Final Report on the Implementation and Impacts of the Minnesota Family Investment Program in Ramsey County

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Upon request, this information will be made available from the Minnesota Department of Human Services in an alternative format, such as Braille, large print, or audiotape.

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Chapter 1

Introduction

This report examines the implementation and impacts of the Minnesota Family Investment Program (MFIP), which operated as a field trial in Ramsey County (which includes the City of St. Paul) between July 1996 and June 1998. Part of a state welfare reform initiative, the Ramsey County MFIP program (MFIP-R) was designed as a "work first" program which offered welfare recipients financial incentives for work and required them, after they had been on welfare for one year, to participate in job search activities to facilitate their quick entry into the workforce. Seven other counties operated MFIP demonstration programs offering the same financial incentives for work as MFIP-R; but these programs did not require recipients to participate in work-related activities until they had been on welfare for two years, and they offered a broader menu of employment-related activities under the participation mandate.

This study is part of a series of papers and reports produced in an evaluation of MFIP in all eight demonstration counties, which was conducted by the Manpower Demonstration Research Corporation (MDRC) under contract with Minnesota's Department of Human Services (DHS). It is released in conjunction with the final report on the impacts of MFIP in the other seven field trial counties.[1]

The evaluation analyzes the MFIP-R program from several perspectives using several data sources. Information from a recipient survey is used to describe how single-parent MFIP-R recipients experienced the program in Ramsey County and the kinds of jobs they found during the first year after they entered the program. Administrative records data are used to analyze the effects of the program on recipients' employment, earnings, and welfare receipt within 12 months of program entry, compared with Minnesota's traditional Aid to Families with Dependent Children (AFDC) program and its employment and training arm, known as STRIDE. Finally, the study compares the MFIP-R impacts in Ramsey County with the early MFIP results in three urban counties (Hennepin, Anoka, and Dakota Counties).

I. Key Findings

- MFIP-R staff conveyed a strong work first message, and the majority of single-parent recipients participated in an employment-related activity within the first year after program entry, most of them in the mandated sequence of job search activities.
- Compared with AFDC/STRIDE, MFIP-R substantially increased employment and earnings among single-parent recipients, particularly in the first months after program entry. MFIP-R moved recipients into jobs more quickly than AFDC/STRIDE, and it also boosted the proportion who were employed during all four quarters of the follow-up period. As expected because of the financial incentives for working, welfare receipt was higher among MFIP-R recipients than among AFDC recipients.

[1]Volume 1 of the final report focuses on MFIP's effects on adults (see Miller et al., 2000), and Volume 2 focuses on MFIP's effects on children (see Gennetian and Miller, 2000).

- MFIP-R was particularly effective in increasing employment and earnings among recipients who had not worked during the year prior to entering the program.

- Compared with single-parent MFIP recipients who were subject to the MFIP participation mandate in the three other urban counties, MFIP-R recipients heard a stronger work first message, were more likely to participate in a short-term employment-related activity, and were equally likely to participate in an education or a training activity. Comparing the MFIP-R impacts with the MFIP impacts in the three urban counties suggests that MFIP-R produced larger impacts on employment and earnings than MFIP in the first two quarters after random assignment, but it had smaller impacts than MFIP by the end of the first year of follow-up. Because there are important differences among the recipient groups and the time periods in the two studies, these findings cannot be used to draw conclusions about which program was more effective.

- MFIP-R increased employment and earnings levels among two-parent families in Ramsey County, compared with the AFDC program. As anticipated because of the financial incentives for working and streamlining of eligibility for two-parent families, welfare receipt was also higher among the MFIP-R groups. The high proportion of Hmong recipients in the MFIP-R sample makes comparison with the MFIP program for two-parent families inadvisable.

II. Overview of the MFIP-R Evaluation

The MFIP field trial in the original seven counties was developed to test whether a program which offered all welfare recipients financial incentives if they went to work and which required recipients who had been on welfare for two years to participate in employment-related activities would be more effective than Minnesota's traditional AFDC program in increasing recipients' employment, earnings, and income and in reducing their welfare dependence.

An earlier report on the MFIP demonstration in these seven counties found that, compared with regular AFDC/STRIDE, the combination of financial incentives and participation mandates substantially increased employment and earnings over 18 months of follow-up among single parents in the urban counties who had been on welfare for at least two years (Miller et al., 1997). Family income was increased and poverty was reduced among this group, but welfare costs rose as well. MFIP had only modest effects on employment rates for new applicants to welfare, who were eligible for the MFIP incentives but not subject to the participation mandate during the 18-month follow-up period.

