

**The Employment Retention
and Advancement Project**

Results from Minnesota's Tier 2 Program

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Overview

Despite advances in the development of programs to help welfare recipients find jobs, a significant portion of the welfare caseload remains on the rolls for long periods without working. This report evaluates the effectiveness of a program in Minnesota, the Tier 2 program, designed to assist those recipients. It was evaluated as part of the Employment Retention and Advancement project, which is testing 15 programs nationwide. The project is being conducted by MDRC, under contract to the Administration for Children and Families in the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.

The Tier 2 program operated in Hennepin County, which includes the city of Minneapolis, and was built on the services provided by the county's preexisting welfare-to-work program, the Tier 1 program. Tier 2 differed from Tier 1 as follows: (1) case managers worked with smaller caseloads; (2) clients received in-depth assessments to uncover problems that affected them and their families; and (3) it placed greater emphasis on referring individuals to services to address barriers to employment and placing recipients who could not find work in supported employment positions (whereby participants worked for a wage in jobs supervised by program staff).

The Tier 2 program was evaluated starting in 2002 using a random assignment research design, whereby eligible individuals were assigned either to a program group, whose members were assigned to Tier 2, or to a control group, whose members remained in Tier 1. The Tier 2 program's effects were estimated by comparing how the two groups fared over time.

Key Findings

- Although the Tier 2 program was well implemented, it did not increase clients' use of services to overcome employment barriers, such as problems with mental health, substance use, or domestic violence, or their participation in most other program services. Tier 2 did not increase participation in education or training activities, but it did lead to small increases in job search activities and participation in supported employment.
- The Tier 2 program had little effect on participants' employment, earnings, or public assistance receipt. The Tier 2 and Tier 1 groups had similar rates of employment over the follow-up period of one and a half years (about two-thirds of both groups worked at some point). Early on, the Tier 2 program led to a modest increase in employment — and a notable increase in employment among participants who had previous work experience — but these differences did not persist. The Tier 1 and Tier 2 groups had similar rates of Temporary Assistance for Needy Families (TANF) and food stamp receipt, and TANF receipt gradually fell over time at roughly the same rate for both groups. Toward the end of the follow-up period, rates of TANF receipt were somewhat higher for the Tier 2 group; longer-term follow-up will show whether this late effect persists.

These results are not the final word on the Tier 2 program, as MDRC plans to track employment outcomes for three years. The findings do, however, illustrate the persistent challenge of finding strategies to effectively assist individuals who receive cash benefits for long periods. They suggest that lowering caseloads may not be enough for programs to succeed. It may be that lower caseloads and increased staff-client interaction are more effective when clients are also participating in a fuller range of services that address their needs. These findings suggest that in-depth assessments need to be more effectively linked to mechanisms that facilitate referrals and promote service engagement.

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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 2009, 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? Looking across programs, which approaches are most effective, and for whom?

A total of 15 ERA experiments 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

The evaluation of the Tier 2 program in Hennepin County would not be possible without the cooperation, commitment, and hard work of a wide range of administrators and staff. The following individuals deserve special thanks.

William Brumfield and Philip AuClaire of the Hennepin County Office of Training and Employment Assistance have been vital to the evaluation. They played major roles in the program design, worked closely with MDRC to set up and monitor the evaluation, assisted in arranging many site visits, facilitated a range of other research and data collection activities, and provided support throughout the study. Chuck Johnson and Scott Chazdon of the Minnesota Department of Human Services (DHS) also provided guidance and support. At each of the six Tier 2 providers and at several Tier 1 providers, program staff graciously accommodated numerous MDRC site visits and data collection activities, and they also willingly discussed their experiences with MDRC researchers and participated in an in-depth study of how they spent their time at work. Jim Allard from DHS provided administrative records data to MDRC for the study. Jim Shultz and Nick Schmidt from the Department of Economic Security also provided automated earnings data used for the analyses in this report.

At MDRC, we would like to thank Barbara Goldman, Gayle Hamilton, Dan Bloom, Stephen Freedman, and Charles Michalopolous, who reviewed multiple versions of the report and provided several helpful suggestions. Stephen Freedman and Richard Hendra also helped oversee data collection from the beginning. Allison Milld provided excellent research assistance, and Diane Singer provided administrative support. Joel Gordon and Galina Farberova managed the random assignment design. Gilda Azurdia was the lead programmer and processed and analyzed the survey data and earnings records data. Zakia Barnes processed the welfare records data and created programs for the impact analysis. Margaret Bald and Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

Finally, we extend our deep appreciation to the hundreds of Hennepin County 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 Minnesota 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 (HHS), 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. 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 Minnesota ERA evaluation is a test of a program in Hennepin County (which includes the city of Minneapolis) that targeted a segment of the Temporary Assistance for Needy Families (TANF) caseload that had received cash assistance for a relatively long period. The program provided a range of services designed to address these individuals' barriers to employment and to help them find and keep jobs. Funded by the Minnesota Department of Human Services (DHS), the program operated from January 2002 to June 2004.

Origin and Goals of the Minnesota ERA Program

The Minnesota ERA program builds on the state's TANF program, known as the Minnesota Family Investment Program (MFIP).² Like many TANF programs, MFIP requires recipients to work or participate in employment-related services or face financial penalties (sanctions), includes an earned income disregard that allows recipients to work and still remain eligible for some benefits, and places a lifetime limit of 60 months on cash benefits. MFIP in Hennepin County is referred to as the Tier 1 program.

While many individuals have moved off welfare and into work since the MFIP program was implemented, program administrators have found that a significant fraction of recipients have remained on the rolls for a long time without working. To address the needs of this group, who appeared most likely to reach their benefit-receipt time limit, the state distributed grants to several counties to design special services. The program implemented in January 2002 in Hennepin County was referred to as the Tier 2 program.

¹For further information on the ERA project, see MDRC's Web site: www.mdrc.org.

²The MFIP program was evaluated relative to the Aid to Families with Dependent Children program in seven Minnesota counties between 1994 and 1998. The statewide TANF program, also called MFIP and implemented in 1998, incorporated many features of the earlier MFIP field trials, including a more generous earned income disregard. It also included several TANF-influenced features, such as a five-year time limit on benefit receipt. See Virginia Knox, Cynthia Miller, and Lisa A. Gennetian, *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program* (New York: MDRC, 2000).

In Minnesota, the ERA evaluation is a test of the Tier 2 program in Hennepin County; it examines how employment and other outcomes for individuals involved in the Tier 2 program compare with those for individuals who remained in the Tier 1 program. The Tier 2 program used Tier 1 as its foundation, but built on it in three key ways. Tier 2 provided: (1) smaller caseloads for program staff to facilitate more attention to the unique circumstances of individuals and their families; (2) a more in-depth assessment of new cases, covering a wide range of issues facing clients and their families; and (3) a greater emphasis on assigning and referring individuals to a broader range of services, including supported employment positions and more specialized services, such as those available from programs that help people with mental health or substance-related problems. In short, the goals of the Tier 2 program were to better assess the employment barriers faced by a portion of the TANF population in Hennepin County who had been on welfare for a long time and had worked very little, and to address those barriers through referrals to appropriate services and close monitoring and follow-up.

The ERA Evaluation

As in the other ERA sites, MDRC is using a random assignment research design to assess the effectiveness of the Tier 2 program. Between January 2002 and April 2003, the Hennepin County Office of Training and Employment Assistance identified MFIP recipients who met the Tier 2 program eligibility criteria: They had been assigned to MFIP employment services for 12 months or longer, were currently unemployed and had not worked in the preceding three months, were not currently participating in an approved education or training program, and were not currently being sanctioned. (Individuals who were “exempt” from participating in MFIP because, for example, they had young children or were seriously ill or incapacitated were not included in the study.) Half of these recipients were assigned at random to the Tier 2 program (referred to as the Tier 2 group), and half were assigned to remain in the Tier 1 program (referred to as the Tier 1 group).³

MDRC is tracking both groups using data provided by the State of Minnesota that show each individual’s monthly welfare and food stamp benefits as well as quarterly earnings in jobs covered by the Minnesota unemployment insurance (UI) program. One and a half 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 Tier 2 and Tier 1 group members about a year after they entered the study.

Because individuals were assigned to the Tier 2 and Tier 1 groups through a random process, the two groups were comparable at the start. Thus any differences in outcomes that emerge between the two groups during the follow-up period can be validly tested for the likelihood that they arose because of the program and not by chance variation. A total of 1,692 single

³Although the evaluation included two-parent families, this report focuses on single-parent recipients. Results for two-parent families will be presented in a later report.

parents are included in this report's analysis, using administrative records. Analyses using the survey include 503 single parents, representing 76 percent of those who were selected to be interviewed. Additional analyses suggest that the survey sample is representative of the fuller evaluation sample.

The Tier 2 Target Population

The ERA study participants in Minnesota had a high prevalence of barriers to employment. In addition to long stays on welfare and low education levels, many reported health-related problems and responsibilities caring for ill or disabled children. Nearly one-third met diagnostic criteria for past-year major depression, for example. In addition, many individuals had multiple barriers to employment.

Key Findings on Program Implementation

- **The Tier 2 program was generally well implemented. The low caseloads for program staff allowed them to conduct in-depth assessments and interact more with clients.**

Because Tier 2 evolved from the basic structure of Tier 1, the two programs shared some important characteristics: a strong focus on obtaining employment, four weeks of job search followed by community service for those who did not find work, support services including child care and transportation, and some assistance with retention and advancement for working participants. The fact that the Tier 1 group had access to this range of services and supports may have set a high standard for Tier 2 to surpass and demonstrate impacts.

Nonetheless, the Tier 2 program did differ from Tier 1 in several ways. Case managers worked with small caseloads — 25 to 30 clients per Tier 2 worker versus 75 to 100 in Tier 1 — which allowed them to pay greater attention to the unique circumstances of recipients and their families. For example, the relatively small caseloads allowed Tier 2 case managers to conduct full-family assessments, which were far more in-depth than the basic screenings used in the Tier 1 program. In addition, individuals in Tier 2 met with their case managers more often than individuals in Tier 1, although both groups reported high levels of contact with their case managers.

- **Despite greater attention to assessment, the Tier 2 program did not increase the use of services that help people with barriers to employment, such as problems with mental health, substance abuse, or domestic violence.**

Because barriers to employment often go undetected, assessment was a key component of the Tier 2 program. Although the full-family assessments were both comprehensive and well

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Table ES.1

Impacts on UI-Covered Employment and Public Assistance

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Quarters 2-7</u>				
Ever employed (%)	68.0	64.7	3.3	0.113
Earnings (\$)	6,476	6,529	-54	0.902
Ever received TANF (%)	93.4	93.1	0.3	0.793
Amount of TANF received (\$)	5,162	4,991	171	0.222
Ever received food stamps (%)	97.5	96.8	0.7	0.383
Amount of food stamps received (\$)	4,536	4,465	71	0.429
<u>Quarter 7</u>				
Ever employed (%)	45.2	43.4	1.8	0.443
Earnings (\$)	1,271	1,358	-87	0.377
Ever received TANF (%)	58.6	54.2	4.3 *	0.067
Amount of TANF received (\$)	613	577	36	0.245
Ever received food stamps (%)	80.3	74.7	5.6 ***	0.005
Amount of food stamps received (\$)	694	667	27	0.215
Sample size (total = 1,692)	845	847		

SOURCES: MDRC calculations from UI, TANF, and food stamp administrative records from the State of Minnesota.

NOTES: This table includes only employment and earnings in jobs covered by the Minnesota unemployment insurance (UI) program. It does not include employment outside Minnesota or in jobs not covered by UI (for example, "off-the-books" jobs, some agricultural jobs, 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 program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent. The p-value indicates the likelihood that the difference between the program and control group arose by chance.

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

implemented — and almost certainly led to increases in the identification of problems — survey data suggest that Tier 2 clients and their family members were no more likely than Tier 1 clients and their families to receive services to address critical barriers to employment. This was due in part to the fact that, while the case managers could encourage participants to receive recommended assistance or care, they could not require people to do so. Moreover, it was influenced by the loss — in July 2002 — of a waiver of the federal welfare reform law that had allowed Minnesota to count social service activities as meeting federal work participation requirements. Nonetheless, over 15 percent of the individuals in both Tier 1 and Tier 2 received mental health services, and at least 6 percent received services for substance-related issues and domestic violence.

- **The Tier 2 program modestly increased job search activities and participation in supported employment, but participation levels in other types of activities (such as education or training) were similar under Tier 2 and Tier 1.**

Tier 2 did not increase participation in education or training activities, but it did lead to small increases in job search activities. (Tier 2 sample members participated in job search activities an average of four weeks longer than Tier 1 sample members.) Tier 2 also led to a small increase (10 percent versus 4 percent) in supported employment, where participants worked for a wage in jobs supervised by program staff. Moreover, they worked in these kinds of positions for longer periods of time. However, it must be kept in mind that the overall rates of participation in activities were quite high for both Tier 1 and Tier 2 clients. For example, over 80 percent of both groups participated in job search.

Finally, it is important to note that, aside from the more in-depth assessment, the two groups had access to essentially the same range of services and supports, and this may have set a high standard for Tier 2 to surpass and demonstrate impacts.

Key Findings on Program Impacts

- **The Tier 2 program, compared with Tier 1, had little effect on employment or earnings over the one and a half years of follow-up. An early increase in employment did not persist.**

Table ES.1 summarizes the Tier 2 program's effects on employment in UI-covered jobs and public assistance during the first year and a half of the study period. Differences in outcomes between the two groups that are marked with asterisks are statistically significant, meaning that it is very likely that the program led to these differences.

As shown in the top panel of the table, both the Tier 1 and Tier 2 groups had similar rates of employment over the follow-up period (68 percent versus 65 percent). The Tier 2 program did

lead to a modest increase in employment in the quarter just after program entry (not shown in the table), but this difference did not persist beyond Quarter 2. The impacts appear to have faded because of job loss among those who went to work. The bottom panel of the table shows that effects on employment or earnings also did not materialize in the longer run, that is, by Quarter 7. These data also highlight the problems with employment stability faced by this population: although the majority of both groups worked at some point during the period, only about 45 percent were working at the end of the period.

- **The Tier 2 program, compared with Tier 1, led to a modest increase in employment for those with recent work experience, although the effects faded after Year 1. A large fraction of the employment effect appears to be due to the increased placement of the Tier 2 group in supported employment positions.**

Although the program was targeted to recipients who had not worked recently, employment data are, in fact, often reported with a lag to the TANF program. As a result, about a third of the sample had work experience in the quarter prior to study entry. For this group, the Tier 2 program led to notable increases in employment during the early quarters, effects that did not persist beyond Year 1. Another effect of the program for this group was a 12 percentage point increase in the rate of participation in supported employment. Additional analyses suggest that much of the early employment increases were associated with supported work.

In general, the effects of the Tier 2 program did not vary across subgroups defined by the presence of barriers to employment (such as depression, poor health, poor child health, low education level, and learning disabilities).

- **The Tier 2 program, compared with Tier 1, had no effect on public assistance receipt over the follow-up period as a whole. Many families left welfare on their own over time.**

Table ES.1 presents the effects of the Tier 2 program on TANF and food stamp receipt. Data for the Tier 1 group show that many of the Tier 1 recipients left welfare over time — by Quarter 7, only 54 percent were receiving benefits.

For the entire year and a half of follow-up, the Tier 1 and Tier 2 groups had similar rates of TANF and food stamp receipt. Receipt gradually fell over the follow-up period at roughly the same rate for both groups, with the exception of the last one or two quarters. In the last quarter of follow-up, rates of receipt were somewhat higher for the Tier 2 group, by 4 to 5 percentage points. Longer-term follow-up will show whether this late effect on public assistance receipt persists.

Policy Implications

Many states share an interest in finding strategies to more effectively assist individuals who receive cash assistance benefits for long periods. Three other sites — in two cities — in the national ERA project are similarly focused on populations that appear to be hard to employ (New York City and Portland, Oregon).^{4, 5} Moreover, more results will eventually be available from the HHS-funded Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project, which is testing the effectiveness of various programmatic interventions for the hard-to-employ in four sites. Although the results presented in this report are important, and add to the knowledge base of what works — and doesn't work — for hard-to-employ groups, they are not the final word on the Minnesota program. MDRC will ultimately track employment outcomes for three years. In the future, more definitive findings will be possible. However, some preliminary conclusions can be drawn from the results in this report.

- Based on the Minnesota results and those of other studies, lower caseloads alone may not be sufficient for programs to succeed. For example, a special study in Riverside, California, as part of the GAIN evaluation, similarly found that significantly lower caseloads for program staff did not improve employment outcomes for welfare recipients.⁶ These results may indicate that lower caseloads, and the greater level of interaction they allow, may be effective only when clients also participate in a fuller range of services that address their needs.
- Similarly, the Tier 2 program devoted considerable resources to implementing in-depth, full-family assessments. This aspect of the program was of special interest, given the site's desire to reach a hard-to-employ population. However, this study found that the full-family assessments — even though they were well implemented — did not increase clients' use of services to address critical barriers to employment. This finding may indicate that future programs should consider ways to strengthen the linkages between assessments, referrals, and service engagement. It may also suggest that, in some instances, assessment processes can deter or prolong entry into key program

⁴The Portland program ceased operations before it was able to generate a sufficient research sample for the ERA evaluation. Therefore, there will be no reports on this site.

⁵As discussed in the report, although the target group for the Tier 2 evaluation is hard to employ relative to the other ERA sites, it does not seem significantly more disadvantaged than current TANF recipients in general.

⁶California's Greater Avenues for Independence (GAIN) program was a statewide initiative aimed at increasing the employment and self-sufficiency of recipients of Aid to Families with Dependent Children. See James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program* (New York: MDRC, 1994).

services. Useful strategies for engaging and assessing clients have emerged from previous research on welfare-to-work programs.⁷

It is important to point out that the issue that prompted Minnesota to implement the Tier 2 program remains salient. The group of MFIP recipients in this study includes people who worked during the follow-up year and people who did not; earnings for those who did work, on average, remained very low. The relatively poor outcome levels for both the Tier 2 and Tier 1 groups highlight the importance of discovering effective supports and services for individuals with significant employment barriers.

⁷Patricia Auspos and Kay E. Sherwood, *Assessing JOBS Participants: Issues and Trade-Offs* (New York: MDRC, 1992); Gayle Hamilton and Sue Scrivener, *Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities* (New York: MDRC, 1999).

Introduction

This report presents interim results for the Minnesota site in the national Employment Retention and Advancement (ERA) project. Minnesota’s ERA program, which operated in Hennepin County, was designed to address the needs and barriers of long-term recipients of the state’s Temporary Assistance for Needy Families (TANF) program. The ERA program went beyond the typical services provided through the TANF program to provide more intensive employment and social services to recipients who had received cash assistance for a relatively long period without finding work.

This introduction provides background on the national ERA project and describes key components of the Minnesota program. It also describes the research design for the evaluation and characteristics of the sample.

Overview of the National ERA Project

In the wake of the 1990s welfare reforms, which made long-term welfare receipt much less feasible for families, policymakers and program operators have struggled to learn what kinds of services and supports are best able to assist long-term recipients, or those still left on the welfare rolls, find and keep jobs, and to help former recipients stay employed and increase their earnings. The ERA initiative was developed to increase knowledge of effective strategies to help both of these groups move toward stable employment and increased earnings.

The ERA project began in 1998, when the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS) issued planning grants to 13 states to develop new programs. The following year, HHS selected MDRC to conduct an evaluation of the ERA programs.¹ 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, The Lewin Group, 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, including Minnesota. Almost all the programs target current or former recipients of TANF — the cash welfare program that mainly serves single mothers and their children — but the program models vary considerably. One group of programs targets low-wage workers and focuses on advancement. Another group of programs (including Minnesota’s) targets individuals who are considered “hard

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

to employ” and primarily aims to place them in stable jobs. Finally, a third group of programs has mixed goals and targets a diverse population, 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 them 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 a program group or a control group. Members of the program 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, but it is important to note that in most sites the ERA program is not being compared with a “no services” control group. The random assignment process ensures that the two groups were comparable at study entry. Thus any differences in outcomes that emerge between the two groups during the follow-up period can be validly tested for the likelihood that they arose because of the program and not by chance variation.

