26.3	1.9		0.57
Amount of TANF received ($)	1,521	2,234	-713	***	0.00
Ever received TANF (%)	81.8	86.2	-4.4		0.17
Amount of food stamps received ($)	7,892	7,604	287		0.23
Ever received food stamps (%)	99.9	98.6	1.3	*	0.09
Total measured income ($)	21,526	21,475	51		0.95
Sample size (total = 550)	277	273			
Central region (Austin, Englewood, Garfield, Oakland, and Pershing)					
Total earnings ($)	12,830	11,777	1,053		0.10
Ever employed (%)	75.4	71.6	3.8	*	0.09
Average quarterly employment (%)	56	53	2.8		0.14
Earned over $20,000 (%)	27.6	24.5	3.2		0.20
Amount of TANF received ($)	2,168	2,515	-347	**	0.02
Ever received TANF (%)	87.0	91.2	-4.1	**	0.05
Amount of food stamps received ($)	8,393	8,251	141		0.49
Ever received food stamps (%)	99.5	99.6	-0.1		0.83
Total measured income ($)	23,390	22,543	848		0.18
Sample size (total = 872)	432	440			

(continued)

Appendix Table B.5 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Northern region (Michigan and Northwest)				
Total earnings ($)	15,043	14,983	60	0.97
Ever employed (%)	78.7	76.5	2.2	0.64
Average quarterly employment (%)	63	60	3.4	0.45
Earned over $20,000 (%)	0.4	0.4	0.0	0.64
Amount of TANF received ($)	1,903	2,584	-681 **	0.04
Ever received TANF (%)	92.6	89.8	2.8	0.51
Amount of food stamps received ($)	7,953	7,773	180	0.69
Ever received food stamps (%)	99.8	98.2	1.5	0.28
Total measured income ($)	24,898	25,340	-442	0.79
Sample size (total = 191)	89	102		

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.6

Years 1-2, Impacts on UI-Covered Employment, Public Assistance, and Income, by Family Size

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)		P-Value
A family of three individuals or less					
Total earnings ($)	10,712	9,344	1,368		0.11
Ever employed (%)	62.8	60.5	2.3		0.47
Average quarterly employment (%)	46.9	43.4	3.6		0.15
Earned over $20,000 (%)	24.7	18.7	6.0	*	0.05
Amount of TANF received ($)	1,263	1,773	-510	***	0.00
Ever received TANF (%)	81.9	86.1	-4.2		0.19
Amount of food stamps received ($)	5,241	5,409	-167		0.41
Ever received food stamps (%)	99.2	97.5	1.8		0.11
Total measured income ($)	17,216	16,526	690		0.41
Sample size (total = 534)	253	281			
A family of four individuals or more					
Total earnings ($)	13,971	13,473	498		0.42
Ever employed (%)	79.4	76.2	3.2		0.11
Average quarterly employment (%)	61.2	57.3	3.9	**	0.03
Earned over $20,000 (%)	31.9	30.6	1.3		0.57
Amount of TANF received ($)	2,247	2,736	-489	***	0.00
Ever received TANF (%)	88.2	90.6	-2.3		0.21
Amount of food stamps received ($)	9,611	9,237	374	*	0.05
Ever received food stamps (%)	100.0	99.8	0.2		0.26
Total measured income ($)	25,829	25,447	382		0.52
Sample size (total = 1,081)	547	534			

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

The Employment Retention and Advancement Project

Appendix Table B.7

Impacts on Household Income and Composition

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)		P-Value
Household income					
Percentage of respondents with each income source: (%)					
Own earnings	73.6	74.9	-1.3		0.71
Earnings of other members	8.3	7.4	1.0		0.66
Child support	10.0	7.0	3.0		0.20
Public assistance	85.2	87.1	-2.0		0.49
TANF	30.8	38.6	-7.8	**	0.05
Food stamps	83.5	84.5	-1.0		0.74
SSI or disability	11.8	10.6	1.3		0.63
Total household income in prior month ($)	1,142	1,117	25		0.67
Percentage of household income that is respondent's (%)	88.2	87.6	0.6		0.77
Alternative household income[a] ($)	1,444	1,387	57		0.29
Has filed or planned to file taxes in the current year (%)	76.5	70.9	5.5		0.10
Household composition					
Number in household	4.6	4.8	-0.1		0.44
Ever married (%)	19.5	25.1	-5.6	*	0.10
Current marital status (%)					
Married and living with spouse	2.4	3.3	-0.9		0.51
Separated or living apart from spouse	8.5	10.3	-1.8		0.45
Living with partner	5.9	6.2	-0.3		0.88
Divorced	7.9	10.5	-2.6		0.27
Widowed	0.7	1.0	-0.3		0.72
Sample size (total = 598)	306	292			

SOURCES: MDRC calculations from responses to the ERA 12-Month Survey and administrative records from the State of Illinois.

NOTES: See Appendix J.

[a]This measure was created by combing adminstrative records data and respondent's earnings from the survey. It includes survey earnings or UI earnings where available, food stamps, AFDC, and estimated EITC income in the month prior to the survey.

The Employment Retention and Advancement Project

Appendix Table B.8

Impacts on Other Outcomes

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Health care coverage				
Respondent has health care coverage[a] (%)	91.5	92.2	-0.7	0.75
Publicly funded	88.7	88.2	0.6	0.83
Publicly funded and not on TANF or SSI	52.2	40.2	11.9 ***	0.00
Privately funded	7.9	8.8	-0.9	0.69
All dependent children have health care coverage (%)	88.3	91.3	-3.0	0.23
All dependent children have health care coverage and respondent is not covered by TANF or SSI (%)	53.4	43.1	10.3 **	0.01
Respondent and all children have health care coverage (%)	90.9	89.3	1.6	0.52
Respondent and all children have health care coverage and respondent is not covered by TANF or SSI (%)	51.4	40.0	11.4 ***	0.01
Child care				
Ever used any child care in Year 1 (%)	49.5	47.1	2.3	0.54
Used any informal child care (%)	4.5	1.5	3.0 **	0.03
Child care expenses (%)	43.7	43.6	0.1	0.98
Paid entirely by respondent	2.9	1.8	1.1	0.37
Paid partially by respondent	31.1	31.4	-0.3	0.93
Not paid by respondent	9.7	10.4	-0.7	0.78
Child care was a barrier to school, job training, or work (%)	4.9	4.5	0.4	0.84
Quit job, school, or training because of child care problems	2.8	2.2	0.6	0.64
Missed work because of child care problems	2.3	3.0	-0.7	0.61
Transportation				
Owns car, van, or truck (%)	19.4	20.8	-1.3	0.68
Commuting time (minutes)	48.2	51.2	-3.1	0.33
Transportation costs per week ($)	23	23	0	0.75
Method of transportation to work (%)				
By car	8.4	9.4	-1.0	0.68
By bus	54.2	54.9	-0.7	0.86
Gets a ride	10.4	9.3	1.1	0.66
Walks	6.3	6.5	-0.2	0.92
Sample size (total = 598)	306	292		

(continued)

Appendix Table B.8 (continued)

SOURCES: MDRC calculations from responses to the ERA 12-Month Survey and administrative records from the State of Illinois.

NOTES: See Appendix J.

[a]Measures of health care coverage combine data from the survey's employment section, health care coverage section, income section, and administrative records on public assistance receipt. A person could be receiving both public and private health care coverage.