The Ramsey County variation (MFIP-R) was added, after the original demonstration was under way, to learn about the feasibility and effects of combining a work first approach with the MFIP financial incentives. MFIP-R offered the same financial incentives as MFIP, but it imposed a participation mandate after a year of receipt. (Differences between the two programs are discussed in more detail in Chapter 2.) Recipients who were subject to the mandate were

supposed to enroll in a job search workshop followed by seven weeks of supervised job search activities. The program design reflected the philosophy that the best way to increase welfare recipients' employability and earnings is through quick entry into the labor market, because employment provides income in the short-term and provides experience that lays the groundwork for a progression of jobs which can, in the long term, lead to greater self-sufficiency.

Given this background, the evaluation of MFIP-R has several purposes. The impact analysis, like that in the original counties, assesses whether MFIP-R was more effective than the AFDC/STRIDE system in increasing employment and earnings and decreasing welfare dependence among welfare recipients. To do so, it used an experimental design which required welfare applicants and recipients to be randomly assigned to either of two research groups: members of the MFIP-R (or experimental) group were eligible to receive MFIP-R benefits and were subject to its participation mandates; members of the AFDC (or control) group were eligible to receive AFDC benefits and to enroll in STRIDE. However, the original MFIP-R evaluation plan was to assess the implementation of MFIP-R but not to conduct a formal impact analysis. For this reason, random assignment in Ramsey County was not conducted using the same method, or as rigorous a method, as in the original seven counties. The impacts presented in this report are subject to this caveat. The evaluation also compares the impacts produced by MFIP-R with those produced by MFIP in the three urban counties in the original field trial, which have fairly similar labor markets. Because this comparison is not based on an experimental design, it is suggestive rather than definitive.

The implementation analysis seeks to understand how MFIP-R operated as a work first program in practice, using such measures as the strength of the work message conveyed, recipients' understanding of the benefits and mandates of the program, and data on participation in job search and other activities. The basis of comparison for these measures is not the difference between MFIP-R recipients and AFDC/STRIDE recipients in Ramsey County but the difference between MFIP-R recipients in Ramsey County and MFIP recipients in the three urban counties in the original field trial. The implementation evaluation in the original MFIP counties had shown that the messages conveyed by financial workers and employment counselors in MFIP had a much stronger work focus than the messages conveyed to AFDC recipients, and that MFIP recipients were more likely than their AFDC counterparts to enroll in employment activities, especially in job search. Since it had already been demonstrated that MFIP was more work-oriented than AFDC/STRIDE, the interest in the current study is to understand whether a program design such as MFIP-R that specifically focuses on quick job entry would send out a stronger work first message and achieve higher participation in job search components. An earlier paper on the MFIP-R implementation discussed the challenges of operating a work first program from the staff's perspective, based on on-site observations and interviews and on staff's responses to a survey which asked about their attitudes and practices (Auspos, 1997).

The implementation analysis also presents descriptive information about the kinds of jobs the members of the MFIP-R group got; how long they remained in them; whether a move from one job to another typically entailed advancement into a "better" job; and their use of post-placement assistance with child care, transportation, health benefits, and other supports. Because comparable data are not available for the members of the control group, this analysis is descriptive and does not compare the effects of the program with the effects of the AFDC system.

III. Policy Relevance of MFIP-R

The MFIP-R evaluation documents the feasibility of operating a work first program — conveying a strong message about the importance and financial advantages of work, achieving high participation rates in activities oriented toward quick employment, and moving a large proportion of the caseload quickly into jobs — when a mandate to participate in short-term, job-oriented activities is coupled with financial incentives for working. The findings address issues of considerable policy relevance in the current welfare reform climate when, in the wake of the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and the imposition of time limits on welfare receipt, state welfare programs are increasingly focused on moving recipients quickly into jobs and building supports that will enhance job retention and provide opportunities for steady employment and job advancement. Counties across Minnesota are implementing programs similar to MFIP-R under the statewide welfare reform initiative (MFIP-S), which imposes a five-year time limit on welfare receipt and couples financial incentives with a participation mandate focused, in most counties, on quick job entry.

A concern about such programs is that welfare recipients will move quickly into jobs but will have trouble retaining employment or obtaining jobs that offer a possibility of advancement. MFIP-R staff addressed this issue by encouraging recipients to think about employment as a series of steps up an occupational ladder: recipients were urged to view their first job as the start of a sequence of jobs which would offer successively higher wages and/or longer hours of work.