The Minnesota ERA Program

Minnesota’s TANF program, called the Minnesota Family Investment Program (MFIP), was implemented in 1998.² It consists of several key features: first, a requirement that all recipients work or participate in employment-related services or face financial penalties (sanctions); second, an earned income disregard that allows recipients to keep more of their benefits when they go to work;³ and third, a lifetime limit of 60 months on the receipt of cash benefits.⁴

Although many individuals have moved off welfare and into work since MFIP began, program administrators have found that a significant number of recipients have remained on the rolls for relatively long periods without working. To address the needs of this segment of the caseload that appeared most likely to reach their benefits time limit, the state legislature enacted the Local Intervention Grants for Self-Sufficiency in 2000, which distributed TANF funds to

²Minnesota operated an earlier version of MFIP, prior to the implementation of TANF. That version was evaluated in seven Minnesota counties between 1994 and 1998. In that evaluation, MFIP was compared with Minnesota’s Aid to Families with Dependent Children program. The statewide TANF program, also called MFIP and implemented in 1998, incorporated many features of the earlier MFIP program, including a more generous earned income disregard. It also included several TANF-influenced features, such as a five-year time limit on benefit receipt. See Knox, Miller, and Genetian (2000) and Minnesota Department of Human Services (2004).

³MFIP disregards 38 percent of earned income, allowing recipients to work and receive benefits until their total income reaches 120 percent of the poverty level. The disregard was initially set at 36 percent when MFIP was implemented statewide in 1998 but subsequently increased to 38 percent in 1999. See Minnesota House of Representatives, Research Department (2001).

⁴United States Department of Health and Human Services, Office of Human Services Policy (2005).

several counties to design appropriate services. The program implemented in Hennepin County (which includes the city of Minneapolis) was referred to as the Tier 2 program. In Minnesota, the ERA evaluation is a test of the Tier 2 program in Hennepin County.

MFIP in Hennepin County (Tier 1)

MFIP (or the Tier 1 program) in Hennepin County places a strong emphasis on immediate employment, requiring recipients of cash assistance to work or at least prepare for work if they are able. The program also provides case management, support services, and some retention and advancement assistance to help recipients find and keep jobs. Individuals who are eligible for assistance, as determined by county financial workers, are referred to one of 22 contracted providers — primarily nonprofit organizations — for employment services.⁵ At these providers, recipients are assigned to a case manager who conducts a basic assessment focused on the individual's employment and education history. Recipients can then generally spend four weeks searching for jobs, sometimes attending a structured job readiness class. If they do not find work, they are assigned to an unpaid or volunteer position at an employer (where they do not receive wages but continue to receive their MFIP grant). For those who find jobs and remain in Tier 1, case managers offer some postemployment assistance. Failure to participate in required activities results in a sanction that lowers the MFIP grant by 10 percent in the first month and 30 percent thereafter.⁶ Recipients are also eligible, although not required, to participate in education or training activities, such as General Educational Development (GED) or college classes, provided they are working at least 20 hours per week. Caseloads for Tier 1 case managers at the contracted providers vary, but typically range from 75 to 100 per worker.

The Tier 2 Program

The Tier 2 program was designed to build on the services provided through Tier 1, and thus the two programs shared some basic characteristics: mandatory participation in work or work-related activities (with sanctions for those who do not comply); a strong focus on employment; four weeks of job search followed by unpaid or volunteer work for those who do not find paid work; support services, including child care and transportation; and some assistance with retention and advancement for working participants. However, Tier 2 differed from Tier 1 in several key ways (see Table 1).

⁵In June 2004, Minnesota enacted a four-month diversionary work program that requires individuals to search for work during this period before becoming eligible for MFIP. This program did not affect individuals in this study.

⁶However, in 2003, the state enacted a full-family sanction, under which families could lose their entire grant for up to six months.

The Employment Retention and Advancement Project

Table 1

**Comparison of Services Provided in the Minnesota Tier 2 Program
and the Control Group Program (Tier 1)**

Services	Tier 2 Program	Tier 1 Program
<u>Employment-related services</u>		
Strong focus on immediate employment	Yes	Yes
Four weeks of job search followed by community service for those who did not find jobs	Yes	Yes
Emphasis on placement in supported work positions	Yes	Limited
<u>Case management services</u>		
Level of assessment	In-depth “family assessment” by qualified professional of potential barriers to participation and employment (e.g., health problems, domestic abuse, housing issues, and learning disabilities) as well as of employment history and job skills	Standard assessment conducted by MFIP staff focused on employment and educational history and job skills
Caseload size	25-30	75-100
Referrals for services to address identified barriers to employment (including local health care providers, community support groups, individual therapists or counselors)	Yes	Limited
Intensive engagement efforts (including frequent contacts with staff and home visits)	Yes	Limited
Support services, including child care and transportation	Yes	Yes
Assistance with retention/advancement during the earnings disregard period	Yes	Yes

- First, Tier 2 case managers worked with substantially smaller caseloads — 25 to 30 participants per worker — to facilitate greater attention to the unique circumstances of individuals and their families. It was felt that smaller caseloads would also allow the Tier 2 case managers to build better relationships with recipients, and even allow them the option of making home visits.
- Second, the upfront assessment of individuals entering the Tier 2 program was more in-depth and covered a wide range of issues extending beyond those directly pertaining to employment, such as mental health problems, substance abuse, domestic violence, and housing crises. This assessment also explored the needs of recipients' children and other family members and served as the basis for making referrals to appropriate social services.
- Third, the Tier 2 program placed greater emphasis on referring individuals to special services to address potential employment barriers, including mental health or substance abuse treatment programs. Tier 2 also put greater emphasis on placing recipients who could not find work in supported employment positions, where they worked for a wage with participating nonprofit or for-profit employers, but also received supervision, training, and job coaching from program staff.

In short, the goals of the Tier 2 program were to better assess the barriers to employment of a segment of the TANF population in Hennepin County who had received welfare for a long time and had not worked recently, to address those barriers through referrals to a wider range of services, and to provide close monitoring and follow-up.

The Hennepin County Context

Hennepin County, an urban county that primarily comprises the city of Minneapolis, is the largest of Minnesota's 87 counties, and its more than 1.1 million residents make up nearly a quarter of the state's population. The county's population is predominantly white, although there is a large foreign-born population. About 10 percent of the county's residents are immigrants; Southeast Asians and Somalis make up the two major immigrant groups.⁷

Welfare caseloads fell by 26 percent in Minnesota between 2000 and 2005, from over 39,000 families to about 29,000 families.⁸ This rate of decline is much higher than that of the

⁷United States Department of Health and Human Services, Office of Human Services Policy (2005).

⁸United States Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance (2006). These numbers reflect the total number of recipient families, including those with no eligible adults.

average state and may reflect the fact that caseloads fell in Minnesota somewhat more slowly than the national average during the late 1990s.⁹ In 2005, about 30 percent of the state caseload were in Hennepin County.¹⁰

The local economy of Hennepin County is fairly strong. In March 2005, for example, the unemployment rate in the county was 4.1 percent, compared with 5.0 percent for the state and 5.4 percent for the nation.¹¹ In 1999, the poverty rate in the county was 8 percent.¹²

The Target Population

The Tier 2 program was targeted to individuals who, according to program records: (1) had been assigned to one of the Tier 1 employment service providers for 12 months or longer; (2) were unemployed and had not worked in the preceding three months; (3) were not participating in an approved education or training program; and (4) were not currently being sanctioned. Individuals who were “exempt” from participating in Tier 1 services because, for example, they had young children, were seriously ill or incapacitated, were caring for an ill or incapacitated family member, had a personal or family crisis, or were a domestic violence victim, were not included in the study.

Table 2 presents selected characteristics of the evaluation sample, calculated using data from MFIP administrative records.¹³ Most recipients were female and most were also black. Nearly half of the sample did not have a high school diploma at program entry, and most had been receiving TANF for at least two years. Nearly 20 percent of the sample did not speak English as their primary language, and 30 percent were not U.S. citizens. The majority (75 percent) of noncitizens were black, and about one-third were Somali (not shown).

Although low education levels and long stays on welfare can be barriers to work, the targeted sample also faced a range of other problems that may act as important barriers. These data were obtained from a baseline assessment form administered just prior to random assignment and are presented in the bottom panel of Table 3. As discussed below, a change in the random assignment process midway through the sample enrollment period led to a reduction in the number of sample members who filled out this baseline form. As a result, the data in Table 3 are available for 60 percent of the overall sample.

⁹United States Department of Health and Human Services, Administration for Children and Families (2006).

¹⁰Minnesota Department of Human Services (2005).

¹¹Minnesota Department of Employment and Economic Development (2005).

¹²United States Department of Health and Human Services, Office of Human Services Policy (2005).

¹³Although the evaluation included two-parent families, this report focuses on single-parent recipients. Results for two-parent families will be presented in a later report.

The Employment Retention and Advancement Project

Table 2

**Selected Characteristics of Single-Parent Families:
Administrative Records Data**

Minnesota

Characteristic	Total
Gender (%)	
Female	93.2
Male	6.8
Race/ethnicity (%)	
Hispanic	2.2
Black, non-Hispanic	67.8
White, non-Hispanic	16.3
American Indian/Alaskan native	6.8
Asian	5.2
Other	0.3
Mixed race	1.4
Average age (years)	31.4
High school diploma or higher ^a	53.6
Number of children (%)	
0	0.8
1	35.0
2	32.6
3 or more	31.6
Age of youngest child in household (%)	
Less than 3 years	38.4
3 to 5 years	22.1
More than 6 years	39.5
U.S. citizenship (%)	70.2
AFDC/TANF receipt history ^b (%)	
Less than 2 years	30.4
2 to 4 years	69.6
Primary language (%)	
English	83.0
Spanish	1.1
Russian	0.3
Vietnamese	0.5
Other non-English language	14.8
Unknown	0.4
Sample size	1,692

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

NOTES: Rounding may cause slight discrepancies in calculating sums and differences. Unless otherwise stated, results are for sample members randomly assigned from January 2002 to April 2003.

^aThose having 12 or more years of education are considered to have a high school diploma.

^bThis measure goes back only 9 years before random assignment.

The Employment Retention and Advancement Project

Table 3

**Selected Characteristics of Single-Parent Families:
Baseline Assessment Data^a
Minnesota**

Characteristic	Total
Currently employed (%)	14.9
Average hourly wage (among those currently employed) (\$)	10.06
Percentage working full time (32+ hours) (among those currently employed) (%)	40.0
Employment during the past 3 years (%)	
Did not work	16.9
Worked less than 6 months	18.7
Worked 7 to 12 months	21.8
Worked 13 to 24 months	24.1
Worked for more than 2 years	18.4
Current housing status (%)	
Rent, public housing	12.0
Rent, subsidized housing	38.3
Rent, other	40.2
Own home or apartment	4.5
Emergency or temporary housing	1.8
Other	3.2
Currently pregnant (%)	7.4
Body Mass Index (BMI) ^c (%)	
Underweight	1.6
Normal weight	32.7
Overweight	31.7
Obese	34.0
Alcohol dependence ^g (%)	2.4
Drug dependence ^g (%)	2.2
Severe domestic violence ^f (%)	13.9
Ever convicted of a felony (%)	7.8
Potential employment barriers (%)	
Poor child health	21.7
Activity limitation	12.5
Learning disabled ^d	18.2
Major depression ^g	29.2
Health problems ^b	33.1
Limited English ability	19.9
Any domestic violence ^e	21.6
At least one of the above	71.6
Sample size	1,015

(continued)

Table 3 (continued)

SOURCE: MDRC calculations from Minnesota's Baseline Assessment Data.

NOTES: Rounding may cause slight discrepancies in calculating sums and differences. Unless otherwise stated, results are for sample members randomly assigned from January 2002 to April 2003.

^aInformation is provided only for sample members who completed the Baseline Assessment Data.

^bIf self-rated health as "fair" or "poor."

^cBased on BMI.

^dBased on the Learning Needs Screening Tool, Washington State Department of Social and Health Services.

^eBased on the Modified Conflict Tactics Scale, "Yes" to any abuse. This measure is calculated only for women who reported being in a relationship at some point during the previous year.

^fBased on the Modified Conflict Tactics Scale, "Yes" to physical abuse. This measure is calculated only for women who reported being in a relationship at some point during the previous year, which was roughly 84 percent of the sample.

^gBased on the Composite International Diagnostic Interview, Short Form.

A significant fraction of the sample faced health-related obstacles to finding work and achieving self-sufficiency. Over one-third were obese, and one-third reported health problems — that is, self-reporting that they were in “fair” or “poor” health. In addition, nearly 30 percent of recipients met the diagnostic criteria for major depression in the previous year.¹⁴ About one-fifth reported having a child with an illness or disability that made it difficult for the parent to attend work or school. Domestic violence was also assessed among women who had been in a relationship in the preceding year. Over one-fifth of these women reported experiencing some form of abuse in the year before study entry, although rates of physical abuse or severe domestic violence were somewhat lower.¹⁵ About 20 percent of the respondents likely had a learning disability,¹⁶ and the same percentage reported having “limited English ability.” Finally, many recipients faced multiple barriers to employment. Among those who had at least one barrier, representing 72 percent of the sample, over half had two or more barriers (not shown). (See Box 1 for a look at how these barriers cluster together.)

¹⁴Kessler et al. (1998).

¹⁵Straus et al. (1996).

¹⁶Washington State Learning Needs Screening Tool.

Box 1

A Closer Look at Employment Barriers

Among individuals who had at least one employment barrier, over half had two or more. Among those who had two or more barriers, were some combinations more common than others? The table below presents data for the Tier 1 and Tier 2 groups combined, showing associations among barriers. Each column represents a subgroup that has a given barrier and presents the fraction of that subgroup possessing each of seven barriers. Among people who reported poor child health, for example, 38 percent were also depressed. This rate is somewhat higher than that for the full sample (29 percent, shown in the far-right column), but it suggests that this group experiences depression at a rate similar to that of other groups. This method is used to describe the clustering of barriers. If a subgroup has a rate of barrier incidence that is substantially above average, that rate appears in bold type.

Associations Among Employment Barriers

Barrier (%)	Subgroup							Overall
	Poor Child Health	Activity Limitation	Learning Disability	Depression	Poor Health	Limited English	Domestic Violence	
Poor Child Health	1.00	0.27	0.36	0.28	0.30	0.13	0.27	0.21
Activity Limitation	0.15	1.00	0.22	0.22	0.26	0.19	0.10	0.12
Learning Disability	0.30	0.34	1.00	0.30	0.30	0.34	0.17	0.18
Depression	0.38	0.53	0.48	1.00	0.47	0.21	0.48	0.29
Poor Health	0.47	0.72	0.53	0.53	1.00	0.36	0.40	0.33
Limited English	0.13	0.31	0.30	0.14	0.22	1.00	0.02	0.20
Domestic Violence	0.22	0.15	0.18	0.29	0.22	0.02	1.00	0.18

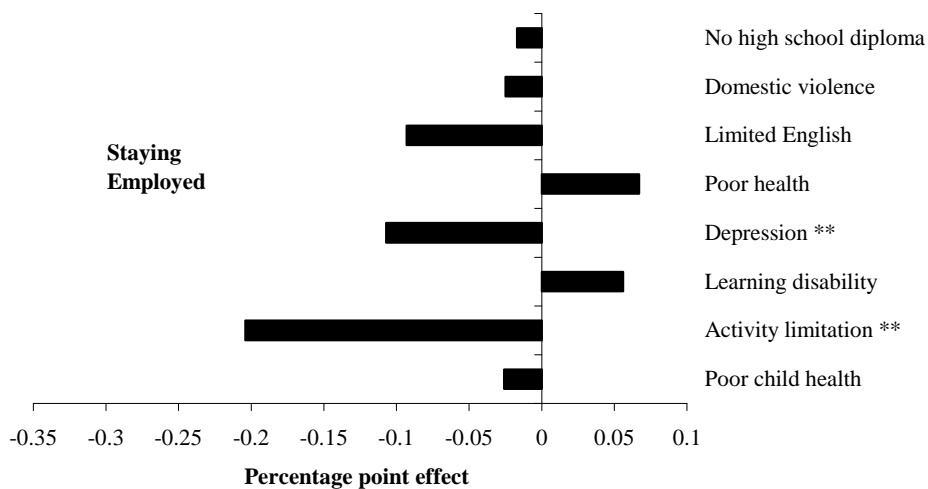
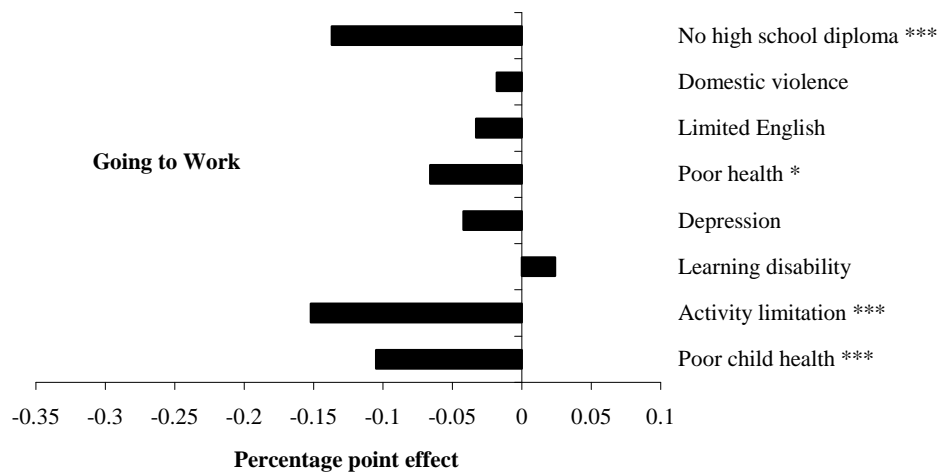
The results show that depression is strongly associated with having poor physical health. Among respondents who had activity limitations, for example, 53 percent also met the criteria for depression, a rate that is substantially higher than the overall average. Among those who were in poor health but had problems that were less severe than activity limitations, 47 percent were depressed. Both health and depression are also correlated, although less strongly, with having a learning disability. Depression also appears to be associated with domestic abuse.

Box 2

The Association Between Barriers and Work

Although referred to as potential “barriers” to work, it is not clear how much each of these factors hinders work and, if so, in what way. The figure below presents the associations of each barrier with work during the first year of follow-up, estimated for the Tier 1 and Tier 2 groups combined. The bars represent coefficients from regression models in which the barriers and a range of demographic factors are used to predict two employment outcomes — going to work (working at some point during the year) and working stably (working in all four quarters of the year, among those who worked at some point). The top panel, for example, shows that not having a high school diploma, relative to having a diploma, reduces the employment rate by nearly 15 percentage points. In other words, comparing two people with the same characteristics in terms of age, race, marital status, and all of the other barriers, the person without the high school diploma is much less likely to work during the year. In addition to limited education levels, poor health and poor child health also reduce the likelihood of employment (differences that are statistically significant are denoted with asterisks). The bottom panel presents the associations of each barrier with employment stability. The results show that people who face depression and activity limitations have less stable employment than their counterparts who do not have these barriers. The results are somewhat consistent with other studies. Using data from Michigan, Danziger et al. (2000) found that low education, depression, and poor health reduce women’s employment, although they found no effect of poor child health. Hauan and Douglas (2004) also found that low education and physical health problems are negatively associated with work status.

The Association of Barriers with UI-Covered Employment in Year 1 (Percentage Point Effect)



Consistent with the prevalence of employment barriers, the top row of Table 3 shows that over 80 percent of the sample reported that they were not working at the time they entered the study (see Box 2 for a look at how these barriers are associated with work). Since one criterion for inclusion in the sample is no recent work experience, it would be expected that no recipients would be working. Nonetheless, it is typical in welfare-to-work studies to find some employed individuals in programs targeted to nonworkers. This outcome most likely reflects a lag in TANF program data on the employment of cash assistance recipients.

How Hard to Employ Is the Target Population?

When considering the potential effects of the Tier 2 program, it is important to place the target population in context. The Minnesota ERA program is considered to be one that focuses on “hard-to-employ” individuals, and the sample does appear to face a high prevalence of barriers to work. But how hard to employ are they compared with other welfare recipients?

This sample can be put in context by comparing the prevalence of employment barriers and rates of employment among the sample members with those of other groups of recipients.¹⁷ On one hand, in terms of barriers, data from other studies suggest that the Minnesota sample is generally no more disadvantaged than broader populations of recipients. For example, a study of women receiving welfare in Michigan in 1997 found that 27 percent met the criteria for depression, 19 percent had poor health, 22 percent had a child with a health problem, and 15 percent had experienced severe domestic violence in the past year.¹⁸ These rates are very similar to those found in Table 3 and much higher than rates found in the general population.¹⁹ A more recent study of women receiving welfare across six states in 2002 also found similar rates of incidence for each of these barriers.²⁰

On the other hand, the Minnesota ERA sample has lower rates of current employment (15 percent) than the six-state sample of recipients (34 percent) and a nationally representative sample of long-term recipients in 2002 (34 percent).^{21,22} Although this difference is most likely

¹⁷The State of Minnesota compiles relevant statistics on “challenges” faced by its MFIP-eligible and MFIP caseload populations (Minnesota Department of Health Services, 2006).