The Employment Retention and Advancement Project

Appendix Table B.9

Impacts on Job Retention

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	P-Value
Ever employed in Year 1 (%)	80.2	82.0	-1.8	0.58
Average months employed in Year 1	8.2	8.2	0.0	0.95
Total months employed in Year 1 (%)				
Less than 4	5.3	9.5	-4.2 *	0.05
4 to 7	9.6	6.7	3.0	0.19
8 to 10	8.6	8.8	-0.2	0.93
More than 10	56.7	57.0	-0.3	0.94
Worked during Months 1 to 3 and worked for: (%)				
Less than 6 consecutive months	6.0	7.4	-1.4	0.51
6 or more consecutive months	63.1	63.0	0.2	0.96
Number of jobs in Year 1 (%)				
0	19.8	18.0	1.8	0.58
1	62.7	68.2	-5.6	0.16
2 or 3	16.9	13.8	3.2	0.29
4 or more	0.6	0.0	0.6	0.20
Ever worked for one employer for 6 months or more (%)	68.1	67.7	0.3	0.94
Sample size (total = 598)	306	292		

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix J.

The Employment Retention and Advancement Project

Appendix Table B.10

Impacts on Quarterly UI-Covered Employment and Earnings

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	
Ever employed by any employer (%)				
Quarter of random assignment	60.3	58.2	2.1	*
Q2	59.5	56.8	2.7	*
Q3	58.7	56.0	2.7	
Q4	56.4	54.2	2.1	
Q5	56.7	53.7	3.0	
Q6	55.6	52.3	3.3	
Q7	55.9	50.1	5.8	***
Q8	55.1	48.4	6.8	***
Q9	53.7	50.3	3.4	
Earnings from any employer ($)				
Quarter of random assignment	1,517	1,516	1	
Q2	1,525	1,462	63	
Q3	1,576	1,556	20	
Q4	1,568	1,504	64	
Q5	1,600	1,568	32	
Q6	1,595	1,510	85	
Q7	1,655	1,527	127	
Q8	1,686	1,476	211	**
Q9	1,660	1,518	142	
Ever employed by random assignment employer (%)				
Quarter of random assignment	60.3	58.2	2.1	*
Q2	50.9	49.5	1.4	
Q3	43.7	43.6	0.1	
Q4	37.5	38.2	-0.7	
Q5	32.4	34.6	-2.2	
Q6	30.3	30.2	0.1	
Q7	28.4	28.5	-0.1	
Q8	26.2	26.3	-0.2	
Q9	23.9	25.3	-1.4	
Earnings from random assignment employer ($)				
Quarter of random assignment	1,463	1,482	-18	
Q2	1,316	1,274	42	
Q3	1,182	1,191	-9	
Q4	1,045	1,050	-5	
Q5	922	993	-70	
Q6	867	857	10	
Q7	823	854	-30	
Q8	752	793	-41	
Q9	713	763	-50	

(continued)

Appendix Table B.10 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	
Ever employed by a post-random assignment employer (%)				
Quarter of random assignment	6.5	5.0	1.5	
Q2	14.7	12.4	2.3	
Q3	19.9	16.6	3.3	*
Q4	23.1	19.1	4.0	**
Q5	26.7	23.1	3.6	*
Q6	27.1	25.2	1.9	
Q7	30.1	24.5	5.6	**
Q8	31.8	24.8	7.0	***
Q9	32.1	27.4	4.6	**
Earnings from a post-random assignment employer ($)				
Quarter of random assignment	56	35	22	*
Q2	209	188	21	
Q3	393	365	29	
Q4	523	454	69	
Q5	678	576	102	
Q6	728	654	75	
Q7	832	674	158	**
Q8	935	683	252	***
Q9	947	755	192	**
Not working in quarter of random assignment and ever employed by a post-random assignment employer (%)				
Quarter of random assignment	0.0	0.0	0.0	
Q2	4.1	3.3	0.8	
Q3	6.4	5.5	0.9	
Q4	6.9	6.6	0.3	
Q5	8.8	8.0	0.8	
Q6	9.1	7.9	1.1	
Q7	10.0	6.3	3.7	***
Q8	10.2	6.3	3.9	***
Q9	9.6	8.3	1.3	
Not working in quarter of random assignment and earnings from a post-random assignment employer ($)				
Quarter of random assignment	0	0	0	
Q2	61	58	3	
Q3	129	133	-4	
Q4	172	168	4	
Q5	217	218	0	
Q6	256	190	66	
Q7	271	158	113	**
Q8	301	176	125	***
Q9	280	218	63	

(continued)

Appendix Table B.10 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)	
Working in quarter of random assignment and ever employed by a post-random assignment employer (%)				
Quarter of random assignment	6.5	5.0	1.5	
Q2	10.6	9.1	1.5	
Q3	13.5	11.1	2.4	
Q4	16.2	12.5	3.7	**
Q5	17.9	15.2	2.8	
Q6	18.0	17.3	0.8	
Q7	20.0	18.1	1.9	
Q8	21.6	18.5	3.1	*
Q9	22.5	19.2	3.3	*
Working in quarter of random assignment and earnings from a post-random assignment employer ($)				
Quarter of random assignment	56	35	22	*
Q2	148	130	18	
Q3	264	232	33	
Q4	351	286	65	
Q5	461	358	103	*
Q6	472	464	8	
Q7	560	516	45	
Q8	634	507	127	*
Q9	667	537	130	*
Additional, nonexperimental measures				
Ever employed by both a random assignment and a post-random assignment employer (%)				
Quarter of random assignment	*6.5*	*5.0*	*1.5*	
Q2	*6.0*	*5.0*	*1.1*	
Q3	*4.9*	*4.2*	*0.7*	
Q4	*4.2*	*3.0*	*1.2*	
Q5	*2.4*	*4.0*	*-1.6*	
Q6	*1.8*	*3.0*	*-1.3*	
Q7	*2.5*	*2.8*	*-0.3*	
Q8	*2.9*	*2.8*	*0.1*	
Q9	*2.3*	*2.4*	*-0.2*	

(continued)

Appendix Table B.10 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Earnings among those employed by a random assignment employer ($)			
Quarter of random assignment	*2,425*	*2,546*	*-120*
Q2	*2,587*	*2,576*	*12*
Q3	*2,705*	*2,733*	*-29*
Q4	*2,788*	*2,752*	*36*
Q5	*2,849*	*2,868*	*-19*
Q6	*2,865*	*2,839*	*25*
Q7	*2,899*	*3,000*	*-101*
Q8	*2,872*	*3,011*	*-139*
Q9	*2,988*	*3,018*	*-30*
Earnings among those employed by a post-random assignment employer ($)			
Quarter of random assignment	*866*	*689*	*177*
Q2	*1,427*	*1,524*	*-97*
Q3	*1,981*	*2,200*	*-220*
Q4	*2,269*	*2,377*	*-108*
Q5	*2,538*	*2,493*	*45*
Q6	*2,688*	*2,595*	*93*
Q7	*2,765*	*2,754*	*12*
Q8	*2,937*	*2,752*	*185*
Q9	*2,955*	*2,753*	*202*
Sample size (total = 1,615)	800	815	

SOURCE: MDRC calculations from Illinois uemployment insurance records.

NOTES: See Appendix I. Italics indicate comparisons that are nonexperimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of program group and control group members who were employed, any differences in outcomes may not necessarily be attributable to the ERA program. Statistical tests were not performed.