The impact findings indicate that this type of program can move the caseload more quickly into jobs than the traditional AFDC approach, can increase employment and earnings levels during the first year after program entry, and can increase the proportion of the caseload that is employed steadily over the course of that year. The evidence that the program was most effective in raising employment and earnings among the subgroup of recipients who had not worked in the year prior to program entry is particularly encouraging. The evaluation also provides nonexperimental descriptive evidence that suggests that recipients who moved quickly into jobs and had at least two jobs during the first year of follow-up did move from a lower-paying job into a higher-paying job.

The findings presented in this report should be used with caution, however. First, the impact findings are for a fairly short follow-up period, and they are based on a random assignment method that is not as rigorous as the method used in the other seven counties. Also, the comparison of MFIP-R's impacts with MFIP's impacts in the three original urban counties is not based on an experimental design. Finally, the analyses presented in Chapter 3 on job retention and job progression are descriptive only and cannot be used to draw definitive conclusions about the effectiveness of an approach that emphasizes quick job entry.

Other caveats relate to the context in which the experimental program operated. Labor market conditions, for example, were extremely favorable during the evaluation period. The unemployment rate in Ramsey County was very low — 2.6 percent in 1997 — and there were many employment opportunities for low-skilled, entry-level workers. Entry-level wage rates were also rising as employers competed for a scarce supply of workers. Whether the program effects are replicable in a less favorable job market is not clear. In addition, the experimental group in MFIP-R were not subject to limits on the length of time they could receive welfare

benefits. It is not clear whether the results will be replicable in the new statewide MFIP-S program, which imposes a five-year time limit on welfare receipt, offers somewhat less generous work incentives than MFIP-R, and operates on a larger scale than the experimental program in Ramsey County.

IV. Outline of the Report

The rest of this report is organized as follows:

- **Chapter 2, Background on the MFIP-R Program and Evaluation,** begins with a description of the key features of the MFIP-R program and compares them with the features of the MFIP program and AFDC/STRIDE. It then explains the various samples and data sources which are used in the implementation and impact analyses and presents the key demographic characteristics of the single-parent sample members.

- **Chapter 3, Implementation of MFIP-R for Single Parents,** discusses the implementation of the single-parent MFIP-R program and compares it with the implementation of MFIP in Hennepin, Anoka, and Dakota Counties. Section I discusses the program's success in communicating a strong work first message to recipients, and Section II analyzes participation in MFIP-R's program components. These sections also compare the message of and participation in MFIP-R with those of MFIP in the three urban counties, to identify the differences that the work first design made in practice. Section III provides information, based on survey responses, about employment and job retention among MFIP-R recipients and the characteristics of the jobs they held.

- **Chapter 4, The Effect of MFIP-R on Employment, Earnings, and Welfare Receipt,** provides analyses of the impacts of MFIP-R compared with those of AFDC/STRIDE on employment, earnings, and welfare receipt among the single-parent caseload within the first year after program entry; it also examines how these impacts compare with the MFIP impacts in three urban counties. Chapter 4 reports as well on the implementation and impacts of the MFIP-R program for two-parent families.

- **Chapter 5, Conclusion,** summarizes the main conclusions of the report.

Chapter 2

Background on the MFIP-R Program and Evaluation

I. Comparison of Key Features of MFIP-R, MFIP, and AFDC/STRIDE

This section of Chapter 2 provides more detail about the programmatic features of MFIP-R, MFIP, and AFDC/STRIDE and about the major differences that distinguished the three programs, as shown in Table 2.1.

A. Comparison of MFIP-R and AFDC/STRIDE

As noted, during the demonstration period, Minnesota's regular welfare program consisted of AFDC and its employment and training arm, the Job Opportunities and Basic Skills Training (JOBS) program, known in Minnesota as STRIDE. Compared with AFDC/STRIDE, MFIP-R had two distinctive program features. First, it offered a package of financial incentives to encourage welfare recipients to seek work. Second, it required recipients to participate in a sequence of activities designed to help them move quickly into the labor force.

The MFIP-R package of financial incentives included allowing recipients to keep more of their welfare benefits when they went to work than they could in the traditional AFDC program (see Table 2.1 for details) and paying child care expenses directly to providers (rather than requiring recipients to pay providers directly and then wait to be reimbursed through their AFDC grant). MFIP-R also combined AFDC, Family General Assistance (FGA), and Food Stamps into a single program that provided Food Stamps as part of the cash grant.