¹⁸Danziger et al. (2000).

¹⁹The Minnesota sample reports somewhat higher rates of health problems than the other samples, most likely because the measure used here is less strict.

²⁰Hauan and Douglas (2004).

²¹Hauan and Douglas (2004); Zedlewski (2003).

²²The employment rates reported here are based on self-reports. Data in the concluding section show that nearly one-third of the Minnesota sample worked in the quarter prior to study entry (according to state unemployment insurance records). Nonetheless, the self-reported rate of 15 percent is most comparable to the rates found in the other studies.

due to the sample selection criteria, which focuses on the unemployed, it may also be due to differing levels of education across the samples. Just over half of the Minnesota sample have a high school diploma, compared with about 60 percent of the other two samples. Education level has been found to be a strong predictor of employment status in these other studies as well as for this Minnesota sample (see Box 2). Finally, a notable fraction of the sample (about 22 percent) are immigrants, many from Somalia and other African countries. These African immigrants, many of whom may be refugees, may face important and unique barriers to work, such as limited facility in English and the psychological effects of war trauma and torture, coupled with a reluctance to seek help for fear of deportation.²³

In sum, the comparisons suggest that, on average, the Minnesota sample is certainly a disadvantaged group with little recent work experience and potentially important employment barriers. Nonetheless, although “hard to employ” relative to the other ERA sites, which target current recipients, former recipients, and low-wage workers who may never have received welfare, they do not appear to be significantly more disadvantaged than other samples of current recipients.

About the Evaluation

Research Questions

The ERA evaluation focuses on the implementation of the programs and their effects, or impacts. Key questions addressed in this report include the following:

- **Implementation.** How did Hennepin County implement and operate the Tier 2 program? What services and messages did the program provide and emphasize? How did case managers spend their time?
- **Participation.** As a mandatory program, did the Tier 2 program succeed in engaging a substantial proportion of individuals in services? What types of services did people receive? To what extent did the program increase the receipt of services above “normal” levels, as represented by the control (Tier 1) group’s behavior?
- **Impacts.** Within the follow-up period, did the Tier 2 program, compared with the Tier 1 program, increase employment and earnings, provide greater employment stability and wage growth, and lead to better jobs?

²³See, for example, Jaranson et al. (2004) and Beutz et al. (2004).

The Random Assignment Process

Random assignment began in January 2002 and ended in April 2003. MFIP participants who met the study criteria were identified by the county's administrative database and were contacted by mail and asked to attend a meeting with their Tier 1 case managers. At this meeting, recipients provided baseline data to an interviewer from the Wilder Research Center (WRC) — including information on their sociodemographic background, family circumstances, and physical and mental health. Recipients were then assigned at random either to enroll in the Tier 2 program or to remain in the Tier 1 program.

Beginning in October 2002, the process of random assignment was streamlined, primarily to expedite sample build-up. Instead of waiting for recipients to come to the Tier 1 office in person, those who met the study criteria based on the county's administrative records were randomly assigned at that point. Those assigned to remain in the Tier 1 program (the control group) were notified by mail of their research status by their Tier 1 case manager, with whom they would continue to work. Those assigned to the Tier 2 program were notified by mail of their assignment to begin working with a new case manager from the Tier 2 program and were subsequently contacted by Tier 2 staff. WRC then attempted to collect baseline data by telephone for all who were randomly assigned. WRC was not able to obtain this information for all sample members, however. As a result, baseline assessment data are not available for about 40 percent of the full sample.²⁴

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 not informed about the Tier 2 program and were treated as though it did not exist. They were required to continue participating in the Tier 1 program in order to receive cash assistance.

As discussed earlier, Tier 1 and Tier 2 shared many basic features, such as mandatory participation in work-related activities, a strong focus on employment, and supportive services. Both Tier 2 and Tier 1 participants were eligible for services in accordance with the rules of programs offering TANF, food stamps, Medicaid, child care, and transitional child care and Medicaid benefits. Tier 2 went beyond Tier 1 in providing smaller caseloads for case managers, more in-depth assessments, and a stronger emphasis on referral to supported work or other services. Of course, recipients in Tier 1 could seek out these types of services either on their own initiative or through referrals by non-Tier 2 program staff. Both groups could also seek out services offered in the community

²⁴See Appendix E for an assessment of how this sample compares with the full sample.

through Workforce Investment Act One-Stop Centers, technical colleges, adult schools, and other education providers, and employment and training organizations.

Data Sources

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

Baseline Data: Administrative Records and Baseline Assessment

Demographic and MFIP assistance data were obtained from administrative records for all sample members at the point of random assignment. Additional information was obtained from the baseline assessment form for 60 percent of the sample, including more demographic background and family information, as well as information on physical and mental health, domestic violence, and arrest history. These baseline data are used to describe the sample and to identify key subgroups for which program effects might differ.

Follow-up Data: Administrative Records

Effects on employment and earnings are estimated using automated unemployment insurance wage records data, and effects on public assistance are estimated using automated TANF and food stamp administrative records. One and a half years of follow-up data are available for all sample members.

Program Implementation Data

MDRC staff interviewed case managers, service providers, and program administrators from both Tier 2 and Tier 1. Information was collected about a range of issues, including: program goals; full-family assessments and referrals for special services; the nature of job search; education and training and support services; retention and advancement services; management philosophies and structure; relationships among organizations involved in the program; and enforcement of the participation mandate. Field research was conducted periodically between 2001 and 2003.

MDRC also drew on data collected from a two-week time study that was administered to Tier 2 staff. The time study, administered confidentially to protect the identity of case managers, collected detailed information on the nature of staff-client interactions and on the topics covered in these interactions. In addition, the study collected information on how case managers typically spend their time each day. The time study was administered from September 18 to October 1, 2003, and was completed by a total of 36 staff.

The ERA 12-Month Survey

Information on Tier 1 and Tier 2 sample members' participation in program services and their employment, income, and other outcomes was gathered by the ERA 12-Month Survey, which was administered to a subset of the Tier 1 and Tier 2 groups approximately 12 months after random assignment.

Sample Sizes

A total of 1,692 single parents were randomly assigned to either the Tier 1 or the Tier 2 group between January 2002 and April 2003. A subset of the single parents who were randomly assigned between October 2002 and March 2003 also completed the ERA 12-Month Survey. The survey sample consists of 503 single parents, representing 76 percent of those who were selected to be interviewed. Additional analyses suggest that the survey sample is representative of the fuller evaluation sample. See Appendix E for more details.

Roadmap of the Report

This report focuses on the Tier 2 program's implementation and impacts. The next section further describes the program and its implementation and is followed by a section that presents impacts on participation and service receipt; the concluding section presents impacts on employment, earnings, and public assistance receipt.

Implementation of the Tier 2 Program

In order to interpret the impacts of the Minnesota Tier 2 program on employment and other outcomes, it is important to understand how it operated and how it was different from the Tier 1 program. Drawing on field research, program data, and a time study of program staff, this section focuses on how the Tier 2 program was implemented. It discusses its structure, staffing, and management, as well as its services and how staff spent their time. Throughout this discussion, differences between the Tier 1 and Tier 2 programs are highlighted.

Program Structure, Staffing, and Management

The Tier 2 program was overseen by the Hennepin County Office of Training and Employment Assistance (TEA), the workforce development agency for Hennepin County. TEA was also responsible for managing the Tier 1 program. The county's Department of Economic Assistance (EA) was responsible for determining eligibility for MFIP cash assistance in both programs. The state Department of Human Services (DHS) administers the MFIP program at the state level.

To provide employment and other services under the Tier 2 program, TEA contracted with six agencies across Hennepin County. These six providers also offered Tier 1 program services. At all six, case managers were designated to work specifically with either Tier 1 or Tier 2 participants.²⁵ Five of the Tier 2 providers were nonprofit, community-based organizations, and one was a county agency. They were:

1. Employment Action Center (EAC)
2. Hennepin County Welfare Employment Research Center (WERC)
3. HIRED
4. Jewish Vocational Services (JVS)
5. Lutheran Social Services (LSS)
6. RISE, Inc. — a consortium formed by RISE, Inc., and three other agencies (AccessAbility, Inc., Tasks Unlimited, and Opportunity Partners)

²⁵There were a total of 51 Tier 2 case managers in September 2003, when the time study, detailed below, began. The total number of Tier 1 case managers was over 100.

Under their contracts with TEA, the Tier 2 providers received \$4,000 per program slot. The contractors were graded on whether they met a set of standards relating to the participation, employment, and wage rates of recipients. These benchmarks were: (1) a participation rate of 75 percent; (2) placements in unsubsidized employment (48 percent by the end of Quarter 1 after enrollment, 54 percent by the end of Quarter 2, 60 percent by the end of Quarter 4, and 64 percent by the end of Quarter 4); (3) a minimum wage rate of \$8.00 per hour for working recipients; (4) an average wage rate of \$9.00 per hour when working recipients leave MFIP; and (5) an employment retention rate of 80 percent for recipients within 90 days of finding a job and a rate of 70 percent at 180 days. These performance measures were the same as those used to grade the Tier 1 program providers.²⁶ They were important because they set benchmarks toward which the providers strove, although in practice they did not affect the grants received by the Tier 2 providers during the study period.

Each of the Tier 2 providers had a Tier 2 Program Director who managed the Tier 2 case managers. The Tier 2 case managers were also known as “employment counselors,” “job counselors,” “jobs advisors,” and “employment specialists,” depending on the provider.²⁷ At the outset of the program, the county provided training for case managers on the goals and procedures of the Tier 2 program, and each agency or organization had designated staff for participants who did not speak English, particularly for their Somali or Hmong populations. Such staff were essential, given that these groups made up a considerable proportion of Minnesota’s TANF caseload, particularly among two-parent families. At some providers, they were the majority. For instance, about two-thirds of LSS’s typical caseload did not speak English, and included people who were Somali, Hmong, Vietnamese, and Cambodian.

The Tier 2 case managers were responsible for overseeing or delivering all aspects of the program: initial contact and engagement; barrier assessment and referrals for assistance or treatment; and a range of employment services, including job preparation, job search, job development, supported employment, and retention and advancement activities. Neither Tier 1 nor Tier 2 case managers dealt with benefit eligibility determinations, as this responsibility fell to financial workers at EA.

A big difference between the Tier 1 and Tier 2 programs was the size of the case managers’ caseloads. Throughout the evaluation period, Tier 2 case managers across the providers reported caseloads of between 25 and 30 clients per worker.²⁸ This made the typical Tier 2 caseload roughly one-fourth to one-third the size of those carried by Tier 1 case managers,

²⁶The fact that these performance measures were the same for both programs may have diminished the impact of Tier 2.

²⁷Tier 1 program staff were typically known as “employment counselors,” and rarely as “case managers.”

²⁸According to the time study of 36 Tier 2 case managers, detailed below, Tier 2 case managers worked with an average caseload of 27 over a typical two-week period.

which were closer to 100 per worker. Caseloads of this size appeared small enough to foster the kinds of relationships between recipients and case managers the Tier 2 program sought — relationships characterized by greater interaction and individualized attention.

Services and Program Flow

The following sections describe the primary components of the Tier 2 program, illustrating both how it worked and what the Tier 2 group experienced.

Initial Contact, Orientation, and Message

The individuals randomly assigned into the study²⁹ — either to Tier 1 or Tier 2 — had participated in the Tier 1 program for at least 12 months without finding employment, were unemployed and had not worked in the preceding three months, were not participating in an approved education or training program, and were not currently being sanctioned. Those randomly assigned to Tier 2 were assigned to a Tier 2 provider, selected for its proximity to the client's home and capacity to provide services in his or her primary language. (Those assigned to Tier 1 were not assigned to a new case manager and remained eligible for Tier 1 services.)

The Tier 2 case managers then contacted those who were assigned to the program group by mail and telephone in an effort to engage them, making it clear that participation was mandatory and that sanctions could be imposed for noncompliance.³⁰ However, in reality, many Tier 2 case managers were generally reluctant to sanction individuals for noncompliance, and some went to great lengths to avoid doing so, by giving clients multiple chances to attend required program meetings and activities.

This process of contacting recipients varied only slightly across the providers. For instance, at HIREd, staff attempted to arrange three-way meetings among the Tier 1 case manager, the recipient, and the Tier 2 case manager to introduce the Tier 2 program, although such meetings were not always possible. When they were not, an initial letter was sent from the Tier 1 case manager, who introduced the program and the newly assigned Tier 2 case manager. The Tier 2 case manager then followed up with an additional letter or letters, and telephone calls.

²⁹The random assignment process by which participants were assigned to either Tier 1 or Tier 2 was well implemented. Because the Tier 1 and Tier 2 staff worked independently of one another — serving only participants of their respective programs — cross-group contamination was not an issue.

³⁰While program participation was mandatory, participation in special services to address barriers was not, as discussed further below.

People assigned to Tier 2 also participated in an orientation or overview meeting.³¹ At some providers, this was a group process. For instance, at RISE, Inc., group orientations were held periodically at times when all the case managers could attend. One of the primary messages of these meetings was that recipients had a unique opportunity to receive more individualized attention and help for themselves and their families. At other providers, orientation was conducted one-on-one, rather than in groups. Also, a key goal of the program was to ensure that participants in Tier 2 not view the program in any way as a punishment for long-term reliance on Tier 1 or unsuccessful efforts to find a job. Rather, it was stressed that Tier 2 offered participants a chance to make a fresh start in a program that was more attentive to their needs. In addition, all of the Tier 2 providers considered home visits to be an option as part of their efforts to contact and engage potential participants. However, home visits were rare.

Those assigned to Tier 1 were informed of their research status by mail and remained assigned to work with their existing Tier 1 case managers. They, too, were reminded that participation was mandatory and that sanctions could be imposed for noncompliance.

Assessment and Referral to Specialized Services

All individuals assigned to the Tier 2 program were required to complete a “full-family assessment.” These assessments took place shortly after random assignment and varied somewhat across the Tier 2 providers, as each developed slightly different instruments and processes. Nonetheless, all developed assessments that went far beyond the basic assessment conducted in Tier 1 and that focused on recipients’ employment and educational histories.

Because barriers to employment often go undetected, assessment was a key component of the Tier 2 program. Tier 2 case managers were trained to conduct the full-family assessment, and many did so throughout the evaluation period. However, many of the case managers also had support in carrying out this task. At some of the Tier 2 providers, staff who had clinical training led the assessment process, creating greater capacity to identify behavioral health issues and even work with some clients on those issues in-house. For instance, at LSS a part-time psychologist led assessments — although Tier 2 case managers typically also attended³² — and was available for follow-up assessments, services, and referrals. At JVS, two of the case managers

³¹In light of the high level of contacts between participants and program staff (see Table 7), it is likely that a large majority of Tier 2 clients attended an orientation.

³²Initially, LSS did this in cases where the Tier 2 case manager was needed to translate for the recipient, but it proved to be so helpful that they decided to make it a practice for all cases.

who had a master's degree and the special title of Employment Development Counselor conducted assessments for the Tier 2 team.³³

Generally speaking, all of the Tier 2 program assessments included gathering information from recipients regarding: living arrangements and housing,³⁴ education and employment histories, basic skills (such as reading and math), medical history, criminal background, mental health, substance abuse, domestic violence, and family members. The focus on the “full family” was critical to the design of the Tier 2 program because it helped the case managers gain a deeper understanding of the employment barriers individuals might face as a result of familial relationships, such as, for example, informal responsibilities caring for infirm or disabled relatives. Given this broad focus on a range of issues — and for the family (not just the individual) — the program almost certainly led to increases in the identification of problems. When significant barriers were identified, Tier 2 case managers were expected to refer people to services in the community, although they also occasionally referred in-house, as noted above.

Once this full-family assessment was completed, many Tier 2 case managers administered additional assessments to help identify vocational proclivities or skills. For instance, they used interest inventories to identify work possibilities that would motivate individuals to become engaged and sustain their participation over time. At WERC, the Tier 2 case managers had access to the McCroskey DataMaster system, which assisted in matching recipients to certain jobs.³⁵

In the early stages of program operation, it became clear that the assessment process was at times too lengthy. In some instances, assessments could be completed in a single meeting, but, in others, they were extended over days or even weeks. Therefore, over time, some of the providers let the assessment evolve into a process that took place over multiple meetings with clients,³⁶ and some streamlined their assessment tools to reduce administration time.

The assessment process was sometimes more difficult when participants were less assimilated into U.S. culture. This was most evident at the providers who were working with large numbers of new immigrants and refugees. For instance, at RISE, Inc., Tier 2 program staff articulated the importance of understanding clients' cultural background during the assessment

³³However, as caseloads grew over time, JVS eventually had all of the Tier 2 case managers conduct assessments.

³⁴Housing was identified as a major employment barrier among the target population, and it was hard to resolve. There was a general housing shortage in Hennepin County during the evaluation period. In addition, case managers described the problems associated with having an “unlawful detainer,” or UD, on one's record. A UD results from having been evicted in the past. Landlords do not have to accept people with a UD, and it is difficult to have a UD legally expunged.

³⁵This database identifies 27 competencies required for specific jobs and career paths leading to them.

³⁶Some care managers allowed clients to take some assessment forms home where they could take more time to provide the requested data. This seemed to work well with some clients who did not speak English.

process. They stated that some of the newcomers with whom they worked had experienced traumatic events that had led them to leave their homelands, but they did not share the framework or language commonly used in the United States for thinking and talking about them. For example, such clients had difficulty describing their experiences or feelings in terms of symptom severity or clinical diagnoses.

Through the in-depth assessments, staff realized that some clients had such severe disabilities or health problems that they could be eligible for Social Security Administration disability benefits. Although some case managers did assist a few clients to apply for such benefits, the 12-month follow-up survey data showed that the Tier 2 program did not increase application for, or receipt of, Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits, relative to the Tier 1 program (not shown).³⁷

All of the Tier 2 providers had good working relationships with area agencies for referrals to help Tier 2 recipients with specific barriers, and it appeared there were resources available in the community for help with many problems. Some developed formal agreements with outside agencies, as RISE, Inc., did by making the Community University Health Care Center part of its consortium to assist with mental health and substance abuse problems. Similarly, HIRED subcontracted with Family and Child Services, a provider of family counseling and behavioral health services, to assist with assessment, referral, and treatment. Several providers reported working with local HMOs, such as Allina Health System and United Behavioral Health, on mental health referrals. All were well connected to the local organizations that had special expertise in cases of domestic violence or housing crises.

Data from site visits suggest that the Tier 2 case managers made referrals for further assessments and specialized services as a result of initial assessments.³⁸ These referrals were tracked in a “family support plan,” which was a formal record of activities to seek social services for problems uncovered in the assessment process. Although assessments were a mandatory part of the Tier 2 program, the case managers could not require people to engage in services to address barriers to employment.³⁹ In addition, during the early phases of the program, Minnesota was operating under a waiver of the federal welfare reform law that allowed individuals to participate in a wide range of employment and training activities — including social service activities — to meet federal work participation requirements. When the waiver ended in July 2002, Minnesota was required to follow the federal rules, which placed more limitations on what types of activities

³⁷While some case managers did assist a few clients in applying for SSA benefits, this was not a strong or consistent element of the Tier 2 program across the providers. Studies indicate that other programs (see Pavetti, 2006) place a stronger priority on this approach.

³⁸None of the data collected can be used to compare the rate of referrals across Tier 1 and Tier 2.

³⁹For example, case managers could require recipients with likely substance abuse problems to pursue further assessment. They could not, however, require that they engage in treatment.

counted toward meeting federal participation rates and more strongly emphasized work-focused activities. Thus, while the program staff could encourage participants to receive recommended assistance or care, these follow-up activities were not viewed as mandatory.

Employment and Case Management Services

When the Tier 2 case managers had completed the assessment process — or at least after it was in progress — they focused on employment-related services. In addition to the family support plan, they developed an “employment plan,” which became the key means of tracking program participation. Employment plans were often updated monthly in the Tier 2 program, compared with every three months in Tier 1.