The Employment Retention and Advancement Project

Appendix Table B.11

Additional Measures of UI-Covered Employment Stability, Quarters 1-9

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)	
Effects on combined measures of job finding and employment stability				
Ever worked	75.7	72.5	3.2	**
Ever worked and never had a quarter unemployed once started	41.4	37.4	3.9	*
And worked with one employer	21.6	21.3	0.3	
And worked with more than one employer	19.8	16.2	3.6	*
Ever worked and had at least one quarter without employment after starting	34.4	35.1	-0.8	
And worked again	17.0	16.8	0.2	
And never worked again	17.3	18.3	-1.0	
Effects of continuous employment, by job stability category				
Employed, but not all 9 quarters	41.4	41.1	0.3	
Employed all 9 quarters	34.3	31.5	2.8	
Employed 9 quarters and changed employers	11.7	9.5	2.3	
Employed 9 quarters and stayed with the same employer	22.6	22.0	0.6	
Effects on job cycling				
Number of employers, Q1-Q9	1.5	1.4	0.2	***
Number of employers (%)				
0	24.3	27.5	-3.2	**
1	34.8	37.8	-3.0	
2	22.7	19.4	3.3	*
3 or more	18.2	15.4	2.8	
Miscellaneous employment measures				
Survival of first employment spell	4.6	4.4	0.3	**
Sample size (total = 1,615)	815	800		

SOURCE: MDRC calculations from administrative records from the State of Illinois.

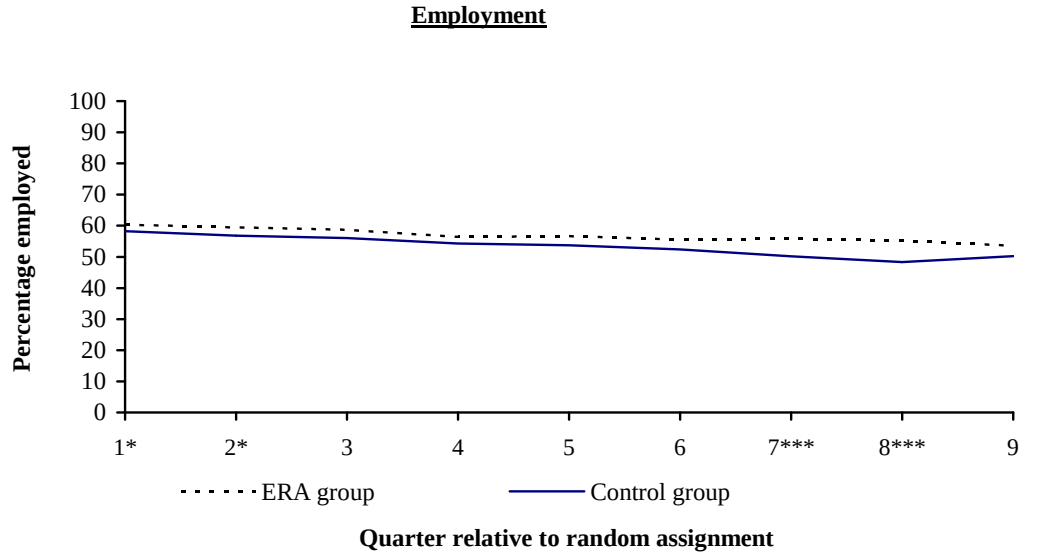
NOTES: See Appendix I.

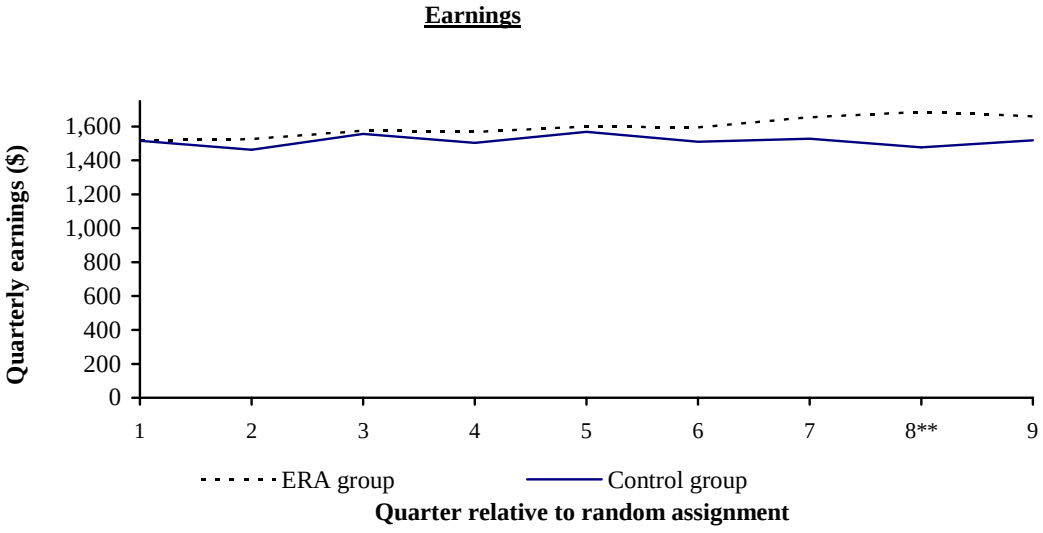
The Employment Retention and Advancement Project

Appendix Figure B.1

Impacts on UI-Covered Employment and Earnings Over Time

Chicago





SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

Appendix C

Supplementary Materials from the Chicago ERA Program

Date

Dear _____:

CONGRATULATIONS!! You have been selected by the State of Illinois - Department of Human Services from thousands of individuals receiving a TANF grant, to receive at **NO COST** to you, the services of our company that will **help you make more**  **money** and advance your  **career**.

The State of Illinois has asked our company, Employment & Employer Services (E&ES), to do this because for 20 years, we have been very successful at assisting people like you **make more money** by helping them get a better job with better benefits and a career with a future. **WE CAN DO THE SAME FOR YOU!!**

And, while your cooperation with us is mandatory because you are receiving TANF payments from the State, we are absolutely sure that **you will love**  **our services**! To begin with, we will be calling you to arrange a meeting at your convenience to show you how we can **help you make more money**. At that meeting, you will be given a **$50.00** ***Jewel Gift Certificate*** as a gesture of goodwill and friendship. We will also tell you about other valuable incentives that you can qualify for as a part of our services.

You will be hearing from us soon to arrange our get-together. That meeting will last no longer than 1½ hours. **You may also be hearing about this program from your caseworker as a part of your re-determination of eligibility.** We are working cooperatively with your caseworker to **help you earn more money.**

We look forward to meeting with you soon! To show that we are "**FOR REAL**", we are enclosing **$10.00** in ***McDonald's Gift Certificates*** and two ***CTA Transit Cards***, which you can use for your appointment with us. We are also enclosing a brochure that describes our services.

Sincerely,

Your Friends at E&ES

How can you earn more money and get a better job?

EASY! You have been selected by the State to work with **Employment & Employer Services, Inc.** (E&ES) to make this happen!

E&ES is a Chicago company in business for 20 years specializing in getting people better jobs that pay more money! $ $ $ $ $ $ $

So what's next?

E&ES will be in contact with you to establish a convenient time to meet and develop an acceptable plan to get you a better job that pays more money and offers better benefits. At the meeting, you will be introduced to a professional **C**areer and **I**ncome **A**dvisor who has helped hundreds of people like yourself to increase their earnings and obtain a better job.

All Active Participants Will Receive Additional Bonuses!

- Jewel Gift Certificates
- Clothing Allowances for Job Interviews
- Transportation Reimbursements
- Bus Passes

E&ES is dedicated to working with you because of the following reasons:

WHY..... E&ES believes that employment and career growth are the foundations for stability of the individual, family, and community.

WHAT WE HAVE DONE..... Helped 42,000 Chicagoland workers in the past 20 years find new or better jobs.

HOW WE DID IT..... Every day, over 2,600 Chicagoland employers use E&ES to fill their job openings. This service is provided at **NO COST** to you!!!