Job Search Activities

Program services received by the Tier 2 and Tier 1 groups were similar in many respects. Across the Tier 2 providers, the program had a strong emphasis on immediate employment, and recipients generally began their activities in job search.⁴⁰ For most of the job search activities, participants worked one on one with their case manager to identify and follow up on job leads. However, in addition, the providers offered a variety of job search events, such as job clubs. For example, EAC required clients to attend a job club that met for three hours daily over a two-week period. At LSS, an appointed “workshop coordinator” organized job workshops and tailored some of them to people whose primary language was not English. These workshops were ongoing; most participants attended for six to eight weeks, and some new immigrants or refugees participated for three to six months. Because these group job search activities were available in both programs, they were sometimes, but not always, offered in settings where Tier 1 and Tier 2 clients attended the same sessions.

Unpaid Work

Recipients in both the Tier 1 and the Tier 2 program who did not find jobs after six weeks of job search were required to work in unpaid or volunteer employment arranged by the providers.⁴¹ These volunteer positions,⁴² like the supported employment positions described below, were intended to provide people with an opportunity to gain work experience, refine their

⁴⁰Even for clients who had significant employment barriers that were uncovered through the assessments, the program’s employment focus was strong. Generally speaking, it was felt that the large majority of clients could work in some capacity.

⁴¹While the ideal was initially four weeks of job search, six weeks became the standard over time.

⁴²Participants generally worked enough hours in these positions to meet the program’s work participation requirement.

more technical work skills, and learn some of the “soft skills” needed for retention and advancement. Sometimes program staff worked both one-on-one with participants and in group settings (for example, at worksites where a number of clients were placed) to help them gain experience and develop these skills.

Job Development Services

The Tier 2 case managers were responsible for the job development component of the program and located appropriate job opportunities for program participants, although they typically also worked with colleagues on this task. Some providers had a designated job developer who assisted both the Tier 1 and Tier 2 programs. Others did not have a designated job developer, but other staff — for example, those who led employment workshops or job search events — worked with the case managers on job development. Moreover, the Tier 2 case managers worked with one another by sharing job leads for their collective caseload. Nonetheless, job development was not a central focus.

Education and Training

Like their Tier 1 counterparts, the Tier 2 group had access to educational programs, such as adult basic education, GED, and English as a Second Language classes. They could also access training programs to learn specific job skills.⁴³ In both Tier 1 and Tier 2, participation in education or training activities was affected by MFIP’s predominant focus on employment. For example, participants were required to work 20 hours a week in order to pursue any long-term education or training, making it hard for some to fit in educational activities. In addition, many individuals in Tier 2 entered the program close to their 60-month TANF time limit, which was another impediment to long-term education or training.

Supported Employment

An area of greater difference between Tier 2 and Tier 1 was the use of supported employment, where individuals worked for a wage but with access to on-the-job training and job coaching.⁴⁴ While supported employment slots were available to recipients in both programs, Tier 2 staff made a more concerted effort to refer clients to these slots. Some providers prioritized Tier 2 recipients to receive the limited number of program slots — each provider was allotted enough funds to support 20 to 50 supported employment slots.

⁴³Participants typically pursued short-term computer or clerical training programs or certified nursing assistance programs.

⁴⁴On-the-job training uses the job site as the setting to instruct workers while they become engaged in productive work. Job coaching can be offered at the job site or elsewhere and offers assistance and guidance to workers to help them perform their duties and retain employment.

Supported employment was available to recipients who did not find jobs after six weeks of job search.⁴⁵ Because of the relatively disadvantaged nature of the target population and their potential to benefit from this type of approach, the Tier 2 providers demonstrated early on that they were committed to developing a strong supported employment component for the program. Early in the implementation of Tier 2, program staff worked toward making these kinds of positions available, and as the program matured, this component was strengthened.⁴⁶ For example, in early 2001, EAC expressed a desire to expand a supported work program in the corporate sector that it had developed with area nonprofit organizations. By the spring of that year, it was placing individuals in positions with private employers in industries that fit with their career interests. EAC paid the participants' full wages and arranged for them to start work part time, increasing their hours over time.

Other providers — such as JVS — had longstanding experience with a range of supported employment programs and offered filing work at Wells Fargo Bank and data entry at UCARE, a health maintenance organization. RISE, Inc., operated its own “production floor” in Spring Lake Park, where recipients could earn \$6.00 an hour in assembly-line jobs that varied over time, such as, for example, assembling cardboard boxes. LSS worked with Goodwill Industries and Easter Seals, which also offered assembly-line work where clients could earn up to \$5.25 an hour. These kinds of supported work placements were typically slated to last for three months or less.

Case Management Services

Another area of service difference between Tier 1 and Tier 2 was the level of contact between program staff and clients. Due to their low caseloads, once assessments were completed, the Tier 2 case managers typically had contact with clients once a week. Sometimes circumstances required greater contact, for example, when clients with serious barriers to employment worked closely with program staff to begin addressing them. However, even in these instances, home visits were not the norm. In contrast, contacts between the Tier 1 case managers and recipients were less frequent and more perfunctory.

Postemployment Services

Postemployment services were similar across the Tier 1 and Tier 2 programs. If clients became employed, they stayed in Tier 1 or Tier 2 as long as they remained on MFIP. Many maintained eligibility for cash assistance due to Minnesota's relatively generous earnings disre-

⁴⁵Unpaid work and supported employment placements were both available after six weeks of unsuccessful job search, yet there were many more of the former than the latter. As noted above, participants in the Tier 2 program were more likely to have access to supported employment placements.

⁴⁶Their efforts were aided in July 2003 when the county lifted the requirement that recipients had to have been on assistance for 52 months in order to be eligible for supported employment.

gard, where individuals could receive some cash assistance with earnings up to 120 percent of the federal poverty guideline. In most instances, the case managers met with working participants at 30, 60, 90, and 180 days following their hire date — or initially around their pay schedule if they were not paid monthly — to verify employment. Tier 1 and Tier 2 case managers also gave employed recipients bus passes or helped them access other support services, such as child care or emergency assistance. In Tier 2, case managers would occasionally visit a workplace to meet with either an employer or employee, but this was rare. Some of the Tier 2 providers also offered modest employment-retention incentives, such as small gift certificates at the three-month and six-month milestones. Although it was felt initially that the reduced caseloads would allow Tier 2 case managers to offer intensive retention and advancement services in some instances — including worksite visits, job mediation, and intensive on-the-job follow-up — these aspects of the program were less developed. Instead, Tier 2 staff focused more strongly on preemployment services.

Reaching the Time Limit

Under both the Tier 1 and the Tier 2 program, in cases where individuals began to near their TANF time limits, specifically when they reached 48 months of assistance, the case managers met with them to discuss potential next steps. At approximately 56 months of assistance, participants attended a formal exit interview, accompanied by their case managers.⁴⁷ Some participants who were employed when they reached their time limit qualified for an extension of benefits. Others became eligible for Tier 3, a program the county began operating in July 2002, which was designed for Tier 1 or Tier 2 participants who had reached their time limit and had an IQ below 80 or a “very severe disability.” The goal of the Tier 3 program was to connect these people to appropriate services, recognizing they might never become employed. Those who did not qualify for an extension or for the Tier 3 program became ineligible for further assistance.

How the Tier 2 Case Managers Spent Their Time

This evaluation included a special time study in all of 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 Minnesota, 36 Tier 2 case managers participated in the time study over a two-week study period, from September 18 to October 1, 2003. Select findings are highlighted below.

⁴⁷Available data do not allow MDRC to identify the proportions of the research sample reaching these 48- and 56-month benchmarks over the course of the study.

Tier 2 case managers spent about 32 percent of their work time — a little more than two hours per day — in contact with clients.⁴⁸ They spent twice the amount of time interacting with nonworking clients (20 percent of their work time) than with working clients (almost 12 percent) (Figure 1). This result can be seen as evidence of MFIP’s strong focus on employment services. It might also be viewed as an indication that the population targeted by Tier 2 was hard to employ, as the large majority were not working when they entered the program. On average, Tier 2 case managers reported 4.5 client interactions per day, with each of those lasting about 29 minutes (Table 4). Over half of all client contacts took place over the phone (53 percent). Over 40 percent of all contacts were in person, and the vast majority of those were office visits (Table 5). Therefore, the time study offers further evidence that the Tier 2 counselors generally did not meet with clients outside their offices. More than two-thirds of these case managers (72.2 percent), however, did report working outside standard hours, typically either in the early morning or evening (not shown), which presumably contributed to their overall higher level of client contact.

The topics covered during staff-client interactions varied depending on the client’s employment status (Table 6). For example, many contacts with nonworking clients included discussion of “personal or family issues” (24 percent), while sizable numbers of contacts with working clients addressed “on-the-job issues/problems” (11 percent) and “career goals and advancement” (27 percent).

Summary

The MFIP Tier 2 program was generally well organized and managed, and Tier 2 case managers worked diligently to develop better relationships with the target population. In many cases, they built relationships characterized — compared with those typical of Tier 1 — by a greater level of interaction and a deeper understanding of the difficult circumstances of these individuals and their families. The program’s much smaller caseload sizes and more in-depth assessment process appear to have facilitated this closer case manager-client relationship. The supported employment component was also well developed under the Tier 2 program, and it appeared to gain strength over the course of the evaluation. Although supported employment was available to both the Tier 1 and the Tier 2 group, providers generally made it a priority for their Tier 2 caseloads.

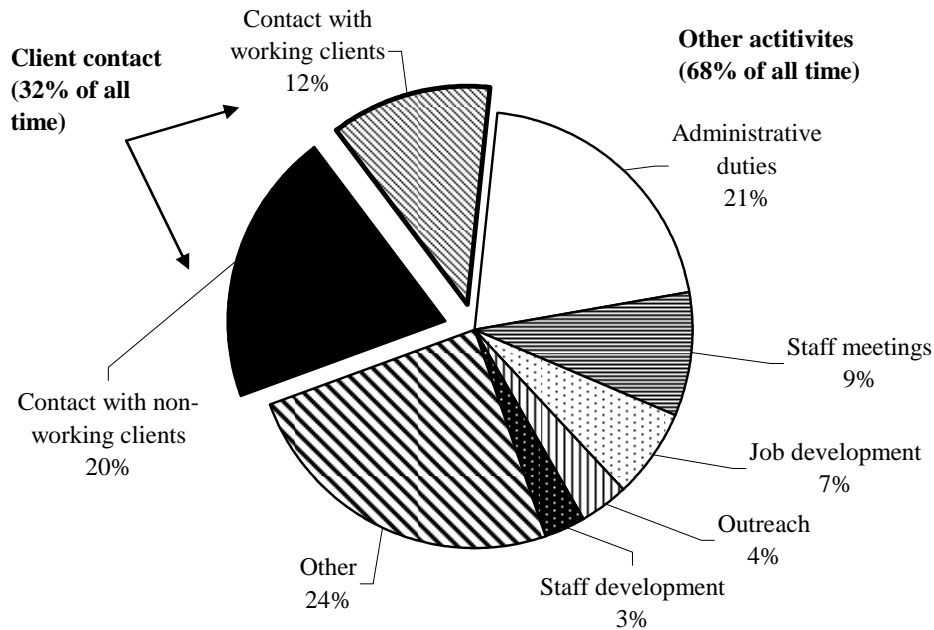
Although the Tier 1 and Tier 2 programs differed in important ways, they also had much in common. Because Tier 2 was built on the basic structure of Tier 1, the two shared

⁴⁸In other ERA sites, staff reported spending between 22 percent and 39 percent of their work time in contact with clients.

The Employment Retention and Advancement Project

Figure 1

**Summary of How Minnesota Tier 2
Case Managers Typically Spent Their Time
Minnesota**



SOURCE: MDRC calculations from the ERA time study.

NOTES: The "other" category contains the following activities: interacting with employers regarding specific clients/customers in their employment (1.0 percent), interacting with employers regarding general program activities (0.7 percent), interacting with other workforce organizations (for example, One-Stops) (0.9 percent), interacting with TANF/food stamp/Medicaid eligibility workers regarding specific clients/customers (2.4 percent), monitoring or checking the employment status and/or work hours of clients/customers (without contact with client/customer) (1.9 percent), making TANF/food stamp/Medicaid eligibility decisions (0.4 percent), interacting with others not listed above (for example, landlords) representing specific clients/customers (1.6 percent), developing/seeking out education or training opportunities (1.5 percent), developing/seeking out other community resources (2.3 percent), noncompliance tasks (without contact with client/customer) (1.9 percent), observing or assisting with specific program activities (for example, workshops, Lunch-and-Learns) (2.8 percent), preparation for support group meetings/workshops (1.6 percent), other activities (1.6 percent), monitoring client/customer activities/participation in program services or activities (without contact with client/customer) (2.3 percent), and traveling to/from program activities or meetings with clients/customers or employers (1.8 percent).

The Employment Retention and Advancement Project

Table 4

Extent of Contact Between Tier 2 Case Managers and Clients

Minnesota

Contact	
Percentage of work time spent in contact with	
Any client	32.1
Working clients	11.8
Nonworking clients	20.3
Average number of client contacts per day per case manager	
Any client	4.5
Working clients	1.8
Nonworking clients	2.7
Average number of minutes per day spent in contact with	
Any client	134.8
Working clients	49.5
Nonworking clients	85.4
<hr/>	
Number of case managers time-studied	36

SOURCE: MDRC calculations from the ERA time study.

The Employment Retention and Advancement Project

Table 5

Description of Contact Between Tier 2 Case Managers and Clients

Minnesota

Contact	
Percentage of all client contacts that were:	
In person	40.6
Office visit	35.6
Home visit	1.3
Employer visit	1.5
Visit elsewhere	2.1
Not in person	59.4
Phone contact	52.6
Written contact	6.4
Other type of contact	0.5
Percentage of all client contacts, over a 2-week period, that were initiated by:	
Staff person	57.1
Client	42.2
Another person	0.7
Number of case managers time-studied	36

SOURCE: MDRC calculations from the ERA time study.

The Employment Retention and Advancement Project

**Table 6
Topics Covered During Contact Between Tier 2 Case Mangers and Clients
Minnesota**

	Case Managers Working with		
	Working Clients	Nonworking Clients	All Clients
Percentage of all client contacts that included the following topics: ^a			
Initial client engagement	2.4	6.1	5.0
Supportive service eligibility and issues	37.3	20.9	28.5
General check-in	32.0	28.3	30.5
Screening/assessment	2.2	5.4	4.0
Address on-the-job issues/problems	11.4	2.0	4.7
Address personal or family issues	13.9	24.4	21.2
Explore specific employment and training options	6.2	9.7	9.4
Discuss career goals and advancement	27.2	16.2	20.6
Assist with reemployment	14.4	27.5	23.0
Discuss issues related to financial incentives or stipends	2.5	1.0	1.9
Schedule/refer client for work experience position ^b	0.0	0.0	0.0
Enrollment in government assistance and ongoing eligibility issues	5.4	2.0	3.0
Assistance with the Earned Income Tax Credit	0.7	0.3	0.6
Participation/sanctioning issues	17.1	21.4	19.6
Schedule/refer client for screening/assessment	1.3	3.9	2.9
Schedule/refer client for job search or other employment services	3.9	6.3	5.5
Schedule/refer client for education or training	0.8	2.0	1.6
Schedule/refer client for services to address special or personal issues	3.0	8.3	6.3
Provide job leads or referrals ^b	0.0	0.0	0.0
Number of case managers time-studied			36

SOURCE: MDRC calculations from the ERA time study.

NOTES: ^aPercentages exceed 100 percent because more than one topic could be recorded for each client contact.

^bThis measure was not included in the time-study instrument used in Minnesota.

some important characteristics: a strong focus on employment; four weeks of job search, followed by unpaid or volunteer employment for those who did not find work; support services, including child care and transportation; and some assistance with job retention and advancement for working participants. Finally, it is important to note that, aside from the more in-depth assessments, the two groups had access to essentially the same range of services and supports, and this may have set a high standard for Tier 2 to surpass and demonstrate impacts.

Effects on Service Receipt, Program Participation, and Supported Employment

This section presents the effects of Tier 2 — compared with Tier 1 — on service receipt and program participation, including: (1) contacts between study participants and case managers; (2) assistance with barriers to employment; and (3) participation in program activities and supported employment. Twelve-month follow-up survey data are used to compare these outcomes for the Tier 1 and Tier 2 groups. Box 3 describes how to easily read most tables in this report.

Contacts Between Study Participants and Case Managers

- **Individuals in Tier 2 had more frequent contact with their case managers than individuals in Tier 1. However, individuals in both programs reported high levels of contact with case managers.**

Table 7 shows that about three-quarters of both the Tier 1 and the Tier 2 group reported at least one contact with program staff in the year following random assignment. It is important to note that these survey data do not allow for distinctions regarding the types of staff that respondents were referring to when they reported contacts. (See Box 4 for more on measuring participation in ERA.) Nonetheless, these high levels of general contact reflect the mandatory nature of both programs. In addition, the high level for Tier 1 set a high standard for Tier 2 to surpass. The likelihood of having at least one contact with program staff did not differ between the two groups; however, the average number of contacts did vary modestly. On average, individuals in Tier 2 had 26.4 contacts with program staff in the year following random assignment, compared with 18.3 for those in Tier 1. Individuals in Tier 2 were especially more likely to have telephone contacts. They had an average of 16.5 telephone contacts, while their Tier 1 counterparts averaged 10.4.⁴⁹

About two-thirds of both Tier 1 and Tier 2 participants reported in-person meetings with program staff in the year following random assignment, and there was no difference between the two groups in this regard. The most common locations for in-person meetings were in the case manager's office or at an educational or training program. Across both groups, relatively few participants indicated that any meetings took place in their homes, workplaces, or other places outside the providing agency.

⁴⁹When these data are compared with data from other ERA study sites, it appears that individuals in both Tier 1 and Tier 2 had exceptionally high levels of contact with their case managers.

Box 3

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 Tier 2 program and the Tier 1 program. For example, the table shows that about 10 (9.5) percent of the Tier 2 program members and about 4 (3.7) percent of the Tier 1 program members participated in subsidized employment.

Because individuals were assigned randomly to either the Tier 2 program or the Tier 1 program, 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 subsidized employment can be calculated by subtracting 3.7 from 9.5, yielding 5.8.

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). For example, as shown below, the Tier 2 program had a statically significant impact of 5.8 percentage points at the 1 percent level on participation in subsidized employment. (One asterisk corresponds to the 10 percent level; two asterisks, the 5 percent level; and three asterisks, the 1 percent level.) The p-value shows the exact levels of significance.

The bottom panel shows the participation outcomes among those who participated in each activity in the two research groups. Measures shown in italics are considered “nonexperimental,” because they include only a subset of the full report sample. Because participants in the Tier 2 program may have different characteristics than participants in the Tier 1 program, differences in these outcomes may not be attributable to the Tier 2 program. Statistical significance tests are not conducted for these measures.

Impacts on Participation in Employment, Job Search, and Education/Training Activities

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)		P-Value
Ever participated in subsidized employment (%)	9.5	3.7	5.8	***	0.009
For less than 4 weeks	2.4	0.4	2.1	*	0.054
For 4 to 8 weeks	0.9	0.3	0.6		0.411
For more than 8 weeks	6.2	3.0	3.2	*	0.093
<i>Among those who participated in each type of activity:</i>					
<i>Average number of weeks participating in</i>					
<i>Job search activities</i>	19.1	17.1	2.0		
<i>Education/training activities</i>	18.7	19.3	-0.6		
<i>Unpaid work</i>	15.1	8.2	6.9		

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Table 7

Year 1 Impacts on Contacts with Program Staff

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Any contacts with case manager/employment program since random assignment ^a (%)	74.0	75.5	-1.5	0.688
Average number of contacts with staff/case manager	26.4	18.3	8.1 ***	0.004
In person	9.9	7.9	2.1 *	0.079
By telephone	16.5	10.4	6.0 ***	0.002
Talked with staff/case manager in past 4 weeks (%)	41.4	39.0	2.4	0.581
Ever met with staff/case manager (%)	65.4	65.8	-0.4	0.921
At home	4.9	1.1	3.9 **	0.013
At workplace	6.5	4.3	2.2	0.295
At staff/case manager's office	64.1	63.9	0.2	0.962
At school/training program	12.2	15.6	-3.4	0.282
At other places	6.1	2.3	3.7 **	0.041
Staff/case manager talked with respondent's employer (%)				
Never	85.4	92.4	-7.0 **	0.014
Once or twice	7.3	4.7	2.6	0.231
More than twice	3.7	1.9	1.8	0.239
Don't know if the case manager talked with an employer	3.7	0.7	3.1 **	0.022
<i>Among those employed since random assignment:^b</i>				
<i>Staff/case manager talked with respondent's employer (%)</i>				
<i>Never</i>	78.2	89.7	-11.5	NA
<i>Once or twice</i>	11.0	6.3	4.7	NA
<i>More than twice</i>	5.4	2.6	2.8	NA
<i>Don't know</i>	5.5	0.9	4.6	NA
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

^aThis measure includes respondents who said "yes" on the client survey to either of the following questions: "Have you had any experiences with programs or organizations that help people find or keep jobs since your random assignment date?" "Since your random assignment date, have you had any contact, in-person or by phone, with a case manager or a staff person from an employment, welfare or other agency?" However, subsequent survey questions regarding the number and location of contacts were asked only of respondents who said "yes" to the latter question. Therefore, there are some respondents who reported contact but were not asked about the number and location of contacts.

^bEmployment is calculated using the ERA 12-Month Survey and includes those who reported employment since random assignment. It includes formal employment and "odd jobs."

Box 4

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 Tier 2, services are delivered mostly in one-on-one interactions, during which staff advise, coach, or counsel participants. This type of service is inherently difficult to measure. In addition, to accurately measure a program’s impact on service receipt, it is important to collect data in the same way for both the ERA group and the control group. In practice, this means that 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, using the ERA 12-Month Survey. Each approach has both strengths and limitations, and each contributes to the overall analysis:

- First, 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 (see Table 9). These services are relatively easy to measure, but they are not the heart of most ERA programs, including the Tier 2 program.
- Second, the survey asked how frequently respondents had had contact with staff members from employment or social service agencies and where those contacts took place (see Table 7). These questions are more central to the ERA programs, but it is difficult to determine which types of staff the 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.
- Third, 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 (see Table 8). These questions are fairly straightforward, but they do not provide any information about the amount of service that was received in each area.

There was very little contact between the case managers and employers in both Tier 1 and Tier 2 (Table 7). This is not surprising, since developing relationships with employers was not a major goal of either program. Nonetheless, the survey data suggest that Tier 2 case managers were less likely than those in Tier 1 to have never talked with respondents’ employers.

Assistance with Barriers to Employment

- **The Tier 2 program did not increase participation in services to address three critical barriers to employment: problems with (1) mental health, (2) substance use, and (3) domestic violence.**

As detailed above, in the section on implementation, the Tier 2 program placed great emphasis on in-depth, full-family assessments to identify a range of barriers to employment among clients and members of their families. Although these assessments appear to have been both comprehensive and well implemented, the survey data do not provide evidence that Tier 2 clients or their families were any more likely than Tier 1 clients or their families to receive services to address critical barriers — such as problems with mental health, substance use, or domestic violence. (See Figure 2 and Appendix Table D.6.) This is perhaps a critical juncture where the Tier 2 intervention fell short of its goals. Moreover, Tier 2 did not affect the likelihood — compared with Tier 1 — of individuals’ applying for, or receiving, Social Security disability benefits⁵⁰ (analysis not shown).

The lack of a significant relationship between the full-family assessments and engagement in services highlights two important issues concerning programs designed to target a hard-to-employ population. First, this finding can be seen as support for the contention that up-front assessments must be linked to strong mechanisms to ensure that clients are referred to and receive services.⁵¹ Second, it is also in keeping with the argument that some assessment processes can deter or prolong entry into key program services.⁵²

Nonetheless, a few encouraging observations about addressing the employment barriers of participants in both programs can be made. First, Tier 2 was more effective than Tier 1 in assisting clients to access Medicaid benefits and providing certain kinds of help with job preparation. For example, 35 percent of Tier 2 clients received help finding clothes, tools, or supplies for work, while just 20 percent of Tier 1 clients reported the same (Table 8). Tier 2 clients were also more likely to report getting help with “a personal problem that makes it hard to keep a job” — 13 percent of Tier 2 clients, compared with 8 percent of Tier 1 clients. This suggests that Tier 2 case managers may have provided informal help with barriers that did not result in formal service engagement.⁵³

⁵⁰Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).

⁵¹Hamilton and Scrivener (1999).

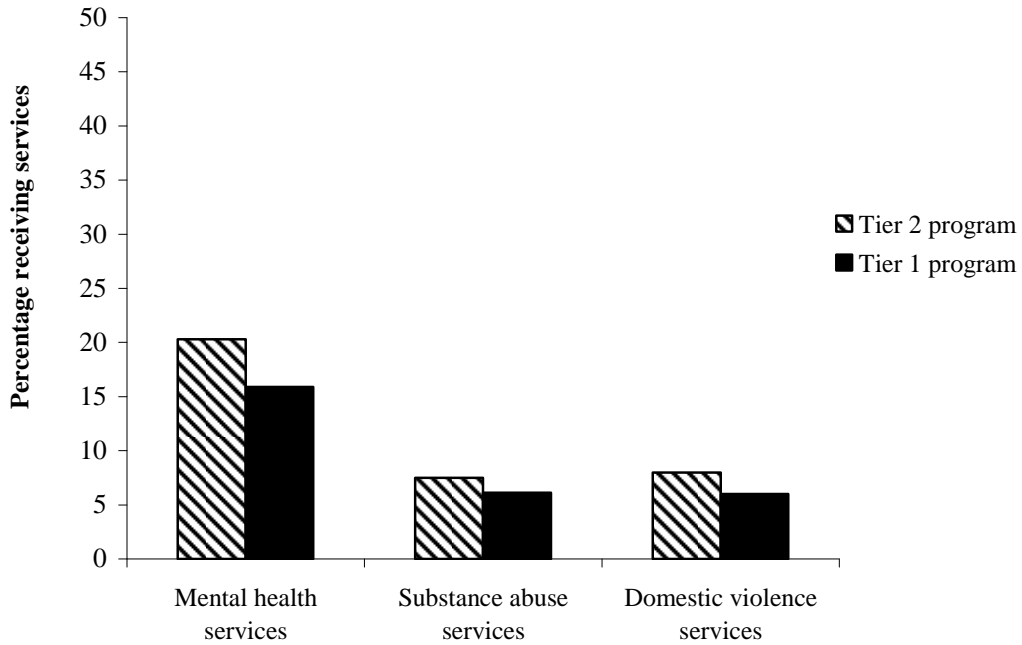
⁵²Auspos and Sherwood (1992).

⁵³Additional analysis of Tier 2 participants who had 12 or more contacts with their case managers suggests that a high-contact subgroup was no more likely to receive additional help than a low-contact subgroup (not shown).

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Figure 2

**Receipt of Mental Health, Substance Abuse, and Domestic Violence Services
Minnesota**



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

NOTES: See Appendix D.

None of the differences between groups is statistically significant.

This figure displays results for respondents only.

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Table 8

Impacts on Areas in Which the Respondent Received Help

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Received help with support services	60.2	56.3	4.0	0.361
Finding or paying for child care	46.8	42.3	4.5	0.280
Finding or paying for transportation	42.7	38.0	4.7	0.290
Received help with basic needs	57.7	54.9	2.8	0.526
Housing problems	28.0	23.0	5.0	0.207
Access to medical treatment	37.1	38.5	-1.5	0.737
Financial emergency	28.5	24.4	4.1	0.308
Received help with public benefits	64.1	56.4	7.8 *	0.078
Getting Medicaid	57.1	49.1	8.0 *	0.074
Getting food stamps	58.9	52.5	6.4	0.154
Received help with job preparation	58.6	42.0	16.6 ***	0.000
Enrolling in job readiness or training	32.6	25.4	7.2 *	0.081
Looking for a job	45.6	34.0	11.6 ***	0.009
Finding clothes, tools, or supplies for work	35.0	19.9	15.1 ***	0.000
Received help with retention/advancement	31.1	25.4	5.8	0.160
Finding a better job while working	12.1	9.4	2.7	0.333
Other activities while working ^a	8.5	10.9	-2.4	0.376
Career assessment	19.0	14.0	5.0	0.138
Dealing with problems on the job	10.2	6.6	3.6	0.151
Addressing a personal problem that makes it hard to keep a job	13.3	7.8	5.5 **	0.046
<i>Among those employed since random assignment:^b</i>				
<i>Received help with retention/advancement</i>	<i>45.1</i>	<i>36.7</i>	<i>8.4</i>	<i>NA</i>
<i> Finding a better job while working</i>	<i>17.5</i>	<i>13.6</i>	<i>3.9</i>	<i>NA</i>
<i> Other activities while working^a</i>	<i>12.5</i>	<i>15.8</i>	<i>-3.3</i>	<i>NA</i>
<i> Career assessment</i>	<i>26.9</i>	<i>20.9</i>	<i>6.0</i>	<i>NA</i>
<i> Dealing with problems on the job</i>	<i>14.5</i>	<i>9.6</i>	<i>4.9</i>	<i>NA</i>
<i> Addressing a personal problem that makes it hard to keep a job</i>	<i>19.7</i>	<i>10.8</i>	<i>8.9</i>	<i>NA</i>
Sample size (total = 503)	251	252		

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

NOTES: See Appendix D.

^aThis measure includes other activities, such as life skills and child development classes.

^bEmployment is calculated using the ERA 12-Month Survey and includes those who reported employment since random assignment. It includes formal employment and "odd jobs".

Second, considerable proportions of the individuals in both Tier 1 and Tier 2 received mental health services⁵⁴ in the year after random assignment.⁵⁵ At least 6 percent received services for substance abuse and domestic violence during that time. Differences between the two groups in the use of these services were small and not statistically significant (Figure 2). Rates of service receipt are, of course, higher when the unit of analysis is the family. For instance, at least one person received mental health services in about a fourth of the families in this sample (Appendix Table D.6). Nonetheless, as discussed in this report's first section and shown in Table 2, the baseline data show that the need for these services was prevalent enough among Minnesota's target population to reasonably suggest that neither program was effectively reaching clients who might benefit from them.

Finally, it is useful to mention the increasing awareness of how difficult it is to engage and retain people in treatment for behavioral health problems. For example, most people with mental disorders in the United States remain either untreated or poorly treated.⁵⁶ Therefore, it is likely that clients may have been unwilling or uninterested in participating in the services Tier 2 staff referred them to. This may have contributed to the observed lower-than-expected participation in services to overcome employment barriers. A deeper understanding of such barriers is essential to the design of more effective programs. Consider, for example, the emerging focus on the particular barriers to treatment for depression among low-income and minority populations.⁵⁷

Participation in Program Activities and Supported Employment

- **Tier 2 had no impact on participation in education or training activities but did lead to small increases in job search activities and participation in supported employment.**

The overall rates of participation in program activities were quite high for both the Tier 2 and the Tier 1 group, especially for employment-related activities. Over 80 percent of both

⁵⁴In comparison to most other ERA study sites, the Minnesota sample had a higher rate of past-year mental health service use than most. For example, 18 percent of the full Minnesota survey sample received mental health services in the year after random assignment, while this rate was much lower in other sites: 3 percent in Illinois, 7 percent in South Carolina, and, in the Texas sites, 6 to 14 percent. The rate of mental health service use was higher only in one New York City site and in the Eugene and Medford, Oregon, sites (22 to 25 percent).

⁵⁵The state's report on "challenges" faced by its MFIP-eligible and MFIP caseload populations provides relevant context for rates of severe mental health diagnoses, which it defines to include psychosis, depression, personality disorder, posttraumatic stress syndrome, or anxiety state diagnosis. The report estimates that, in 2004, 18 percent of adults in single- or two-caregiver families eligible for MFIP met at least one of these criteria for having a severe mental health problem (Minnesota Department of Health Services, 2006).

⁵⁶Wang et al. (2005).

⁵⁷Miranda et al. (2003); Wells et al. (2004).

groups participated in job search, illustrating the strength of MFIP more generally as a welfare-to-work program (Table 9). Nonetheless, the program did lead to a small impact on participation in job search. Rates of participation in education and training activities were about 40 percent for both groups, but there were also no significant impacts on these outcomes. The Tier 2 program also did not have a significant impact on participation in unpaid or volunteer work, for which overall participation rates were low (although the Tier 2 group did participate in unpaid work for a longer period of time: 1.3 versus 0.5 weeks). Tier 2 clients were more likely to engage in supported employment,⁵⁸ and the majority of those who participated because of the program did so for more than eight weeks. However, the overall rates of participation in supported work were also low, and the participation rate difference between the groups was not large (10 percent versus 4 percent). Finally, individuals in Tier 2 did have greater involvement than their Tier 1 counterparts in an employment or education activity while working (38 percent versus 31 percent) (Table 9).

⁵⁸The ERA 12-Month Survey asks directly about “subsidized employment,” which is synonymous with “supported employment.”

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Table 9

Impacts on Participation in Job Search, Education, Training, and Other Activities

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever participated in any activity ^a (%)	86.3	85.1	1.3	0.685
Participated in any employment-related activity ^b (%)	84.3	81.5	2.8	0.410
Participated in a job search activity	84.3	81.5	2.8	0.410
Group job search/job club	55.9	51.1	4.8	0.284
Individual job search	81.6	75.9	5.7	0.124
Participated in an education/training activity (%)	37.8	42.1	-4.3	0.322
Adult basic education/General Educational Development (GED)	14.3	17.9	-3.6	0.241
English as a Second Language (ESL)	2.9	1.5	1.4	0.279
College courses	16.6	20.8	-4.1	0.224
Vocational training	13.2	9.1	4.1	0.148
Ever participated in subsidized employment (%)	9.5	3.7	5.8 ***	0.009
For less than 4 weeks	2.4	0.4	2.1 *	0.054
For 4 to 8 weeks	0.9	0.3	0.6	0.411
For more than 8 weeks	6.2	3.0	3.2 *	0.093
Ever participated in unpaid work (%)	8.7	6.5	2.2	0.368
Ever participated in an employment or education activity while working (%)	38.1	30.7	7.4 *	0.077
Average number of weeks participating in:				
Job search activities	22.6	18.6	4.0 *	0.071
Education/training activities	7.1	8.1	-1.0	0.456
Unpaid work	1.3	0.5	0.8 **	0.048
<i>Among those who participated in each type of activity: Average number of weeks participating in</i>				
<i>Job search activities</i>	26.8	22.8	4.0	
<i>Education/training activities</i>	18.7	19.3	-0.6	
<i>Unpaid work</i>	15.1	8.2	6.9	
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

^aAny activity includes employment-related activities, education/training activities, life skills, and other types of activities.

^bEmployment-related activities include job search activities, unpaid jobs, and on-the-job training.

Effects on Employment and Public Assistance Receipt

This section presents the effects of the Tier 2 program, compared with Tier 1, on work, TANF receipt, and food stamp receipt after one and a half years. Administrative records data are used to compare outcomes for the two groups, for the full sample of single parents, and for several key subgroups. The tables present effects on summary measures. Effects on the full set of outcomes, as well as outcomes from the 12-month survey, are shown in Appendix D.⁵⁹

Outcomes for the Tier 1 Group

Before assessing the effects of the Tier 2 program, it is worthwhile to describe the benchmark outcomes set by the Tier 1 group. These outcomes serve as the counterfactual against which Tier 2 is measured, showing what would have happened to recipients in the absence of Tier 2.

Table 10 presents outcomes for both the Tier 1 and the Tier 2 group. For the purposes of this section, only data for the Tier 1 group are considered. These data show that many recipients left welfare over time — by Quarter 7, only 54 percent were receiving benefits. In contrast, quarterly employment rates increased fairly modestly, from about 30 percent in Quarter 2 (not shown) to 43 percent in Quarter 7. A fair amount of employment instability can be seen from the fact that 65 percent of the Tier 1 group worked at some point during follow-up, but only 43 percent were still working in Quarter 7. Average earnings among those who worked in that quarter were also low, at \$3,130.⁶⁰

Data from the 12-month survey indicate that people in the Tier 1 group who worked earned, on average, \$9.60 per hour, which should yield about \$5,000 per quarter for full-time consistent work (shown in Appendix Table D.13). The relatively low quarterly earnings among workers, indicated in Table 10, reflect unstable employment — many people do not work all weeks or months of a quarter, and many work only part time. At the time of the survey, a third of those employed worked part time. Few of those who worked were offered employer-provided benefits. For example, an employer offered health insurance to one out of seven respondents who were working at the time of the survey (Appendix Table D.13).

⁵⁹Results from the 12-month survey are not presented in the text because the sample sizes are small and add little to the story told by the UI data. Results from the survey are mentioned in the text when relevant and are presented in appendix tables.

⁶⁰The average earnings among those employed in Tier 1 are calculated as the average earnings in Quarter 7 (\$1,358) divided by the proportion of those employed in Quarter 7 (0.4338).

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Table 10

Impacts on UI-Covered Employment and Public Assistance

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Quarters 2-7</u>				
Ever employed (%)	68.0	64.7	3.3	0.113
Earnings (\$)	6,476	6,529	-54	0.902
Ever received TANF (%)	93.4	93.1	0.3	0.793
Amount of TANF received (\$)	5,162	4,991	171	0.222
Ever received food stamps (%)	97.5	96.8	0.7	0.383
Amount of food stamps received (\$)	4,536	4,465	71	0.429
<u>Quarter 7</u>				
Ever employed (%)	45.2	43.4	1.8	0.443
Earnings (\$)	1,271	1,358	-87	0.377
Ever received TANF (%)	58.6	54.2	4.3 *	0.067
Amount of TANF received (\$)	613	577	36	0.245
Ever received food stamps (%)	80.3	74.7	5.6 ***	0.005
Amount of food stamps received (\$)	694	667	27	0.215
Sample size (total = 1,692)	845	847		

SOURCES: MDRC calculations from UI, TANF, and food stamp administrative records from the State of Minnesota.

NOTES: See Appendix B.

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

Effects of the Tier 2 program

- **The Tier 2 program, compared with Tier 1, had little effect on employment or earnings over the follow-up period of one and a half years. An early increase in employment did not persist.**

The Tier 2 program led to a modest increase in employment, but only in the quarter just after program entry (not shown in Table 10). The impacts faded largely because many of those who went to work in that quarter did not stay employed through subsequent quarters. As a result, the program had little effect on employment or earnings during the first year and a half of follow-up (Table 10). Data from the 12-month survey (not shown) indicate that Tier 2 had little effect on other employment outcomes, such as wages, hours worked, or benefits.

- **The Tier 2 program, compared with Tier 1, led to a modest increase in employment early on for those who had recent work experience, although this effect did not last beyond Year 1. A large fraction of the employment effect appears to be due to the placement of the Tier 2 group in supported employment positions.**

Employment programs tend to work differently for people who have recent work experience, compared with their counterparts who have been out of work for long periods. Although the evaluation sample was intended to be restricted to Tier 1 participants who had not worked in the previous three months, about a third of the sample did have some, if very limited, recent work experience.⁶¹ As mentioned earlier, this outcome may reflect a lag in TANF program data on employment. For this group, the program led to notable increases in employment during the first year (Figure 3). Employment rates for those in the Tier 2 group, for example, were 9 to 10 percentage points higher than for the Tier 1 group in Quarters 2 through 4.

The two groups also differed with respect to program participation (see Appendix Tables D.10 and D.11). For the group who had not worked recently, the Tier 2 program led to large increases in basic job preparation activities, such as help with supplies, job preparation, and job search. For the recently employed group, in contrast, the program had no effects on these outcomes but led to a 12 percentage point increase in participation in supported employment. Additional analyses suggest that, for this group, a large part of the employment increase in the early quarters is associated with these supported work positions.⁶² It is not clear why the recently employed, and thus the most job-ready, would be more likely to be placed in supported employment positions, although they may be less risky placements from a caseworker's point of

⁶¹Recall from the report's first section that 15 percent of the sample reported working when they entered the study. In addition, about 30 percent of the sample worked at some point in the quarter prior to entering the study, according to UI administrative records data.