TO ENSURE THAT WE ARE FLEXIBLE IN MEETING YOUR NEEDS, E&ES HAS THE FOLLOWING 6 LOCATIONS:

Employment & Employer Services Career Center
200 W. Adams Suite 1500
Chicago, IL 60606
(312) 629-5627

Southwest Illinois Employment & Training Center at Daley College
7500 S. Pulaski Rd. Building 100
Chicago, IL 60652
(773) 884-7000

The Mid-South Illinois Employment & Training Center
715 E. 47th St.
Chicago, IL 60653
(773) 538-5627

Employment & Employer Services Career Center
17575 S. Kedzie Ave.
Hazel Crest, IL 60429
(708) 206-2318

Illinois Employment & Training Center in Cicero/Berwyn
2138 S. 61st Court Suite 301
Cicero, IL 60804
(708) 222-3100

The Westside Illinois Employment & Training Center
3500 W. Grand Ave.
Chicago, IL 60651
(773) 227-2047

WITH ONE VISIT, YOU CAN IMPROVE THE QUALITY OF YOUR LIFE! YOU HAVE NOTHING TO LOSE AND MUCH TO GAIN!!

TRYING TO GET AHEAD IN THE INCOME AND CAREER RACE?

WITH ONE VISIT, YOU CAN BE ON THE FAST TRACK TO A HIGHER PAYING JOB AND WALK OUT WITH A $50 JEWEL GIFT CERTIFICATE

win $50-$250!*

You've been selected to take advantage of a new service that will help **you make more money, get you a promotion, better benefits, or a new job.** Call today for an appointment. **The ride's on us.** Win up to $250 in gift certificates by bringing this scratch-off card when you come to Employment and Employer Services to meet your career and income advisor.

about us

Our company, Employment and Employer Services, Inc. has successfully placed over 42,000 people in career-developing positions throughout the Chicagoland area.

about you and us

You've been selected to participate in a unique, new employment program to develop your career path. Working with us, we'll provide you with the tools, the time and the training you'll need to succeed.

about winning

Winning is just an appointment away. Call your career and income advisor today at **312-629-5627** or **1-800-682-4883** and schedule your appointment! In addition to winning in our scratch-off game, you'll advance in your career with our agenda of supportive services, educational opportunities and placement.

*Prizes range from $50-$250 in gift certificates from Target, Toys "R" Us, Jewel Food Stores. And everyone wins. **Prizes not awarded if scratched before scheduled appointment.**

Employment & Employer Services Career Center • 200 W. Adams #1500 • Chicago, IL 60606

win $50-$250!

Bring this card to your appointment and play the scratch-off game with your advisor to see what you've won!

You can win up to $250 in gift certificates by bringing this scratch-off card when you come to Employment and Employer Services to meet your career and income advisor. *Prizes range from $50-$250 in gift certificates from Target, Toys "R" Us, Jewel Food Stores. **And everyone wins! Prizes not awarded if scratched before scheduled appointment.**

What Do You Want That You Don't Have Now?

- More Money
- Full-Time Job
- Better Benefits
- Promotion

Turn Your Job Into A Higher Paying Job

We Can Help!

Housekeeper	TO	Floor Supervisor
Child Care	TO	Teacher's Aide
Teacher's Aide	TO	Licensed Childcare Provider
Home Health Care	TO	C.N.A.
C.N.A.	TO	L.P.N.
Clerk	TO	Assistant Manager
Security Guard	TO	Security Supervisor
Cashier	TO	Customer Service Representative

Exhibit 3

There's nothing a new job can get you except...

Make it hap-

pen.

Hot jobs with instant referrals.
Come dressed for an interview.
Tuesdays beginning October 21, 9:30 a.m.

Sometimes Moving Up

Means Changing Jobs

EMPLOYMENT & EMPLOYER SERVICES

200 W. Adams St.
Suite 1500
Chicago, IL 60606

Phone: 312-629-5627
FAX 312-629-5630

Serving Chicagoland Employers and Job Seekers Since 1982

Mark Your Calendars

You are invited to the E&ES

Career Fair

August 22

9:00 a.m. — 12:00 p.m.

200 W. Adams
Suite 1500
Chicago, IL

Open only to job seekers who are part of the ERA program or other E&ES employment programs. Bring lots of resumes and dress for an interview. Hope to see you there!

E&ES

Moving On!

Employment Retention and Advancement

ERA Newsletter

August, 2002

ERA customers get better jobs, make more money!

E&ES has already helped many ERA customers find better jobs and make more money.

When Linda Conway met with Barbara Bouboutsis, her ERA Career and Income Advisor, she was a little skeptical about what the ERA program could do for her. Today she knows. By participating in the ERA program, she can get a better job and make MORE MONEY!

Linda Conway outside the Corner Bakery.

"Barbara stressed that everything would work out if I stayed focused on my goal of getting a job," Linda said at a later interview.

And everything did work out. Barbara helped Linda with interviewing techniques, built her confidence, and gave her a job lead for The Corner Bakery where they hired Linda to do Food Preparation that same day!

Paula Fisher was recently promoted to Machine Operator at Kraft Foods, with a $2 an hour raise! The promotion was based on her quick learning ability and desire to grow with the company and help from Paula's Career and Income Advisor, Pilar Trejo. Pilar helped her with developing employment skills and job counseling. The next step for Paula is to obtain her forklift license.

Paula Fisher keeps her eye on the future.

Inside this issue:

ERA customers get hot jobs and a hot dinner!

The ERA program is funded by the Illinois Department of Human Services.

Several ERA customers joined their Career and Income Advisors for an after-hours career advancement workshop at the Adams Street E&ES office Thursday, July 25. The latest *hot jobs* were presented and followed by a discussion of how to land the good jobs with effective interviewing skills. The meeting ended with a dinner of mostaccioli. The event was an example of how CIAs try to work around their customers' busy schedules.

Career and Income Advisor, Barbara Bouboutsis, ponders a question at an ERA customer workshop at the Adams E&ES office.

ERA– The right job is right here! here!

Employment and Employer Services is offering you FREE services to help you get a higher paying job—with benefits. We have hundreds of openings with companies all over Chicagoland. We will prepare you to get out of those unfulfilling jobs with low pay and status by providing you with training, education, and counseling for upgrades.

You'll be eligible for benefits!

- 367 customers are automatically eligible for incentives such as McDonald's Gift Certificates and CTA bus passes under the new ERA program.
- 189 active customers have already received $50.00 Jewel/Osco Gift Certificates
- 125 customers have completed Career Investment and Advancement Plans to help them move up to increased wages and benefits
- All active customers will receive additional bonuses:
  - —Clothing allowance for job interviews
  - —Registration fees, tuition, and books at City Colleges or approved vocational training programs

Get ready to SUCCEED! Others just like you have done it.

Mary Reynolds at Wyndham Hotel; Georgia Johnson at Briazz; Deonka Woods at Press Relay; Marcella Barry at Securitas; Tameka Jackson and Laura Norrett at R.E.M.; Shirl Goodwin and Joyce Lesley at White Hen Pantry; S. Burk, M. Rios and K. Horsford increased their hourly wages, as have many others.

"Opportunities are usually disguised as hard work, so most people don't recognize them."

Ann Landers

Free resources at E&ES offices

Do you need a place to learn and practice typing or basic computer skills?

Do you want to do an Internet job search? E-mail or FAX an employer your resume?

Visit one of the Employment & Employer Services' local and convenient office locations. You can use our free internet service for job search, set up a free email address or take one of many on-line tutorials. Locations include:

- Adams Career Center, 200 W. Adams, Suite 1500, Chicago
- Daley College IETC, 7500 S. Pulaski, Bldg. 100, Chicago
- Hazel Crest, 17575 S. Kedzie, Hazel Crest

Visit the center closest to you today. The centers are available Monday through Friday from 8:30 to 5:00 and at other times by appointment. Ask your Career and Income Advisor for details.