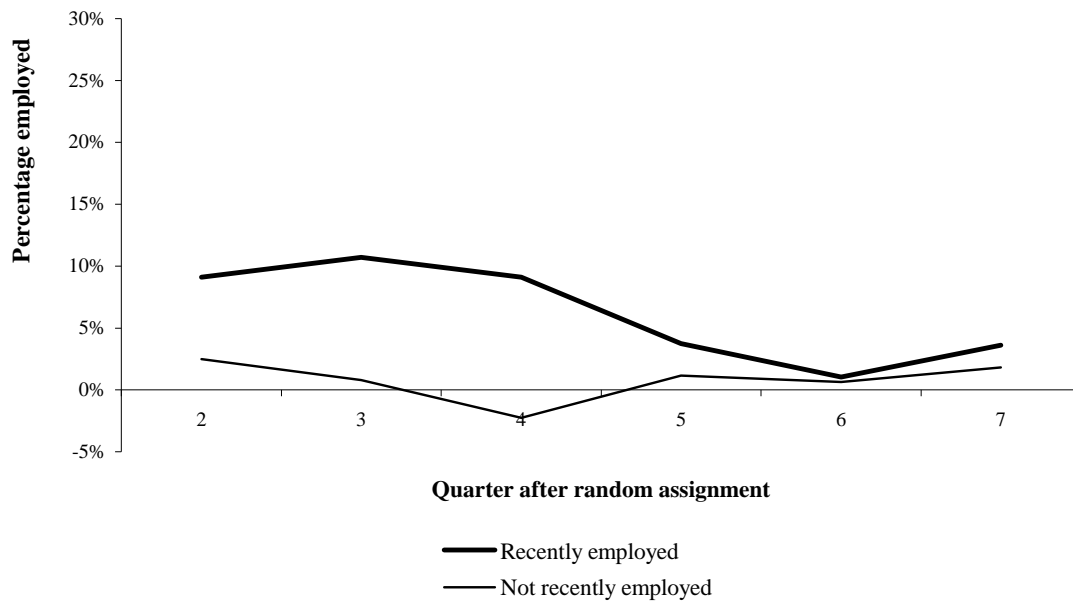
⁶²Employment and earnings from UI administrative records include supported work positions. The analyses involved estimating effects on the joint outcome of "employed in a quarter and ever worked in a supported work position." Effects on this outcome in the early quarters were similar in size to the effects on quarterly employment, suggesting that individuals who worked in supported work positions because of the program were also the ones who experienced an increase in UI-reported work because of the program.

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Figure 3

Effects on UI-Covered Employment
for Those With and Without Recent Employment

Minnesota



SOURCE: MDRC calculations from UI administrative records from the State of Minnesota.

NOTES: The impacts for the recently employed subgroup are statistically significant for Quarters 2, 3, and 4 at the 5 percent level. All other impacts are not statistically significant at the 10 percent level. The differences in impacts between subgroups are statistically significant for Quarters 3 and 4.

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

view. What is evident, however, is that increased placement in these supported work positions did not lead to longer-term effects on employment.

- **The Tier 2 program had no effect on public assistance receipt over the follow-up period as a whole but led to a small increase in the last three months.**

For the entire follow-up period of a year and a half, the Tier 2 and Tier 1 groups had similar rates of TANF and food stamp receipt (Table 10).⁶³ Receipt gradually fell over the follow-up period at roughly the same rate for both groups, with the exception of the last one or two quarters. As a result, the Tier 2 group was somewhat more likely than the Tier 1 group to receive TANF and food stamps in Quarter 7, with impacts of 4.3 percentage points and 5.6 percentage points, respectively. Data for an early cohort suggest that these effects are likely to persist beyond Quarter 7. It is not clear why the program led to a late increase in public assistance receipt in the absence of effects on employment and earnings.

- **In general, the effects of the Tier 2 program did not vary across subgroups defined by barriers to employment or period of study entry.**

Effects were estimated for several subgroups defined by potential barriers to work, such as depression, poor health, poor child health, low education level, and learning disabilities (not shown). There were few consistent and statistically significant differences in impacts between those with a given barrier and their counterparts without that barrier. One exception is for the small group of recipients who reported limitations in the ability to perform moderate physical activities, such as cleaning or climbing stairs. For this group, the Tier 2 program led to a reduction in employment.⁶⁴

Effects were also examined for an early versus a later cohort. A program might have different effects for early versus later entrants, for example, if it takes time to become fully or strongly implemented. In the case of Minnesota, one reason to expect a cohort difference in effects is that the process of random assignment changed in October 2002, when recipients began to be randomly assigned by letter rather than in person. A cohort difference might emerge if the earlier group became more engaged in the program because of the initial in-person contact. The results (shown in Appendix Table E.3) suggest no systematic differences in effects between cohorts.

⁶³Food stamp receipt includes receipt of either the food portion of the MFIP TANF grant or food stamps for those not receiving TANF.

⁶⁴When testing the effects of the program on multiple outcomes and over several subgroups, it is likely that some differences will be statistically significant simply by chance. To account for this, the analysis attempts to limit the number of subgroups examined and to highlight only effects that appear to represent real patterns in the data, rather than random differences.

Appendix A

Supplementary Tables for Introduction

The Employment Retention and Advancement Project

Appendix Table A.1

Description of ERA Projects

State	Location	Target Group	Primary Service Strategies
<u>Advancement projects</u>			
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
<u>Placement and retention (hard-to-employ) projects</u>			
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
<u>Placement and retention (hard-to-employ) projects (continued)</u>			
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
<u>Projects with mixed goals</u>			
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

The Employment Retention and Advancement Project

Appendix Table A.2

Selected Characteristics of Single-Parent Families, by Research Group

Minnesota

Characteristic	Tier 2 Program	Tier 1 Program	Total
<u>Full sample</u>			
Gender (%)			
Female	93.8	92.6	93.2
Male	6.2	7.4	6.8
Race/ethnicity (%)			
Hispanic	1.7	2.7	2.2
Black, non-Hispanic	69.6	66.1	67.8
White, non-Hispanic	15.8	16.8	16.3
American Indian/Alaskan native	6.4	7.1	6.8
Asian	4.4	6.0	5.2
Other	0.6	0.0	0.3
Mixed race	1.5	1.3	1.4
Age (%)			
20 years or less	3.3	3.7	3.5
21 to 30 years	48.4	47.8	48.1
31 to 40 years	29.5	32.1	30.8
41 years and older	18.8	16.4	17.6
Average age (years)	31.6	31.2	31.4
High school diploma or higher ^a (%)	53.4	53.7	53.6
Number of children (%)			
0	0.7	0.9	0.8
1	33.4	36.6	35.0
2	33.7	31.4	32.6
3 or more	32.2	31.1	31.6
Average number of children in household	2.2	2.2	2.2
Age of youngest child in household (%)			
Less than 3 years	39.1	37.8	38.4
3 to 5 years	21.0	23.1	22.1
More than 6 years	39.9	39.1	39.5
U.S. citizenship (%)	69.7	70.8	70.2
AFDC/TANF receipt history ^b			
Less than 2 years	28.9	31.9	30.4
2 to 4 years	71.1	68.1	69.6

(continued)

Appendix Table A.2 (continued)

Characteristic	Tier 2 Program	Tier 1 Program	Total
Primary language (%)			
English	80.6	85.5	83.0
Spanish	1.3	0.8	1.1
Russian	0.4	0.2	0.3
Vietnamese	0.2	0.8	0.5
Other non-English language	17.1	12.4	14.8
Unknown	0.4	0.4	0.4
Completed Baseline Assessment Data			
Yes	58.3	61.6	60.0
No	41.7	38.4	40.0
Sample size	845	847	1,692
<u>Sample members for whom Baseline Assessment Data are available^c</u>			
Currently employed (%)	15.8	14.0	14.9
Hourly wage (%)			
Less than \$5.15	5.7	7.5	6.6
\$5.15 - \$6.99	8.6	13.4	10.9
\$7.00 - \$9.99	44.3	35.8	40.1
More than \$10.00	41.4	43.3	42.3
Average hourly wage (among those currently employed) (\$)	10.42	9.67	10.06
Number of hours worked per week			
Less than 20	21.6	21.1	21.4
21 - 30	37.8	39.4	38.6
32 or more	40.5	39.4	40.0
Percentage working full time (32+ hours) (among those currently employed) (%)	40.5	39.4	40.0
Employment during the past 3 years			
Did not work	18.1	15.9	16.9
Worked less than 6 months	18.7	18.8	18.7
Worked 7 to 12 months	22.7	20.9	21.8
Worked 13 to 24 months	23.1	25.1	24.1
Worked for more than 2 years	17.4	19.3	18.4
Type of employment in past 3 years (among those who worked) (%)			
Mostly part time	28.2	24.8	26.5
Mostly full time	55.4	58.8	57.2
Equal amounts part and full time	16.1	16.4	16.3

(continued)

Appendix Table A.2 (continued)

Characteristic	Tier 2 Program	Tier 1 Program	Total
Primary language (%)			
English	80.6	85.5	83.0
Spanish	1.3	0.8	1.1
Russian	0.4	0.2	0.3
Vietnamese	0.2	0.8	0.5
Other non-English language	17.1	12.4	14.8
Unknown	0.4	0.4	0.4
Completed Baseline Assessment Data			
Yes	58.3	61.6	60.0
No	41.7	38.4	40.0
Sample size	845	847	1,692
<u>Sample members for whom Baseline Assessment Data are available^c</u>			
Currently employed (%)	15.8	14.0	14.9
Hourly wage (%)			
Less than \$5.15	5.7	7.5	6.6
\$5.15 - \$6.99	8.6	13.4	10.9
\$7.00 - \$9.99	44.3	35.8	40.1
More than \$10.00	41.4	43.3	42.3
Average hourly wage (among those currently employed) (\$)	10.42	9.67	10.06
Number of hours worked per week			
Less than 20	21.6	21.1	21.4
21 - 30	37.8	39.4	38.6
32 or more	40.5	39.4	40.0
Percentage working full time (32+ hours) (among those currently employed) (%)	40.5	39.4	40.0
Employment during the past 3 years			
Did not work	18.1	15.9	16.9
Worked less than 6 months	18.7	18.8	18.7
Worked 7 to 12 months	22.7	20.9	21.8
Worked 13 to 24 months	23.1	25.1	24.1
Worked for more than 2 years	17.4	19.3	18.4
Type of employment in past 3 years (among those who worked) (%)			
Mostly part time	28.2	24.8	26.5
Mostly full time	55.4	58.8	57.2
Equal amounts part and full time	16.1	16.4	16.3

(continued)

Appendix Table A.2 (continued)

SOURCES: MDRC calculations from Minnesota's Baseline Assessment Data and administrative data from the State of Minnesota.

NOTES: In order to assess differences in characteristics across research groups, Chi-square tests were used for categorical variables, and t-tests were used for continuous variables. Significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Unless otherwise stated, results are for sample members randomly assigned from January 2002 to April 2003.

^aThose having 12 or more years of education are considered to have a high school diploma..

^bThis measure goes back only 9 years before random assignment.

^cInformation is provided only for sample members who completed the Baseline Assessment Data.

^dIf self-rated health as "fair" or "poor."

^eBased on BMI.

^fBased on the Learning Needs Screening Tool, Washington State Department of Social and Health Services.

^gBased on the Modified Conflict Tactics Scale, "Yes" to any abuse. This measure is calculated only for women who reported being in a relationship at some point during the previous year.

^hBased on the Modified Conflict Tactics Scale, "Yes" to physical abuse. This measure is calculated only for women who reported being in a relationship at some point during the previous year, which was roughly 84 percent of the sample.

ⁱBased on the Composite International Diagnostic Interview, Short Form.

Appendix B

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

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.

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.

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

The p-value indicates the likelihood that the difference between the program and control group arose by chance.

Unless otherwise stated, results are for single-parent sample members randomly assigned from January 2002 to April 2003.

NA = not applicable.

Appendix C

**Notes for Tables and Figures Displaying Impacts
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.

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 p-value indicates the likelihood that the difference between the program and control group arose by chance.

All survey tables pertain only to the single-parent sample.

NA = not applicable.

Appendix D

Supplementary Impact Tables

The Employment Retention and Advancement Project

Appendix Table D.1

Quarters 2-7, Impacts on UI-Covered Employment

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever employed				
Quarter of random assignment	32.3	30.9	1.4	0.466
Q2	36.0	31.8	4.2 **	0.047
Q3	40.8	37.6	3.1	0.161
Q4	41.7	40.8	0.9	0.706
Q5	43.3	41.7	1.5	0.509
Q6	42.8	42.5	0.3	0.892
Q7	45.2	43.4	1.8	0.443
Earned \$2,500 or more				
Quarter of random assignment	7.0	6.6	0.4	0.706
Q2	13.2	11.0	2.2	0.151
Q3	15.9	16.0	0.0	0.983
Q4	17.7	17.7	0.0	0.992
Q5	18.7	19.6	-1.0	0.603
Q6	20.9	22.2	-1.3	0.507
Q7	23.1	23.2	-0.1	0.963
Earned between \$500 and \$2,499				
Quarter of random assignment	15.1	13.0	2.1	0.206
Q2	13.5	13.8	-0.3	0.852
Q3	16.5	15.4	1.0	0.558
Q4	16.5	14.8	1.7	0.329
Q5	17.6	14.5	3.1 *	0.081
Q6	15.5	15.2	0.3	0.862
Q7	14.7	15.0	-0.3	0.876
Earned between \$1 and \$499				
Quarter of random assignment	10.2	11.3	-1.1	0.479
Q2	9.3	7.0	2.3 *	0.077
Q3	8.3	6.2	2.1 *	0.093
Q4	7.5	8.4	-0.9	0.508
Q5	7.0	7.6	-0.6	0.634
Q6	6.4	5.2	1.3	0.257
Q7	7.4	5.3	2.1 *	0.073
Sample size (total = 1,692)	845	847		

SOURCES: MDRC calculations from UI administrative records from the State of Minnesota.

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table D.2

**Quarters 2-7, Impacts on UI-Covered Quarterly Employment
and Welfare Status**

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Employed, not receiving TANF				
Quarter of random assignment	2.4	2.3	0.1	0.912
Q2	6.5	5.5	1.0	0.356
Q3	10.3	10.8	-0.5	0.731
Q4	14.5	16.6	-2.2	0.206
Q5	16.0	17.6	-1.6	0.362
Q6	19.9	22.3	-2.4	0.219
Q7	22.7	24.8	-2.1	0.297
Employed, receiving TANF				
Quarter of random assignment	29.9	28.6	1.4	0.495
Q2	29.5	26.3	3.2	0.125
Q3	30.4	26.8	3.6 *	0.090
Q4	27.2	24.2	3.0	0.142
Q5	27.3	24.1	3.2	0.128
Q6	22.9	20.2	2.7	0.171
Q7	22.5	18.6	3.9 **	0.046
Not employed, receiving TANF				
Quarter of random assignment	65.7	67.2	-1.4	0.477
Q2	59.5	63.9	-4.4 **	0.046
Q3	52.8	54.3	-1.6	0.505
Q4	47.7	48.0	-0.3	0.910
Q5	42.9	45.3	-2.4	0.299
Q6	40.6	39.9	0.7	0.756
Q7	36.1	35.6	0.5	0.837
Not employed, not receiving TANF				
Quarter of random assignment	2.0	2.0	0.0	0.987
Q2	4.5	4.4	0.2	0.864
Q3	6.5	8.1	-1.6	0.204
Q4	10.6	11.2	-0.6	0.693
Q5	13.9	13.0	0.9	0.577
Q6	16.6	17.7	-1.0	0.564
Q7	18.8	21.0	-2.2	0.239
Sample size (total = 1,692)	845	847		

SOURCE: MDRC calculations from UI and TANF administrative records from the State of Minnesota.

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table D.3

Impacts on Quarterly UI-Covered Employment and Earnings for the
Late Cohort and Early Cohort

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value	P-Value for Subgroup Differences
Late cohort^a					
Ever employed (%)					
Quarter of random assignment	32.4	34.7	-2.3	0.369	0.020
Q2	33.5	30.2	3.3	0.218	0.603
Q3	38.3	36.8	1.6	0.573	0.334
Q4	40.8	41.6	-0.8	0.794	0.333
Q5	43.0	43.2	-0.2	0.955	0.347
Q6	42.9	44.7	-1.8	0.537	0.239
Q7	47.4	46.8	0.6	0.836	0.464
Total earnings (\$)					
Quarter of random assignment	518	517	1	0.986	0.389
Q2	729	685	44	0.621	0.426
Q3	939	970	-31	0.771	0.410
Q4	1,081	1,036	45	0.692	0.776
Q5	1,129	1,208	-78	0.513	0.602
Q6	1,207	1,267	-60	0.606	0.866
Q7	1,328	1,410	-82	0.511	0.948
Sample size (total = 1,044)	520	524			
Early cohort^b					
Ever employed (%)					
Quarter of random assignment	32.1	25.0	7.2 **	0.025	
Q2	40.0	34.4	5.7	0.107	
Q3	44.9	38.8	6.1 *	0.098	
Q4	43.2	39.5	3.8	0.313	
Q5	43.7	39.4	4.3	0.253	
Q6	42.6	38.9	3.7	0.316	
Q7	41.7	37.6	4.1	0.265	
Q8	39.1	41.8	-2.7	0.473	
Q9	40.6	40.3	0.3	0.929	
Q10	42.2	42.4	-0.1	0.972	

(continued)

Appendix Table D.3 (continued)

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value P-Value	P-Value for Subgroup Differences
Early cohort^b					
Total earnings (\$)					
Quarter of random assignment	471	383	88		0.265
Q2	857	699	158		0.159
Q3	1,096	983	114		0.412
Q4	1,165	1,068	96		0.512
Q5	1,149	1,126	23		0.880
Q6	1,170	1,262	-91		0.569
Q7	1,180	1,273	-93		0.568
Q8	1,165	1,204	-40		0.795
Q9	1,202	1,242	-40		0.804
Q10	1,424	1,258	166		0.317
Sample size (total = 648)	325	323			

SOURCES: MDRC calculations from UI, TANF, and food stamp administrative records from the State of Minnesota.

NOTES: See Appendix B.

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

^aLate-cohort sample members were randomly assigned from October 2002 through April 2003.

^bEarly-cohort sample members were randomly assigned from January through September 2002.

The Employment Retention and Advancement Project
Appendix Table D.4
Quarters 2-7, Impacts on TANF Receipt and Payments
Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever received TANF (%)				
Quarter of random assignment	95.7	95.7	-0.1	0.940
Q2	89.0	90.2	-1.2	0.404
Q3	83.2	81.1	2.1	0.251
Q4	75.0	72.2	2.8	0.186
Q5	70.2	69.4	0.7	0.740
Q6	63.5	60.1	3.4	0.138
Q7	58.6	54.2	4.3 *	0.067
Amount of TANF received (\$)				
Quarter of random assignment	1,285	1,276	9	0.545
Q2	1,148	1,153	-5	0.844
Q3	1,029	1,010	20	0.500
Q4	894	865	29	0.344
Q5	780	749	31	0.313
Q6	697	637	60 *	0.054
Q7	613	577	36	0.245
Sample size (total = 1,692)	845	847		

SOURCE: MDRC calculations from TANF administrative records from the State of Minnesota.

NOTES: See Appendix B.

The Employment Retention and Advancement Project
Appendix Table D.5
Quarters 2-7, Impacts on Food Stamp Receipt and Payments
Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever received food stamps (%)				
Quarter of random assignment	98.3	98.7	-0.4	0.519
Q2	94.5	94.5	0.0	0.998
Q3	91.2	88.7	2.5 *	0.085
Q4	85.7	84.3	1.4	0.416
Q5	83.6	81.8	1.8	0.322
Q6	81.9	77.7	4.2 **	0.029
Q7	80.3	74.7	5.6 ***	0.005
Amount of food stamps received (\$)				
Quarter of random assignment	896	902	-5	0.567
Q2	841	854	-14	0.324
Q3	802	798	4	0.801
Q4	756	745	11	0.563
Q5	733	716	17	0.395
Q6	711	685	26	0.217
Q7	694	667	27	0.215
Sample size (total = 1,692)	845	847		

SOURCE: MDRC calculations from food stamp administrative records from the State of Minnesota.

NOTES: See Appendix B.