Health care jobs provide best career opportunities

Even in today's tough job market, there are some jobs you can bank on. Many of these jobs are in the health care industry.

In the past year, positions in the following health care occupations have nearly doubled.

85% increase in personal and home care aide positions;

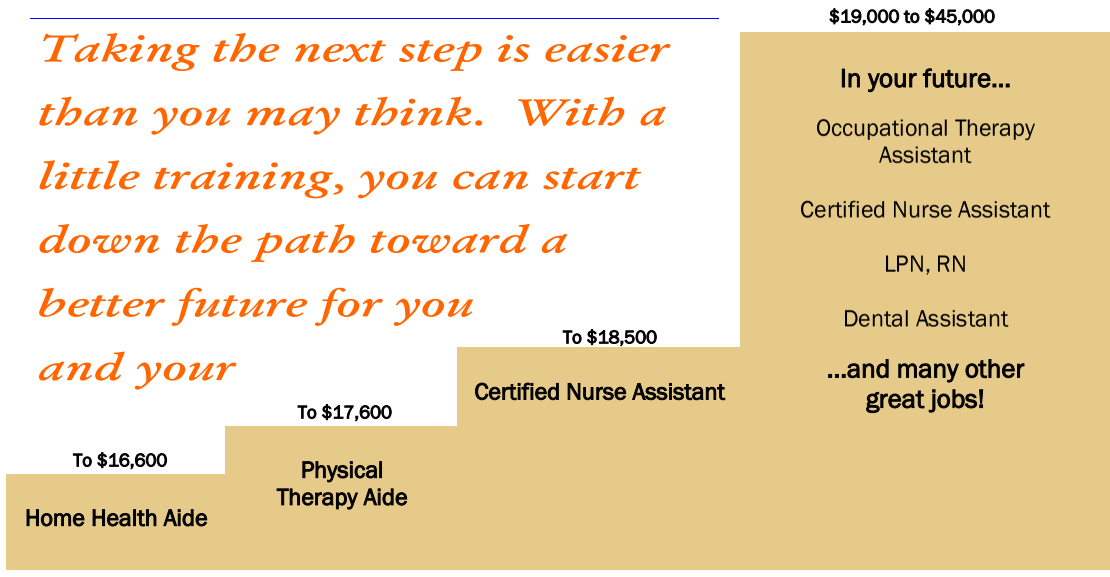
80% increase in physical and corrective therapy assistant positions;

80% increase in home health aides.

Not only are health care jobs plentiful, but they include good salaries, benefits, rewarding work, and opportunities for advancement.

To learn more about these jobs and opportunities they offer, read the descriptions below.

Taking the next step is easier than you may think. With a little training, you can start down the path toward a better future for you and your



"Always do your best. What you plant now, you will harvest later."

Anonymous

Home Health Aide

Care for senior, handicapped or recovering patients in their homes. Tasks may include helping patients dress, bath, move around the house.

Salary range
$5.50 — $8.00 hr.

Training and certification
4-8 wk. training program leading to certification.

Advancement opportunities:
Certified nurse assistant and licensed practical nurse.

Physical Therapy Aide

Work with physical therapists to help patients recover abilities lost through illness or injury. Care for equipment, supplies, prepare treatment areas.

Salary range
$7.00 — $8.50 hr.

Training and certification
9-week training program.

Advancement opportunities
Physical therapy assistants, physical therapists, medical assistants.

Certified Nurse Assistant

Provide nursing or personal care to patients in hospitals, nursing homes and private homes.

Salary range
$6.50 — $9.00

Training and certification
120-hour basic training; Certification through performance and a written test.

Advancement opportunities
Dental assistant, medical assistant, optometry assistant, LPN or RN.

.

Career Advancement Plan

I. Current Job:

Hours Per Week: _____

Growth Potential: _____

Education: _____

Benefits: _____

II. What Do I Want to Change?

_____

_____

_____

_____

III. Strengths or Skills:

_____

_____

_____

_____

IV. How Will I Accomplish This?

SHORT Term Goals:

_____

_____

_____

LONG Term Goals:

_____

_____

_____

Career Advancement Plan

Customer: _____

Barriers
Resources
Barriers
Resources

CIA: _____

Supervisor: _____

ERA INCENTIVE PROGRAM

Event		Incentive
I.	First Visit/Initial Assessment	$50.00 Jewel Gift Certificate
II.	Cooperating/Active Participation	$75.00 CTA Monthly Pass
	A. If working, then the ERA customer needs to have at least one phone conversation every week with their CIA.	**or** $20.00 CTA Weekly Pass
	B. If not working, then at least 3 weekly face-to-face visits with their CIA.	
	C. Active Job Search	
	D. Keeping all appointments/scheduled interviews	
	E. Completed each segment of their CIAP	
III.	Enrollment into a GED Program	$25.00 Jewel Gift Certificate
IV.	Enrollment into a Career Specific Vocational program	$25.00 Jewel Gift Certificate
V.	Attainment of GED	$50.00 Jewel Gift Certificate
VI.	Completion of a Career Specific Vocational Program	$50.00 Jewel Gift Certificate
VII.	Starting a Better Job and Working at Least 30 Hours Per Week For at Least 1 Week	$50.00 Jewel Gift Certificate
VIII.	Retaining the New Position for at Least 90 Days	$125.00 Jewel Gift Certificate

Appendix D

Time-Study Tables from the Chicago ERA Program

The Employment Retention and Advancement Project

Appendix Table D.1

Extent of Contact Between ERA Case Managers and Clients

Chicago

	Percent
Percentage of work time, over a two-week period, spent in contact with:	
Any client	38.8
Working clients	26.9
Nonworking clients	11.9
Average number of client contacts per day (per case manager)	
Any client	7.1
Working clients	4.9
Nonworking clients	2.3
Average number of minutes per day per contact with:	
Any client	23.4
Working clients	23.4
Nonworking clients	23.4
Number of case managers time-studied	6

SOURCE: MDRC calculations from the ERA time study.

The Employment Retention and Advancement Project

Appendix Table D.2

Description of Contact Between ERA Case Manager and Clients

Chicago

	Percent
Percentage of all client contacts, over a two-week period, that were:	
In person	40.3
Office visit	40.1
Home visit	0.0
Employer visit	0.0
Visit elsewhere	0.1
Not in person	59.7
Phone contact	58.3
Written contact	1.3
Other type of contact	0.1
Percentage of all client contacts that were initiated by:	
Staff person	49.0
Client	46.7
Another person	4.3
Number of case managers time-studied	6

SOURCE: MDRC calculations from the ERA time study.

The Employment Retention and Advancement Project

Appendix Table D.3

Topics Covered During Contact Between ERA Case Managers and Clients

Chicago

	Percent	
	In Person	Other
Percentage of all client contacts that included the following topics:[a]		
Initial client engagement	11.5	0.6
Supportive service eligibility and issues	40.8	10.0
General check-in	12.5	23.5
Screening/asssessment	6.8	1.6
Address on-the-job issues/problems	5.3	6.7
Address personal or family issues	7.2	8.7
Explore specific employment and training options	13.1	9.4
Discuss career goals and advancement	33.9	30.0
Assist with reemployment	52.9	40.4
Discuss issues related to financial incentives or stipends	2.7	3.0
Schedule/refer for work experience position	NA	NA
Enrollment in government assistance and ongoing eligibility issues	0.0	1.2
Assistance with the EITC	0.7	0.5
Participation/sanctioning issues	2.1	11.6
Schedule/refer for screening/assessment	0.3	4.8
Schedule/refer for job search or other employment services	6.7	5.0
Schedule/refer for education or training	7.9	2.5
Schedule/refer for services to address special or personal issues	1.6	4.0
Number of case managers time-studied	6	

SOURCE: MDRC calculations from the ERA time study.