The Employment Retention and Advancement Project

Appendix Table D.7

**Quarters 2-7 and Quarter 7, Impacts on UI-Covered Employment,
Public Assistance, and Income**

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Quarters 2-7</u>				
Ever employed (%)	68.0	64.7	3.3	0.113
Total earnings (\$)	6,476	6,529	-54	0.902
Ever received TANF (%)	93.4	93.1	0.3	0.793
Amount of TANF received (\$)	5162	4991	171	0.222
Ever received food stamps (%)	97.5	96.8	0.7	0.383
Amount of food stamps received (\$)	4,536	4,465	71	0.429
Total measured income ^a (\$)	16,174	15,985	189	0.626
<u>Quarter 7</u>				
Ever employed (%)	45.2	43.4	1.8	0.443
<i>For those employed in Quarters 2-7 (%):</i>				
<i>Not employed in Quarters 2-7, last quarter</i>	33.6	36.2	-2.6	NA
<i>Employed in Quarters 2-7, last quarter (%)</i>	66.4	63.8	2.6	NA
Total earnings (\$)	1,271	1,358	-87	0.377
Earned \$2,500 or more (%)	23.1	23.2	-0.1	0.963
Earned between \$500 and \$2,499 (%)	14.7	15.0	-0.3	0.876
Earned between \$1 and \$499 (%)	7.4	5.3	2.1 *	0.073
<i>For those employed in Quarters 2-7:</i>				
<i>Earnings (\$)</i>	2,815	3,131	-316	NA
Ever received TANF (%)	58.6	54.2	4.3 *	0.067
Amount of TANF received (\$)	613	577	36	0.245
Ever received food stamps (%)	80.3	74.7	5.6 ***	0.005
Amount of food stamps received (\$)	694	667	27	0.215
Total measured income ^a (\$)	2,578	2,603	-25	0.789
Sample size (total = 1,692)	845	847		

(continued)

The Employment Retention and Advancement Project

Appendix Table D.6

**Impacts on Receipt of Mental Health, Domestic Violence,
and Substance Abuse Services**

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Family received mental health services	25.4	23.5	1.9	0.613
Respondent	20.3	15.9	4.4	0.194
Other family member	11.3	10.6	0.7	0.802
Family received domestic violence services	8.0	6.3	1.7	0.456
Respondent	8.0	6.0	2.0	0.383
Other family member	1.2	1.2	0.1	0.931
Family received substance abuse services	7.9	8.4	-0.5	0.836
Respondent	7.5	6.1	1.4	0.538
Other family member	0.4	2.3	-1.9 *	0.075
Sample Size (total = 503)	251	252		

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

NOTES: See Appendix C.

Appendix Table D.7 (continued)

SOURCES: MDRC calculations from UI, TANF, and food stamp administrative records from the State of Minnesota.

NOTES: See Appendix B.

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

^aThis measure represents the sum of unemployment insurance earnings, TANF, and food stamps.

The Employment Retention and Advancement Project

Appendix Table D.8

**Year 1 Impacts on UI-Covered Employment,
Public Assistance, and Measured Income**

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever employed (%)	60.4	56.7	3.7 *	0.092
Average quarterly employment (%)	40.4	38.0	2.4	0.162
Employed 4 consecutive quarters (%)	20.1	18.3	1.8	0.328
Earnings (\$)	4,014	3,904	110	0.701
Earned over \$10,000 (%)	14.1	15.2	-1.2	0.476
<i>For those employed in Year 1:</i>				
Average quarterly employment (%)	66.9	67.0	-0.1	NA
Average earnings per quarter employed (\$)	2,483	2,569	-86	NA
Ever received TANF (%)	92.8	92.0	0.8	0.523
Amount of TANF received (\$)	3,852	3,777	75	0.439
Ever received food stamps (%)	97.0	95.7	1.3	0.163
Amount of food stamps received (\$)	3,131	3,113	19	0.752
Total measured income ^a (\$)	10,998	10,793	204	0.420
Sample size (total = 1,692)	845	847		

SOURCES: MDRC calculations from UI, TANF, and food stamp administrative records from the Minnesota.

NOTES: See Appendix B.

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

^aThis measure represents the sum of unemployment insurance earnings, TANF and food stamps.

The Employment Retention and Advancement Project

Appendix Table D.9

Quarters 2-7, Impacts on UI-Covered Employment and Earnings,
by Employment Status in the Quarter Before Random Assignment

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impacts)	P-Value	P-Value for Subgroup Differences
Recently employed^a					
Total earnings (\$)	10,046	9,456	590	0.505	0.438
Ever employed (%)	90.9	85.1	5.8 *	0.053	0.504
Average quarterly employment (%)	62.8	56.5	6.2 **	0.047	0.140
Number of quarters employed	3.8	3.4	0.4 **	0.047	0.140
Employed 4 consecutive quarters (%)	28.9	23.8	5.1	0.198	0.224
Earned over \$15,000 (%)	23.4	24.5	-1.1	0.768	0.911
<i>Average earnings per quarter employed (\$)</i>	2,668	2,787	-119	NA	
Sample size (total = 488)	234	254			
Not recently employed					
Total earnings (\$)	5,095	5,289	-195	0.698	
Ever employed (%)	59.1	56.0	3.1	0.248	
Average quarterly employment (%)	33.3	32.6	0.8	0.692	
Number of quarters employed	2.0	2.0	0.0	0.692	
Employed 4 consecutive quarters (%)	10.2	10.4	-0.1	0.940	
Earned over \$15,000 (%)	11.6	12.2	-0.6	0.730	
<i>Average earnings per quarter employed (\$)</i>	2,548	2,708	-161	NA	
Sample size (total = 1,204)	611	593			

SOURCE: MDRC calculations from UI records from the State of Minnesota.

NOTES: See Appendix B.

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

^a"Recently employed" sample members worked in the quarter before random assignment, based on UI wage data, and sample members who were "not recently employed" did not work in that quarter.

The Employment Retention and Advancement Project

Appendix Table D.10

Year 1 Impacts on Contacts with Program Staff, for Those
With and Without Recent Employment

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value	P-Value for Subgroup Differences
<u>Recently employed^a</u>					
Any contacts with case manager/employment program since random assignment ^b (%)	72.2	72.1	0.1	0.991	0.816
Average number of contacts with staff/case manager	25.6	19.9	5.7	0.243	0.541
In person	9.5	8.4	1.1	0.579	0.587
By telephone	16.1	11.5	4.6	0.164	0.573
Talked with staff/case manager in past 4 weeks (%)	41.0	41.0	0.0	0.995	0.590
Ever met with staff/case manager (%)	61.7	68.3	-6.6	0.361	0.364
At home	6.9	-0.3	7.2 **	0.011	0.115
At workplace	7.5	6.7	0.9	0.834	0.569
At staff/case manager's office	59.7	65.9	-6.2	0.394	0.301
At school/training program	11.2	13.9	-2.7	0.610	0.885
At other places	4.7	3.0	1.7	0.579	0.458
Staff/case manager talked with respondent's employer (%)					
Never	82.5	91.3	-8.8 *	0.097	0.784
Once or twice	9.9	4.3	5.7	0.159	0.353
More than twice	2.8	3.7	-0.9	0.759	0.163
Don't know if the case manager talked with an employer	4.7	0.7	4.0	0.123	0.628
Sample size (total = 183)	87	96			
<u>Not recently employed</u>					
Any contacts with case manager/employment program since random assignment ^b (%)	75.3	77.2	-1.8	0.707	
Average number of contacts with staff/case manager	26.7	17.3	9.4 ***	0.009	
In person	10.1	7.6	2.5 *	0.093	
By telephone	16.6	9.7	6.9 ***	0.006	
Talked with staff/case manager in past 4 weeks (%)	42.2	37.2	5.0	0.365	

(continued)

Appendix Table D.10 (continued)

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value	P-Value for Subgroup Differences
Ever met with staff/case manager (%)	66.7	65.2	1.5	0.775	
At home	3.8	1.9	1.9	0.327	
At workplace	6.1	2.6	3.5	0.140	
At staff/case manager's office	66.2	63.1	3.1	0.561	
At school/training program	12.8	16.5	-3.7	0.360	
At other places	6.7	2.1	4.6 **	0.050	
Staff/case manager talked with respondent's employer (%)					
Never	86.5	93.5	-7.1 **	0.041	
Once or twice	5.9	4.7	1.2	0.630	
More than twice	4.4	0.6	3.8 **	0.036	
Don't know if the case manager talked with an employer	3.1	0.6	2.5	0.108	
Sample size (total = 320)	164	156			

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

NOTES: See Appendix C.

^a"Recently employed" sample members worked in the quarter before random assignment, based on UI wage data, and sample members who were "not recently employed" did not work in that quarter.

^bThis measure includes respondents who responded that they (1) have had experiences with programs or organizations that help people find or keep jobs or (2) have had contact with a case manager or a staff person from an employment, welfare, or other agency.

The Employment Retention and Advancement Project

Appendix Table D.11

**Impacts on Areas in Which the Respondent Received Help,
for Those With and Without Recent Employment**

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value	P-Value for Subgroup Differences
<u>Recently employed^a</u>					
Received help with support services	62.0	61.4	0.6	0.938	0.642
Finding or paying for child care	45.7	45.0	0.7	0.928	0.554
Finding or paying for transportation	43.1	45.4	-2.3	0.773	0.354
Received help with basic needs	53.9	52.1	1.7	0.827	0.829
Housing problems	23.7	21.1	2.7	0.679	0.737
Access to medical treatment	30.2	34.2	-4.0	0.587	0.698
Financial emergency	29.1	25.6	3.5	0.628	0.997
Received help with public benefits	60.6	52.0	8.7	0.263	0.801
Getting Medicaid	52.7	47.9	4.8	0.544	0.723
Getting food stamps	54.2	46.4	7.8	0.324	0.707
Received help with job preparation	47.7	44.1	3.5	0.661	0.055
Enrolling in job readiness or training	25.8	26.7	-0.9	0.896	0.172
Looking for a job	37.3	37.0	0.3	0.965	0.076
Finding clothes, tools, or supplies for work	27.7	21.4	6.3	0.354	0.142
Received help with retention/advancement	32.1	28.0	4.2	0.568	0.633
Finding a better job while working	12.2	15.2	-3.0	0.587	0.159
Other activities while working ^b	13.9	12.3	1.6	0.767	0.393
Career assessment	21.3	13.7	7.6	0.218	0.749
Dealing with problems on the job	15.4	5.4	10.0 **	0.037	0.122
Addressing a personal problem that makes it hard to keep a job	14.7	8.3	6.4	0.212	0.846
Ever participated in subsidized employment	15.3	3.3	12.1 ***	0.008	0.077
Ever participated in unpaid work	10.4	8.2	2.3	0.625	0.905
Sample size (total = 183)	87	96			

(continued)

Appendix Table D.11 (continued)

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value	P-Value for Subgroup Differences
<u>Not recently employed</u>					
Received help with support services	58.8	53.8	5.0	0.358	
Finding or paying for child care	47.1	41.1	6.0	0.255	
Finding or paying for transportation	41.4	34.8	6.6	0.231	
Received help with basic needs	60.0	56.2	3.8	0.501	
Housing problems	29.9	24.5	5.4	0.289	
Access to medical treatment	40.7	41.2	-0.4	0.938	
Financial emergency	27.7	24.2	3.4	0.491	
Received help with public benefits	65.7	59.4	6.3	0.254	
Getting Medicaid	58.8	50.6	8.2	0.145	
Getting food stamps	60.8	56.7	4.1	0.461	
Received help with job preparation	64.0	41.6	22.4 ***	0.000	
Enrolling in job readiness or training	36.2	25.1	11.1 **	0.034	
Looking for a job	50.0	32.6	17.4 ***	0.002	
Finding clothes, tools, or supplies for work	38.4	19.7	18.7 ***	0.000	
Received help with retention/advancement	31.4	23.0	8.4	0.102	
Finding a better job while working	12.1	6.0	6.0 *	0.067	
Other activities while working ^b	5.9	9.7	-3.8	0.227	
Career assessment	18.6	13.3	5.3	0.200	
Dealing with problems on the job	7.9	6.5	1.3	0.649	
Addressing a personal problem that makes it hard to keep a job	12.6	7.4	5.2	0.134	
Ever participated in subsidized employment	6.5	3.5	3.0	0.231	
Ever participated in unpaid work	8.0	5.1	2.9	0.313	
Sample size (total = 320)	164	156			

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

NOTES: See Appendix C.

^a"Recently employed" sample members worked in the quarter before random assignment, based on UI wage data, and sample members who were "not recently employed" did not work in that quarter.

^bThis measure includes other activities, such as life skills and child development classes.

The Employment Retention and Advancement Project

Appendix Table D.12

Impacts on Health

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Average Body Mass Index ^a	28.8	29.2	-0.4	0.540
Underweight	2.6	1.4	1.2	0.321
Normal weight	23.7	30.0	-6.2	0.118
Overweight	39.8	29.1	10.7 **	0.013
Obese	30.0	34.4	-4.4	0.291
Missing BMI	3.9	5.2	-1.3	0.499
Self-rated health (%)				
Excellent	16.0	16.7	-0.7	0.834
Very good	18.5	19.7	-1.2	0.741
Good	32.2	28.6	3.6	0.382
Fair	24.2	25.5	-1.4	0.723
Poor	9.2	9.5	-0.4	0.893
Physical Functioning Scale ^b	2.9	2.9	0.0	0.987
Role Physical Scale ^c	2.7	2.7	0.0	0.626
Experience bodily pain (%)				
Not at all	51.7	57.3	-5.6	0.206
A little bit or moderately	29.7	25.6	4.1	0.313
Quite a bit or extremely	18.7	16.7	1.9	0.573
Psychological Distress Scale (K6) ^d	8.5	8.5	0.0	0.962
Experienced serious psychological distress in the past month ^d (%)	12.7	12.8	-0.1	0.974
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

^aNational Institute of Health weight categories.

^bThis score is the sum of two items related to how health limits work or daily activities. The range of this score is 2 to 6 (where 2 = “no, you are not limited at all,” and 6 = “yes, you are limited a lot”).

^cThis score is the sum of two items related to how pain interferes with work. The range of this score is 2 to 4 (where 2 is the most favorable score, and 4 is the least favorable score).

^dBased on the K6 scale that includes six questions about how often a respondent experienced symptoms of psychological distress during the past 30 days. The response codes (0-4) of the six items for each person are summed to yield a scale with a 0-24 range. A value of 13 or more for this scale is used here to define serious psychological distress (http://www.hcp.med.harvard.edu/ncs/k6_scales.php).

The Employment Retention and Advancement Project

Appendix Table D.13

Impacts on Characteristics of Current Job

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Employment status</u>				
Ever employed since random assignment (%)	68.1	68.7	-0.6	0.888
Currently employed	39.5	41.6	-2.2	0.615
No longer employed	28.3	27.0	1.3	0.744
Current working status (%)				
Full time	28.9	28.4	0.5	0.898
Part time	10.6	13.3	-2.7	0.356
Currently employed at a "good job" ^a (%)	16.2	19.2	-2.9	0.369
<u>Hours</u>				
Average hours per week	13.6	13.1	0.5	0.755
Total hours per week (%)				
Less than 30	10.6	13.3	-2.7	0.356
30-34	5.6	5.5	0.1	0.950
35-44	18.6	20.8	-2.2	0.526
45 or more	4.3	2.0	2.3	0.149
Average hourly wage (%)				
Less than \$5.00	2.0	1.6	0.4	0.718
\$5.00 - \$6.99	3.9	4.5	-0.6	0.735
\$7.00 - \$8.99	10.3	10.4	-0.1	0.960
\$9.00 or more	23.3	25.2	-1.9	0.614
<i>Average hourly wage among those employed (\$)</i>	<i>9.52</i>	<i>9.62</i>	<i>-0.09</i>	<i>NA</i>
<u>Earnings</u>				
Average weekly earnings (\$)	128	128	0	0.979
Total earnings per week (%)				
Less than \$200	11.1	13.6	-2.5	0.400
\$201-\$300	10.0	5.5	4.5 *	0.066
\$301-\$500	11.5	18.4	-6.9 **	0.029
\$500 or more	6.9	4.2	2.7	0.176
<i>Average weekly earnings amount those employed (\$)</i>	<i>324</i>	<i>307</i>	<i>16</i>	<i>NA</i>
<u>Benefits</u>				
Employer-provided benefits at current job (%)				
Sick days with full pay	12.2	13.3	-1.1	0.704
Paid vacation	15.8	15.7	0.1	0.973
Paid holidays other than Christmas and New Year	17.4	17.2	0.3	0.938
Dental benefits	15.4	12.1	3.3	0.278
A retirement plan	15.4	11.6	3.8	0.207

(continued)

Appendix Table D.13 (continued)

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Employer-provided benefits at current job (%)				
A health plan or medical insurance	18.2	14.9	3.3	0.311
<u>Schedule^b (%)</u>				
Regular	22.6	24.8	-2.2	0.564
Split	1.1	0.1	1.0	0.148
Irregular	2.7	4.0	-1.3	0.425
Evening shift	5.7	5.9	-0.2	0.913
Night shift	2.9	1.9	0.9	0.492
Rotating shift	1.7	1.9	-0.2	0.895
Other schedule	0.5	0.8	-0.3	0.668
Odd job	1.7	1.9	-0.3	0.825
<u>Jobs skills index^c</u>	0.29	0.30	-0.02 *	0.085
Percentage reporting that job requires each at least monthly (%)				
Reading and writing skills	26.7	31.3	-4.6	0.239
Work with computers	14.1	20.1	-6.1 *	0.066
Arithmetic	19.5	21.1	-1.6	0.650
Customer contact	31.0	37.0	-6.1	0.145
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

^aThis definition of a "good job" was 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.

^bA split shift is defined as one consisting of two distinct periods 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.

^cThe job skills index was created by regressing the "good job" measure on 10 dummy variables that indicate whether sample members possess specific job skills. This regression generated weights that ranked each skill based on its association with working at a good job. Each sample member was given a job skills score that was created by multiplying the regression-derived weights by each of the 10 dummy variables. The result is an index that measures the probability of working at a good job, based on the skills that are required at the current job.

The Employment Retention and Advancement Project

Appendix Table D.14

Impacts on Employment Retention

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Ever employed in Year 1 (%)	60.7	64.5	-3.8	0.378
Average months employed in Year 1	4.3	4.6	-0.3	0.531
Total months employed in Year 1 (%)				
Less than 4	12.8	15.4	-2.6	0.420
4 to 7	21.0	20.0	1.0	0.787
8 to 10	10.2	8.9	1.2	0.648
More than 10	16.8	20.2	-3.4	0.320
Worked during Months 1-3 and worked for (%)				
Less than 6 consecutive months	10.8	10.3	0.5	0.846
6 or more consecutive months	23.6	25.8	-2.2	0.569
Number of jobs in Year 1 (%)				
0	39.3	35.5	3.8	0.378
1	35.3	43.0	-7.7 *	0.078
2 or 3	23.3	20.4	2.9	0.437
4 or more	2.1	1.0	1.1	0.335
Ever worked for one employer for 6 months or more (%)	31.9	31.3	0.6	0.884
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

The Employment Retention and Advancement Project

Appendix Table D.15

Impacts on Advancement

Minnesota

Outcome (%)	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Employed in first 6 months and at interview	25.1	29.7	-4.6	0.245
<u>Employed in first 6 months and at interview and:</u>				
Weekly earnings:				
Increased	11.8	15.6	-3.8	0.212
Increased by less than 20 percent	2.8	5.9	-3.1 *	0.095
Increased by 20 percent or more	9.0	9.7	-0.7	0.789
Decreased	7.6	7.2	0.4	0.863
Stayed the same	5.8	7.0	-1.2	0.584
Hours worked:				
Increased	8.7	8.8	-0.2	0.953
Increased by less than 20 percent	1.6	0.8	0.8	0.435
Increased by 20 percent or more	7.1	8.0	-0.9	0.697
Decreased	5.0	5.3	-0.3	0.869
Stayed the same	11.5	15.6	-4.1	0.177
Hourly pay:				
Increased	11.3	14.6	-3.3	0.254
Increased by less than 20 percent	4.4	10.3	-5.8 **	0.012
Increased by more than 20 percent	6.8	4.3	2.5	0.207
Decreased	7.5	6.8	0.7	0.774
Stayed the same	6.4	8.3	-1.9	0.415
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

The Employment Retention and Advancement Project
Appendix Table D.16
Impacts on Household Income and Composition
Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Household income</u>				
Percentage with each income source (%)				
Own earnings	44.7	49.6	-4.9	0.258
Earnings of other members	16.3	19.5	-3.2	0.350
Child support	24.7	23.8	0.8	0.819
Public assistance	80.8	75.5	5.4	0.135
TANF	42.4	39.5	2.9	0.525
Food stamps	79.2	70.0	9.2 **	0.017
SSI or disability	13.1	14.3	-1.2	0.670
Total household income in prior month (\$)	1,078	1,140	-62	0.312
Percentage of household income that is respondent's (%)	85.4	83.7	1.7	0.500
Alternative household income ^a (\$)	1,203	1,147	56	0.426
<u>Household composition</u>				
Number in household	3.8	3.7	0.0	0.864
Ever married (%)	22.4	25.3	-3.0	0.398
Living with partner (%)	11.5	13.9	-2.4	0.424
Current marital status (%)				
Married and living with spouse	3.8	6.6	-2.8	0.154
Seperated or living apart from spouse	6.0	6.8	-0.8	0.713
Divorced	11.7	10.2	1.5	0.564
Widowed	0.9	1.5	-0.7	0.499
Sample size (total = 503)	251	252		

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

NOTES: See Appendix C.