NOTE: [a]Percentages exceed 100 percent because more than one topic could be recorded for each contact.

Appendix E

Where Did Sample Members Work?

Broadly speaking, both research groups — ERA group members and control group members — in this study of the Chicago Employment Retention and Advancement (ERA) program worked in the same occupations and industries. The upper panel of Appendix Table E.1 shows that the most common job/occupation for sample members was personal care and service, which employed nearly 27 percent of those who were working at the time of the interview for the ERA 12-Month Survey. Unfortunately, this is a low-wage sector that is not well covered by unemployment insurance (UI). Average wages are close to the federal minimum wage, and only about 5 percent of jobs in this sector qualify as a "good job," which is defined either as a job that requires 35 work hours a week, pays at least $7.00 per hour, and offers health insurance or as a job that pays at least $8.50 per hour and requires 35 work hours a week.[1] The next two most common job/occupation categories are (1) sales and related and (2) office and administrative support. Of the top five occupational areas, office and administrative jobs paid the highest wage and were most likely to be full time. Health care support jobs also had relatively good characteristics.

The lower panel of the table shows business/industry categories. Health care and social assistance employed a full 41 percent of currently employed respondents. Pay in this sector was relatively low ($6.37 per hour, on average), and 80 percent of these employees worked full time. Other common industry areas include (1) retail trade, (2) accommodation and food services, (3) administrative services, and (4) other services. Of the top five industries, jobs in administrative and support and waste management and remediation services had the best characteristics by far. Wages approached $8.00 per hour, and 27 percent of these employees worked in a "good job." Interestingly, ERA group members were more likely than control group members to work in this category.

[1] Johnson and Corcoran (2003).

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Appendix Table E.1

Most Common Occupations and Industries of Currently Employed Sample Members

Cluster	Employed Sample Members (%)	Average Weekly Pay ($)	Average Hourly Pay ($)	Good Job[a] (%)	Full-Time Job (%)
Job/occupation					
Personal care and service	26.7	177	5.45	5.6	75.9
Sales and related	17.0	242	6.92	15.9	84.1
Office and administrative support	15.3	287	7.84	24.2	90.3
Food preparation and serving	9.4	241	6.99	15.8	81.6
Health care support	7.2	257	7.58	24.1	79.3
Business/industry					
Health care and social assistance	40.7	218	6.37	15.8	80.0
Retail trade of motor vehicles and parts, furniture, and home furnishings	12.6	235	6.96	11.8	82.4
Accommodation and food services	10.1	244	6.95	17.1	90.2
Administrative and support and waste management and remediation services	8.1	295	7.92	27.3	84.8
Other services (except public administration)	7.9	206	6.69	3.1	75.0
Sample size (total = 405)					

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix J.

[a]This definition of a "good job" is adapted from Johnson and Corcoran (2003). A "good job" is one that offers 35 or more hours per week and either (1) pays $7.00 or more per hour and offers health insurance or (2) pays $8.50 or more per hour and does not provide health insurance.

Appendix F

Chicago ERA 12-Month Survey Response Analysis

This appendix assesses the reliability of impact results for the Employment Retention and Advancement (ERA) 12-Month Survey and examines the generalizability of impacts for survey respondents to the impacts for the full research sample. It also introduces the process for selecting the sample for the survey, discusses the response rates for the survey sample and its respective research groups, and examines the differences both between survey respondents and nonrespondents and between research groups among survey respondents. Finally, this appendix compares the impacts for measures created from administrative records data for the research sample, the fielded sample, and the respondent sample. While some minor issues are uncovered, the response analysis indicates that the results for the respondent sample in Chicago can be generalized to the research sample.

Survey Selection

The research sample in the Chicago ERA study includes 1,615 sample members randomly assigned to the program group (N = 800) and control group (N = 815) from February 2002 through March 2003.

Research sample members were eligible for the survey if they were 18 years old or older, single parents, residents of Cook County, and able to speak either English or Spanish. Eligible sample members constitute approximately 46 percent of the research sample and were randomly assigned from September 2002 through March 2003. A total of 747 sample members who met the survey eligibility criteria were selected for the survey. In Chicago, all sample members who were eligible for the survey were selected to be interviewed. This sample is referred to as the *fielded sample* and is split equally between the ERA group (N = 368) and the control group (N = 379).

Key Analysis Samples

Research sample. Everyone who was randomly assigned during the sample intake period, which ranged from February 2002 through March 2003.

Fielded sample. Sample members who met the criteria for inclusion in the ERA 12-Month Survey and were thus eligible to be interviewed.

Respondent sample. Sample members in the fielded sample who completed the ERA 12-Month Survey.

Nonrespondent sample. Sample members in the fielded sample who were not interviewed because they were not located, were located after the fielded period expired, were deceased or incarcerated, or refused to be interviewed.

Survey Response Rates

Sample members who were interviewed for the ERA 12-Month Survey are referred to as "survey respondents," while sample members who were not interviewed are known as "nonrespondents."

There were 149 sample members who were not interviewed because they could not be located (N = 72), were located after the fielded period expired (N = 63), refused to be interviewed (N = 12), were incapacitated (N = 1), or were deceased (N = 1).

The overall response rate was approximately 80 percent, with an 83 percent response rate for the ERA group and a 77 percent response rate for the control group.[1] Although the likelihood of bias diminishes with response rates higher than 80 percent, nonresponse bias may still affect survey outcomes whenever eligible sample members do not respond. Therefore, it is important to test for differences in background characteristics between the respondent sample and the nonrespondent sample.

Comparison Between Respondents and Nonrespondents Within the Fielded Sample

This section examines the differences in pre-random assignment characteristics between respondents and nonrespondents within the fielded sample. In order to examine differences between those who completed the survey and those who did not, MDRC created a survey response indicator and related this measure to the sample's pre-random assignment characteristics, using multivariate regression analysis.

Appendix Table F.1 shows the regression coefficient estimates for the background characteristics in the model. The first column of the table provides the parameter estimates that indicate the effect of each variable on the likelihood of completing the survey.[2] The asterisks and p-values show whether a relationship is statistically significant.

Appendix Table F.1 highlights the differences between the survey respondents and nonrespondents at the time of random assignment. Three measures of background characteristics were found to have statistically significant correlations in predicting whether someone would complete a survey: research group code, race, and whether or not a sample member had a high

[1]The federal Office of Management and Budget (OMB) stipulates a response rate of 80 percent.

[2]In order to derive true "probabilities," logistic regression would need to be used. This analysis was done with ordinary least squares, so although the statistical significance tests should be accurate, the parameters in the regression should not be interpreted as probabilities.

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Appendix Table F.1

Estimated Regression Coefficients for the Likelihood of Being a Respondent on the ERA 12-Month Survey

Chicago

	Survey Sample	
	Parameter Estimate	P-Value
ERA group	0.055 *	0.061
Age of youngest child	0.001	0.835
Number of children	0.003	0.849
Black, non-Hispanic	0.188 ***	0.002
White	0.022	0.818
Asian	-0.194	0.300
Native	0.317	0.269
No high school diploma or GED	0.068 **	0.031
Female	0.108	0.705
21-30 years of age	0.070	0.608
31-40 years of age	0.039	0.777
Age 41 or older	0.137	0.333
Speaks limited English	0.131	0.389
Employed in the prior year	-0.007	0.921
Employed in the prior quarter	0.037	0.590
Earnings in the prior year	-0.000	0.150
Number of quarters employed in the prior year	0.030	0.280
Ever employed in the past 3 years	0.012	0.695
Total TANF grant	-0.000	0.979
Relative month of random assignment	-0.000	0.978
R-square (0.060)		
F-statistic (2.34)		
P-value of F-statistic (0.001)		
Sample size	747	

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

school diploma or General Educational Development (GED) certificate. Compared with nonrespondents, survey respondents were *more* likely to be assigned to the ERA group and to be black (non-Hispanic) and were *less* likely to have a high school diploma or GED. The statistical significance of the research group code reflects the fact that more ERA group members were surveyed than control group members. Since the impacts do not differ greatly by race or level of

education, this pattern of response bias is not expected to affect the generalizability of the survey results. The F-statistic (2.34) and, subsequently, the p-value of the F-statistic (0.001) show that the model is statistically significant.