^aThis measure was created by combining administrative records data and respondents' earnings from the survey. It includes survey earnings or UI earnings where available, food stamps, AFDC, and estimated Earned Income Tax Credit income in the month prior to the survey.

The Employment Retention and Advancement Project

Appendix Table D.17

Impacts on Other Outcomes

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Health coverage</u>				
Respondent has health coverage ^a (%)	92.7	92.6	0.1	0.967
Publicly funded	88.6	84.4	4.2	0.165
Publicly funded and not on TANF or SSI	20.0	22.2	-2.2	0.559
Privately funded	17.7	24.0	-6.4 *	0.083
All dependent children have health care coverage (%)	92.1	88.4	3.7	0.155
All dependent children have health care coverage and respondent is not covered by TANF or SSI (%)	27.1	33.0	-5.9	0.152
Respondent and all children have health care coverage (%)	90.0	87.3	2.7	0.339
Respondent and all children have health care coverage and respondent is not covered by TANF or SSI (%)	24.0	30.5	-6.5	0.106
<u>Child care</u>				
Ever used any child care in Year 1 (%)	52.6	50.4	2.3	0.568
Any informal child care (%)	6.6	6.6	0.0	0.995
Child care expenses (%)	44.4	41.5	2.9	0.463
Paid entirely by respondent	2.6	1.4	1.3	0.320
Paid partially by respondent	22.4	24.1	-1.8	0.627
Not paid by respondent	19.4	16.0	3.4	0.292
Child care was a barrier to school, job training, or work (%)	18.4	18.6	-0.2	0.956
Quit job, school, or training because of child care problems	16.9	14.5	2.4	0.457
Missed work because of child care problems	3.5	5.3	-1.8	0.342
<u>Transportation</u>				
Own car, van, or truck (%)	40.9	48.5	-7.6 *	0.069
<i>Commuting time (minutes)</i>	32.7	32.8	-0.1	
<i>Transportation costs per week (\$)</i>	21	24	-3	
Method of transportation to work (%)				
By car	20.8	25.7	-4.9	0.180
By bus	32.8	28.0	4.8	0.243
Gets a ride	11.5	10.8	0.8	0.788
Walks	3.1	2.5	0.6	0.713
Sample size (total = 503)	251	252		

(continued)

Appendix Table D.17 (continued)

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

NOTES: See Appendix C.

^aHealth coverage measures combine data from the survey's employment section, health coverage section, and income section and from administrative records on public assistance receipt. A person can be receiving both public and private health coverage.

Appendix E

**Minnesota ERA 12-Month
Data Issues and Survey Response Analysis**

The ERA 12-Month Survey provides information on respondents' participation in various activities and services, health care coverage, job characteristics, household composition, and other measures presented in this report. This appendix assesses the reliability of impact results for the survey and for those that completed a baseline assessment. First, a description of how the survey sample was selected is provided. The response rates for the survey sample and the two research groups are then discussed. Second, differences between survey respondents and survey nonrespondents are examined, followed by a comparison between the research groups among the survey respondents. Afterwards, a comparison is provided between sample members who completed a baseline assessment and sample members who did not. Finally, administrative records data are used to compare the impacts across survey samples, the baseline assessment sample, and the report sample to determine the extent to which the impacts observed for the survey sample and the baseline assessment sample are representative of the report sample. Examining the results between the assessment sample and the report sample is particularly important, since the baseline assessment sample is used to describe the report sample's work barriers and to identify key subgroups.

Overall, there is little evidence to suggest that the survey is not reliable or that the survey respondent sample results cannot be generalized to the report sample. The response rates were high for the full survey sample and across research groups. Furthermore, respondents and nonrespondents do not differ in key pre-random assignment characteristics. A comparison between research groups among the survey respondents shows no systematic differences between the groups. The results also show that the respondents' impacts on employment and welfare receipt are similar to the impacts for the report sample and the survey-eligible sample.

Among the baseline assessment sample, no differences in pre-random assignment characteristics were found between the research groups. However, the administrative records impacts for this sample were found to be larger when compared with the impacts for the report sample. This may be the result of a "cohort" effect or "nonresponse" bias. For this reason, caution should be exercised when interpreting impacts for subgroups defined using the baseline assessment.

Survey Sample Selection

As noted earlier in this report, the *report sample* includes 1,962 single parents who were randomly assigned from January 2002 to April 2003.

A two-step process was used to select the sample for the ERA 12-Month Survey. First, the *survey-eligible sample* was selected. It includes 725 sample members who were randomly assigned from October 2002 to March 2003 and who met the eligibility criteria for the survey.¹ Sample members younger than age 18, in a two-parent family, or who did not speak English or Spanish² were excluded from the survey-eligible sample, which makes up about 37 percent of the single-parent sample and covers 60 percent of the entire sample intake period.

From the *fielded sample*, a random sample of 657 sample members was chosen to be interviewed. This sample is referred to as the *fielded survey sample*. To ensure representation of individuals across the total sample, the survey sample is also split equally between ERA and control group members.

Survey Response Rates

Sample members who were interviewed for the ERA 12-Month Survey are referred to as “survey respondents,” or the *respondent sample*, while sample members who were not interviewed are known as “nonrespondents,” or the *nonrespondent sample*. A total of 503 sample members, or 77 percent of the fielded sample, completed the survey. Most of the nonrespondent sample (88 percent) refused to be interviewed or could not be located.³ The response rates of the research groups were very similar: 78 percent of the Tier 2 group members completed the survey, compared with 75 percent of the (Tier 1) control group members.

Although the overall response rates are high, whenever the response rate is lower than 100 percent, *nonresponse bias* may occur. Differences may exist between the respondent sample and the larger, fielded sample, owing to differences between the sample members who completed a survey and those who did not. Furthermore, the estimates may be biased if the background characteristics differ between the research groups.

¹Four sample members who were chosen to be surveyed were dropped from the sample; two sample members were subsequently discovered to have background characteristics (such as lack of proficiency in English or Spanish) that made them ineligible, and two sample members were deceased by the time the survey was administered.

²A total of 18 percent of the sample was excluded due to this eligibility criterion. One concern with this criterion is that it likely excludes primarily Somali or Hmong sample members whose primary language is not English. However, results shown later in this appendix that compare impacts for the survey and full report samples suggest that the survey sample remains representative of the full report sample.

³Other respondents were not interviewed because they were incapacitated or were located after the fielding period had expired.

Box E.1

Key Analysis Samples

Report sample. Single parents randomly assigned during the sample intake period, which ranged from October 2002 to April 2003.

Survey-eligible sample. Sample members in the research sample who were randomly assigned during the months in which the survey sample was selected and who met the criteria for inclusion.

Fielded sample. Sample members who were chosen from the survey-eligible sample to be interviewed for the survey.

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 or refused to be interviewed or because of other reasons.

Baseline assessment sample. Sample members who have baseline assessment data.

Comparison of Respondents and Nonrespondents within the Survey Sample

In order to examine whether there are systematic differences between those who responded to the survey and those who did not, an indicator of survey response status was created, and then multivariate analysis was used to identify which pre-random assignment characteristics are significantly related to the indicator.

Appendix Table E.1 shows the estimated regression coefficients for the probability of being a respondent. As can be noted from this table, besides background characteristics such as race, age, and number of children, a research status indicator was included in the model. The first column of the table provides the parameter estimates that indicate the effect of each variable on the probability of completing the survey. The asterisks and p-values show the statistical significance of this relationship.

The age of the youngest child and month of intake were statistically significant in predicting whether or not someone would complete a survey. People with younger children and

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Appendix Table E.1

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

Minnesota

	Survey Sample	
	Parameter Estimate	P-Value
ERA group	0.026	0.432
Age of the youngest child	-0.011 **	0.029
Number of children	-0.016	0.319
Black, non-Hispanic	-0.040	0.421
White	-0.071	0.234
No high school diploma or GED	0.015	0.676
Employed in the quarter before random assignment ^a	0.024	0.578
Female	-0.003	0.968
Month of sample intake	-0.031 ***	0.004
21 to 30 years of age	-0.047	0.585
31 to 40 years of age	0.021	0.828
41 years old and over	0.045	0.672
Employed in prior year	-0.041	0.381
Received food stamps in the prior year	-0.242	0.257
Earnings in the prior three years	0.000	0.825
Number of quarters employed in the prior three years	0.011	0.175
R-square (0.0310)		
F-statistic (1.28)		
P-value of F-statistic (0.2042)		
Sample size	657	

SOURCES: MDRC calculations from Minnesota's Data List and UI, TANF, and food stamp administrative records from the State of Minnesota and UI data from the State of Minnesota.

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

people randomly assigned in the later cohorts were less likely to respond to the survey. The F-statistic, along with the p-value of the F-statistic (at the bottom of Appendix Table E.1), shows that the differences between the survey respondents and the survey nonrespondents are not statistically significant. Furthermore, the R-square suggests that less than 4 percent of variance is explained by these significant factors.

Comparison of the Research Groups in the Survey Respondent Sample

Random assignment designs minimize the possibility of potential biases in the results. Although the response rates are high across both research groups, there is still the possibility that the characteristics of each research group differ due to the nonrespondent sample. If this is true, the impact estimates for the respondent sample may be affected.

Appendix Table E.2 shows baseline characteristics of the ERA and control group members. The differences between the groups are relatively small and not statistically significant. Furthermore, a multivariate regression analysis was performed to further test whether or not there was a relationship between the background characteristics and the research status. A 0/1 dummy indicating the research status was regressed on pre-random assignment characteristics — many of which are shown in Appendix Table E.2. None of the background characteristics was found to be related to research status.

Comparison Between Sample Members With Baseline Assessment Data and Those Without Baseline Assessment Data

As noted in this report, starting in October 2002, the random assignment process was streamlined, and staff began collecting baseline data over the phone. As a result, fewer people completed an assessment; a total of 60 percent of the single-parent sample members have baseline assessment data. Sample members who completed the baseline assessment are referred to *baseline assessment sample*. This section examines whether the results for single-parents with baseline assessment data are reliable and can be generalized to the full single-parent sample.

First, there were not large differences in response rates between research groups: 58 percent of the Tier 2 and 62 percent of the Tier 1 group members completed a baseline assessment. The presence of large differences would have been a potential source of bias in research group comparisons. When estimating impacts for the baseline assessment sample, the main concern is that research groups may differ in background characteristics that affect future employment and other outcomes. Appendix Table E.3 shows the baseline characteristics for the Tier 1 and Tier 2 sample members who have baseline assessment data. As shown, there are no statistically significant differences between the research groups. An additional analysis was performed to determine whether there are any observable program-control differences within the baseline assessment sample. An indicator of research group status was regressed on pre-random assignment demographic characteristics. The results (not shown) indicated that only the month of sample intake was significantly different between both groups. It was found that a slightly larger percentage of control group members completed the baseline assessment after October

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Appendix Table E.2

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

Minnesota

Variable	Tier 2 Program	Tier 1 Program
Female (%)	94.0	93.3
Race (%)		
Black	68.1	66.7
White	18.3	18.7
Other	13.5	14.7
Age (%)		
20 or younger	5.2	3.6
21 to 30	51.4	52.4
31 to 40	32.3	28.6
41 or older	11.2	15.5
Average age (years)	29.8	30.5
High school diploma ^a (%)	58.0	53.2
Employed during the quarter before random assignment ^b (%)	34.7	38.1
Employed during the year before random assignment (%)	67.7	66.7
Number of quarters employed in the prior year	1.7	1.6
Earnings in the 3 years before random assignment (\$)	13,884	14,307
Number of children (%)		
0	0.0	0.8
1	42.2	38.5
2	34.7	38.1
More than 3	23.1	22.6
Average number of children	2.0	2.0
Age of youngest child (%)		
Under 3 years	38.6	36.0
3 to 5 years	23.5	24.0
6 years and older	37.8	40.0
AFDC receipt history ^c (%)		
Less than 2 years	66.5	65.1
2 years or more	33.5	34.9
Received food stamps in prior year (%)	99.2	99.2
Sample size (total = 503)	251	252

(continued)

Appendix Table E.2 (continued)

SOURCES: MDRC calculations from Minnesota's Data List and UI, TANF, and food stamp administrative records from the State of Minnesota and UI data from the State of Minnesota.

NOTES: In order to assess differences in characteristics across research groups, Chi-square tests were used for categorical variables, and t-tests were used for continuous variables. Significant levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

There were no statistically significant differences found between the groups.

^aIn Minnesota, those having 12 or more years of education are considered to have a high school diploma. Information on educational attainment is only available for some sample members.

^bThis table includes only employment and earnings in jobs covered by the Minnesota unemployment insurance (UI) programs. It does not include employment outside Minnesota or in jobs not covered by UI (for example, "off the books" jobs, some agricultural jobs, and federal government jobs).

^cThis measure goes back only 9 years before random assignment.

2002. However, this difference is small (39 percent versus 33 percent), and the p-value of regression is not statistically significant.

Using a multivariate analysis, the analysis also examined whether there are systematic differences between those who completed the baseline assessment and those who did not (not shown). The month of sample intake was statistically significant in predicting whether or not someone would complete a survey. This is not surprising since, prior to October 2002, almost everyone completed a baseline assessment before being randomly assigned. Being in the control group was also statistically significant in predicting whether someone would have completed a baseline assessment. The F-statistic and the p-value of the F-statistic show that the differences between the sample members who completed a baseline assessment and those who did not are statistically significant. The R-square suggests that 37 percent of the variance is explained by these significant factors.

Comparison of Survey Respondents with the Fielded Sample, the Report Sample, and the Baseline Assessment Sample

Using administrative records data, this section discusses whether impacts for the survey respondents and for the baseline assessment sample can be generalized to the report sample. Given the differences between those who completed the baseline assessment and those who did not, and between respondents and nonrespondents, it is important to assess whether findings for the baseline assessment sample and the survey sample can be generalized to the report sample. There might be other reasons besides nonresponse bias that may affect the ability to generalize these samples to the report sample. As discussed above, the fielded sample includes sample

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Appendix Table E.3

**Background Characteristics of Single-Parent Sample Members
Who Completed Baseline Assessment Data**

Minnesota

Variable	Tier 2 Program	Tier 1 Program
Female (%)	93.7	92.9
Race (%)		
Black	67.5	64.9
White	14.6	16.9
Other	17.9	18.2
Age (%)		
20 or younger	3.9	3.8
21 to 30	47.5	43.9
31 to 40	28.8	33.3
41 or older	19.9	19.0
Average age (years)	31.6	31.9
High school diploma ^a (%)	54.6	54.9
Employed during the quarter before random assignment (%)	25.8	29.3
Employed during the year before random assignment (%)	58.4	58.4
Number of quarters employed in the prior year	1.4	1.4
Earnings in the 3 years before random assignment (\$)	11,432	12,274
Number of children (%)		
0	0.0	0.0
1	29.6	33.0
2	33.9	32.4
More than 3	35.9	34.7
Average number of children	2.4	2.4
Age of youngest child (%)		
Under 3 years	41.8	40.8
3 to 5 years	18.6	20.7
6 years and older	39.6	38.5
AFDC receipt history (%)		
Less than 2 years	72.1	69.6
2 to 4 years	27.9	30.4
Received food stamps in prior year (%)	99.8	100.0
Sample size (total = 1,015)	493	522

(continued)

Appendix Table E.3 (continued)

SOURCES: MDRC calculations from Minnesota's Baseline Assessment Data and UI, TANF, and food stamp administrative records from the State of Minnesota and UI data from the State of Minnesota.

NOTES: In order to assess differences in characteristics across research groups, Chi-square tests were used for categorical variables, and t-tests were used for continuous variables. Significant levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

There were no statistically significant differences found between the groups.

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

^aThose having 12 or more years of education are considered to have a high school diploma.

members who were randomly assigned during a period of time that does not cover the full random assignment period. Similarly, not everyone who was randomly assigned after October 2002 completed the baseline assessment. As a result, a "cohort effect" may have been introduced. This could affect the impact estimates, because the survey sample or the baseline assessment sample might differ from sample members who were randomly assigned in other cohorts.

Appendix Table E.4 shows the adjusted means and impacts on several employment and public assistance outcomes for the report, fielded, respondent, and baseline assessment samples.⁴ This comparison is useful in assessing whether the story changes when the different samples are used. This table shows that the impacts for the fielded and respondent samples are consistent with the impacts for the report sample. Although the magnitude and statistical significance of the impacts occasionally vary across samples, in general the story is similar. For example, statistically significant impacts on the average quarterly employment rate were found for the first year of follow-up for the baseline assessment sample, but the impacts are not significant for the other samples. However, the size of the impacts is similar across the samples: The impact is 2.3 percent for the report sample, 2.4 percent for the fielded sample, 2.7 for the respondent sample, and 4.9 percent (statistically significant) for the baseline assessment sample. The biggest differences between the samples are found in the TANF receipt outcome.

Note that the employment impacts among the baseline assessment sample tend to be larger when compared with the other samples, which appears to be the result of a cohort effect and nonresponse bias. For this reason, caution should be exercised when interpreting impacts for subgroups defined using the assessment data.

⁴All the impacts are regression-adjusted within each sample to control for differences in background characteristics, prior earnings, prior employment, prior public assistance receipt, and period of sample intake.

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Appendix Table E.4

**Comparison of Impacts for the Report Sample, Fielded Sample,
Respondent Sample, and Baseline Assessment Sample**

Minnesota

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
<u>Quarters 2 to 5</u>				
Ever employed ^a (%)				
Report sample	60.4	56.8	3.6 *	0.097
Fielded sample	60.0	59.0	1.0	0.781
Respondent sample	62.3	60.2	2.1	0.603
Baseline Assessment Sample	62.6	56.6	6.0 **	0.032
Average quarterly employment (%)				
Report sample	40.4	38.0	2.3	0.182
Fielded sample	39.8	37.4	2.4	0.384
Respondent sample	41.8	39.1	2.7	0.399
Baseline Assessment Sample	43.1	38.2	4.9 **	0.034
Employed 4 consecutive quarters (%)				
Report sample	20.1	18.3	1.8	0.336
Fielded sample	19.0	16.0	3.0	0.292
Respondent sample	19.5	18.7	0.8	0.816
Baseline Assessment Sample	22.8	19.3	3.6	0.146
Number of quarters employed				
Report sample	1.6	1.5	0.1	0.182
Fielded sample	1.6	1.5	0.1	0.384
Respondent sample	1.7	1.6	0.1	0.399
Baseline Assessment Sample	1.7	1.5	0.2 **	0.034
Earnings (\$)				
Report sample	4,008	3,910	98	0.733
Fielded sample	3,976	3,798	177	0.707
Respondent sample	4,100	4,155	-55	0.921
Baseline Assessment Sample	4,361	3,989	371	0.329
Ever received TANF (%)				
Report sample	92.9	92.0	0.9	0.497
Fielded sample	93.0	91.3	1.7	0.405
Respondent sample	94.5	90.4	4.2 *	0.063
Baseline Assessment Sample	93.6	93.6	0.1	0.956
Amount of food stamps received (\$)				
Report sample	3,135	3,110	25	0.670
Fielded sample	2,842	2,780	62	0.518
Respondent sample	2,985	2,891	94	0.352
Baseline Assessment Sample	3,282	3,295	-14	0.848

(continued)

Appendix Table E.4 (continued)

Outcome	Tier 2 Program	Tier 1 Program	Difference (Impact)	P-Value
Total measured income (\$)				
Report sample	11,000	10,791	209	0.409
Fielded sample	10,422	10,084	338	0.422
Respondent sample	10,835	10,657	178	0.707
Baseline Assessment Sample	11,722	11,288	434	0.174

SOURCES: MDRC calculations from responses to the ERA 12-Month Survey; calculations from UI, TANF, and food stamps administrative records from the State of Minnesota; UI data from the State of Minnesota; and calculations from the ERA Minnesota Baseline Assessment Data.

NOTES: The report sample includes 2,004 sample members; experimental: 1,004; control: 1,000.

The fielded sample includes 661 sample members; experimental: 324; control: 337.

The respondent sample includes 503 sample members; experimental: 251; control: 252.

The sample with Baseline Assessment Data includes 1,015 single-parent sample members; experimental: 493; control: 522.

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

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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.