Comparison Between the Research Groups in the Respondent Sample

The random assignment design essentially eliminates the possibility of selection bias between the two research groups. However, the survey sampling and response process may allow differences to emerge between respondents in the ERA group and those in the control group. Specifically, if ERA group respondents differ systematically from control group respondents, then the integrity of the experiment can be compromised, and the measured impacts may not be wholly attributable to the ERA program.

Appendix Table F.2 shows that the background characteristics of survey respondents in both groups were very similar at random assignment; thus, the experiment is internally valid for the respondent sample. One exception is that respondents in the ERA group had a higher average number of children than respondents in the control group.

Comparison of the Research, Fielded, and Respondent Samples

This section examines the impacts among key outcomes created from administrative records for the research, fielded, and respondent samples. The section also provides further indications of whether the impacts among the respondent sample can be generalized to the research sample and the fielded sample.

Appendix Table F.3 shows the adjusted means and impacts on employment and welfare outcomes for the three samples.[3] Generally, the impacts for the research sample look most similar to the impacts for the respondent sample. Interestingly, the effects on earnings and employment were weakest for the fielded sample.

Since the first-year impacts for the respondent sample and for the research sample follow the same general pattern, the survey results can be safely generalized to the full research sample. However, this appendix shows some evidence that respondents differed from nonrespondents on a couple of background characteristics that did not moderate the impacts of the program. Response bias is a matter of degree. Whenever response rates are below 100 percent,

[3]All the impacts are regression-adjusted within each sample, to control for differences in background characteristics, prior earnings, prior employment, prior public assistance receipt, location or residence, and period of sample intake. All impacts presented in this appendix are statistically significant unless noted otherwise.

one can usually find some evidence of differences between respondents and nonrespondents. In the case of the sample in Chicago, however, the differences do not appear to be large enough to generate substantial concern about the validity of results.

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Appendix Table F.2

Background Characteristics of Survey Respondents Who Were Randomly Assigned Between February 2002 and June 2003

Chicago

Variable	ERA Group	Control Group	
Female (%)	99.7	100.0	
Race/ethnicity (%)			
Hispanic	5.9	5.1	
Black, non-Hispanic	90.5	91.4	
White, non-Hispanic	2.6	3.1	
Other	1.0	0.3	
Age (%)			
20 years or younger	1.0	1.4	
21-30 years	36.9	35.6	
31-40 years	45.1	42.8	
41 years or older	17.0	20.2	
Average age	33	34	
High school diploma (%)	56.5	58.2	
Employed during the quarter prior to random assignment (%)	60.8	60.6	
Employed during the year prior to random assignment (%)	69.3	69.9	
Number of children (%)			
0	0.3	0.7	
1	8.8	12.3	
2	18.6	20.9	
More than 3	72.2	66.1	
Average number of children	3.7	3.3	**
Age of youngest child (%)			
3 years or younger	27.5	23.1	
3-5 years	23.6	23.4	
6 years or older	48.9	53.4	
Received food stamps in prior year (%)	99.7	100.0	
Sample size (total = 598)	306	292	

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.

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Appendix Table F.3

Comparison of Impacts for the Research, Fielded, and Respondent Samples

Chicago

Outcome	ERA Group	Control Group	Difference (Impact)
Quarters 2-5			
Ever employed (%)			
Research sample	69.6	65.9	3.8 **
Fielded sample	68.9	66.6	2.3
Respondent sample	72.5	66.9	5.6 **
Average quarterly employment (%)			
Research sample	57.8	55.2	2.6 *
Fielded sample	56.4	54.7	1.7
Respondent sample	59.5	55.6	3.9
Employed 4 consecutive quarters (%)			
Research sample	45.5	43.5	2.0
Fielded sample	42.5	42.1	0.4
Respondent sample	45.2	44.4	0.8
Number of quarters employed			
Research sample	2.3	2.2	0.1 *
Fielded sample	2.3	2.2	0.1
Respondent sample	2.4	2.2	0.2
Earnings ($)			
Research sample	6,270	6,090	179
Fielded sample	6,168	6,225	-58
Respondent sample	6,412	6,165	247
Ever received TANF (%)			
Research sample	85.6	88.7	-3.2 *
Fielded sample	82.3	89.3	-7.0 ***
Respondent sample	83.4	90.3	-6.9 **
Amount of TANF received ($)			
Research sample	1,307	1,586	-279 ***
Fielded sample	1,210	1,606	-396 ***
Respondent sample	1,218	1,630	-412 ***
Ever received food stamps (%)			
Research sample	99.5	98.7	0.8 *
Fielded sample	99.9	98.7	1.2 **
Respondent sample	99.9	99.0	0.9
Amount of food stamps received ($)			
Research sample	4,066	4,041	25
Fielded sample	4,175	4,209	-35
Respondent sample	4,176	4,293	-117

(continued)

Appendix Table F.3 (continued)

Outcome	ERA Group	Control Group	Difference Impact
Total measured income ($)			
Research sample	11,643	11,717	-74
Fielded sample	11,552	12,041	-488
Respondent sample	11,806	12,087	-281

SOURCE: MDRC calculations from administrative records from the State of Illinois.

NOTES: See Appendix I.
The research sample includes 1,615 sample members; ERA group: 800; control group: 815.
The fielded sample includes 747 sample members; ERA group: 368; control group: 379.
The respondent sample includes 598 sample members; ERA group: 306; control group: 292.

Appendix G

Examples of Employment-Related Measures Analyzed in This Report

For this report on the Employment Retention and Advancement (ERA) program in Chicago, employment-related measures are created from unemployment insurance (UI) wage records and the ERA 12-Month Survey. This appendix describes some of the key employment-related measures in greater detail. The measures are grouped by the research questions that they help to answer. Measures from both UI wage records and the 12-month survey are discussed.[1]

Did ERA Improve Job Placement in UI-Covered Jobs?

- **Ever employed in a UI-covered job in Years 1-2.** Nearly all sample members in Illinois were working at the time of random assignment. Thus, the program was not expected to affect job placement. Field visits indicated, however, that many sample members worked in informal jobs. Thus, placement in UI jobs became an important indicator of job quality (since UI-covered jobs were shown to be better jobs).

- **Ever employed as of the ERA 12-Month Survey interview.** This is a more comprehensive measure of job placement, based on responses to the ERA 12-Month Survey. In a sample that is overrepresented in the informal labor market, the survey measure is likely a better measure of overall employment. One shortcoming of this measure is that it is based on recall of past events rather than on administrative records. Moreover, it is based on the smaller survey sample.[2]

Did ERA Improve Employment Retention?

As noted in the Overview of this report, although much is known about how to help welfare recipients find jobs, little is known about how to help them keep jobs or advance in the labor market. Facing a variety of barriers to work — including health issues, unreliable or costly child care and transportation arrangements, and difficult work conditions — welfare recipients often have unstable employment experiences. One of the key goals of the Chicago ERA program was to stabilize employment.

- **Average quarterly employment in UI-covered jobs.** This measure can be defined as the employment rate in the average quarter. Although the measure

[1]UI wage data are a reliable source for estimating employment and earning impacts because these records are stored in computerized systems shortly after the completion of a quarter and because most employers are required to submit them. UI records do, however, miss wages not reported to the UI system in Illinois. These include "off-the-books" jobs, some agricultural jobs, self-employment, and federal government jobs. Also, UI records usually do not measure job characteristics. For these reasons, data from the ERA 12-Month Survey are also used.

[2]The advantages and disadvantages of survey versus UI measures are the same for all the measures discussed in this appendix and thus are not repeated throughout.

is related to employment retention, it might also reflect job placement and the timing of initial employment. The average quarterly employment measure was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed. For example, for the two-year measure, a sample member who was employed in two quarters received a value of 25 percent [(2/8) * 100].

- **Employed four consecutive quarters in UI-covered jobs.** An impact on this measure would likely signal an effect on employment retention. Because UI wage records are reported quarterly, it is not possible to know whether sample members who worked in four consecutive quarters were really employed the whole time.

- **Number of months employed since random assignment.** This item, from the 12-month survey, is a measure of employment stability. While it is similar to the two items above, it provides a more finely grained measure of employment stability, since survey data can be collected in monthly intervals. Similarly, the survey item "employed six consecutive months" is a measure of employment stability that is comparable to the measure "employed four consecutive quarters" but provides a better estimate of stability because it is based on months rather than quarters.

Did ERA Lead to Advancement in the Labor Market?

The goals of ERA go beyond employment retention. Retention at a low-wage or low-quality job may represent some improvement, but the goals of ERA included advancement to jobs with better pay and benefits. Improvements in job quality can be viewed as a type of advancement. Some of these measures are mostly noneconomic (such as whether one works the night shift) but still important. Others (such as health benefits) can have large economic consequences that are not incorporated in measures of earnings.

- **Earned over $10,000.** This measure could be related to both retention and advancement, although — like some of the other measures — it could also reflect the timing of initial employment.

- **Employed at a good job.** A "good job" is a job in which a respondent works 35 or more hours per week and either (1) pays $7.00 or more per hour and offers health insurance or (2) pays $8.50 or more per hour.[3] By coupling

[3]This definition of a good job is adapted from Johnson and Corcoran (2003).

wages and benefits, this measure allows for a more nuanced assessment of job quality.

- **Job schedule measures.** For workers in general, and for working mothers with young children in particular, job schedule can be a critical issue. It can be difficult to arrange for child care during the evening, for example. Overnight shifts can be especially difficult. On the other hand, such atypical schedules may command higher wage rates. For these reasons, it is important to analyze job schedules.

- **Job skills index.** These survey measures were adopted from the Woman's Employment Study (WES).[4] Working at jobs that require skills for which there is a high demand in the labor market is an important pathway to advancement. Even if these skills are not compensated for immediately, they may lead to longer-term improvements in labor market outcomes.

- **Employer-provided benefits.** The availability of benefits is obviously important. A lower-wage job with such key benefits as health and dental insurance may be more economically beneficial than a higher-wage job without benefits. On the other hand, many sample members were eligible for Medicaid, which may have provided more affordable benefits than employer-based health insurance programs. An important point to note is that the measures presented in this report reflect self-reported assessments of the *availability* of benefits. Sample members may have elected not to participate in benefit plans, particularly if they were too expensive.

What Was the Overall Effect of ERA on Employment Retention and Advancement?

As discussed in Chapter 1, the Chicago ERA program had many goals. Its employment goals included both retention and advancement.

- **Earnings in UI-covered jobs.** An impact on average total earnings could reflect improvements in job placement, retention, advancement or some combination of the three. For this reason, impacts on total earnings are a comprehensive indicator of the effectiveness of ERA.

[4]Web site: http://www.fordschool.umich.edu/research/poverty/wes/index.html.

- **Hourly and weekly wages.** Measures of earnings are also created from the ERA 12-Month Survey. The survey measures of earnings are more refined than the UI data, because earnings can be expressed as hourly wages or as weekly earnings. In doing so, the survey measures provide an indication of whether any differences in earnings are "driven" by the number of hours worked or by the wage rates.

Appendix H

How to Read the Tables in the ERA Evaluation

Most tables in this report use a similar format, illustrated below. The top panel shows a series of participation outcomes for the ERA group and the control group in Chicago. For example, the table shows that about 56 (56.4) percent of the ERA group members and about 36 (35.8) percent of the control group members participated in a job search activity.

Because individuals were assigned randomly either to the ERA program or to the control group, the effects of the program can be estimated by the difference in outcomes between the two groups. The "Difference" column in the table shows the differences between the two research groups' participation rates — that is, the program's *impacts* on participation. For example, the impact on participation in a job search activity can be calculated by subtracting 35.8 percent from 56.4 percent, yielding 20.6 percent.

Differences marked with asterisks are "statistically significant," meaning that it is quite unlikely that the differences arose by chance. The number of asterisks indicates whether the impact is statistically significant at the 1 percent, 5 percent, or 10 percent level. (The lower the level, the less likely that the impact is due to chance. One asterisk corresponds to the 10 percent level; two asterisks, the 5 percent level; and three asterisks, the 1 percent level.) For example, as shown below, the ERA program had a statistically significant impact of 20.6 percentage points at the 1 percent level on participation in a job search activity. The p-value shows the exact levels of significance.

Impacts on Participation and Service Receipt

Outcome (%)	ERA Group	Control Group	Difference (Impact)		P-Value
Participated in a job search activity	56.4	35.8	20.6	***	0.00
Group job search/job club	43.6	18.7	24.8	***	0.00
Individual job search	43.4	28.5	14.9	***	0.00
Participated in an education/training activity	23.2	25.0	-1.8		0.60
ABE/GED	12.3	13.9	-1.6		0.57
ESL	1.7	0.7	1.0		0.27
College courses	6.5	6.5	0.0		1.00
Vocational training	4.5	8.0	-3.5	*	0.07

Appendix I

Notes for Tables and Figures Displaying Results Calculated with Administrative Records Data

This table includes only employment and earnings in jobs covered by the Illinois unemployment insurance (UI) program. It does not include employment outside Illinois or in jobs not covered by UI (for example, "off-the-books" jobs, some agricultural jobs, self-employment, and federal government jobs).

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

Rounding may cause slight discrepancies in calculating sums and differences.

Total measured income represents the sum of UI earnings, TANF, and food stamps.

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

The average quarterly employment measure was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed.

Italic type indicates comparisons that are nonexperimental. These measures were computed only for sample members who were employed. Since there may be differences in the characteristics of program group and control group members who were employed, any differences in outcomes may not necessarily be attributable to the ERA program. Statistical tests were not performed.

"Year 1" refers to Quarters 2 to 5. Quarter 1 is the quarter in which random assignment took place.

Dollar averages include zero values for sample members who were not employed or were not receiving TANF or food stamps.

Random assignment extended from February 2002 through June 2003. The impact sample includes all single parents who were randomly assigned in Chicago through March 2003. Unless otherwise stated, results are for sample members randomly assigned from February 2002 through March 2003.

NA = not applicable.

Appendix J

Notes for Tables and Figures Displaying Results Calculated with Responses to the ERA 12-Month Survey

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

Italic type indicates comparisons that are nonexperimental. These measures were computed only for sample members who were employed. Since there may be differences in the characteristics of program group and control group members who were employed, any differences in outcomes may not necessarily be attributable to the ERA program. Statistical tests were not performed.

NA = not applicable.

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MDRC is a nonprofit, nonpartisan social and education policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Child Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.