Because MFIP-R recipients who went to work could retain a larger amount of their welfare benefits than was allowed under AFDC, work increased total income by a greater amount under MFIP-R than under AFDC. For example, a single parent with two children who earned $6 an hour and worked 20 hours per week would have a monthly income, net of taxes and any tax credits, of $1,261 in MFIP-R, compared with $1,024 under the AFDC rules. If the same woman worked 40 hours per week for $6 an hour, her income would have been $1,456 under MFIP-R but only $1,308 under AFDC.[2]

MFIP-R's participation mandate also distinguished it from the AFDC/STRIDE system. Except for teenage single parents, enrollment in STRIDE was voluntary rather than mandatory (although once enrolled, participants who failed to complete a course of training were subject to financial sanctions), and STRIDE was targeted to long-term welfare recipients.[3] Because the goal of the program was to prepare long-term welfare recipients for jobs which would pay them enough to go off welfare and be self-sufficient, STRIDE participants traditionally enrolled in lengthy job-training or education programs, often leading to a two- or four-year college degree. (By 1996, when MFIP-R began, STRIDE had

[2]These dollar amounts are based on 1994 MFIP rules, but they had not changed significantly by 1996, when the MFIP-R demonstration began.

[3]Individuals who met the following criteria were eligible to receive STRIDE services: single parents who had received AFDC for 36 of the past 60 months; custodial parents under age 24 without a high school diploma or the equivalent, or with limited work experience; single parents who were within two years of becoming ineligible for aid because the youngest child was age 16 or older.

Table 2.1

Key Features of MFIP-R, MFIP, and AFDC for Single Parents

Program Dimension	MFIP-R	MFIP	AFDC[a]
Financial assistance			
Grant calculation[b]	If there was no earned income, the maximum grant equaled the combined value of AFDC and Food Stamps. If there was earned income, benefits equaled the maximum grant increased by 20 percent, minus net income. (Net income excluded 38 percent of gross earnings.) However, benefits may not have exceeded the maximum grant level.	Same as MFIP-R	AFDC grant calculation excluded $120 and one-third of any remaining monthly earnings during the first 4 months of work; $120 during the next 8 months; $90 per month thereafter. Food Stamp grant calculation excluded 70 percent of net income. Net income included the AFDC grant but excluded 20 percent of gross earnings, a $131 standard.
Child care assistance for working parents	Child care paid directly to child care provider, up to county maximum rate	Same as MFIP-R	Child care reimbursed up to $175 ($200 for children under age 2) as part of AFDC grant, with additional costs reimbursed separately up to county maximum rate
Administration of benefits			
Number of public assistance programs	One consolidated program to replace AFDC, Food Stamps, and Family General Assistance	Same as MFIP-R	Three separate programs: AFDC, Food Stamps, and Family General Assistance
Employment and training programs[c]			
Mandatory activities	Mandatory orientation to MFIP-R for all recipients Mandatory participation in MFIP-R employment and training activities for single parents with no children under age 1, who had received welfare for more than 1 year	Mandatory participation in MFIP employment and training services for single parents with no children under age 1, who had received welfare for more than 2 years	Mandatory orientation to STRIDE (Minnesota's JOBS program) for AFDC applicants in a STRIDE target group, except those with children under age 3

(continued)

Table 2.1 (continued)

Program Dimension	MFIP-R	MFIP	AFDC
Types of activities	Participants were required to participate in a 1-week job skills workshop, followed by 7 weeks of supervised job search and group activities. Those already enrolled in education or training courses were eligible to continue.	Participants could choose from a menu of services, including job search, short-term education courses, and short-term job training programs.	Participants could choose from a menu of activities, including long-term degree programs. After March 1997, enrollment in longer-term activities was restricted but not eliminated.
Support services	Child care, transportation, and work-related expenses were covered for MFIP-R employment and training participants. Child care was available for social services required to remove barriers to employment, such as attendance at chemical dependency counseling.	Same as MFIP-R	Child care, transportation, and work-related expenses were covered for STRIDE participants. Child care was not available for social services required to remove barriers to employment.

SOURCES: AFDC, MFIP, and MFIP-R planning documents and eligibility manuals.

NOTES: [a]"AFDC" is used throughout this report to represent the range of programs that MFIP and MFIP-R were designed to replace, including not only AFDC but also Food Stamps, the Family General Assistance (FGA) program, and Minnesota's JOBS program, STRIDE. The rules shown above are primarily related to AFDC, except where otherwise noted.

[b]These calculation standards were in effect in 1994.

[c]Employment and training rules described for "AFDC" are the rules for AFDC recipients. They do not apply to those receiving only FGA or Food Stamps.

become focused on shorter-term training, although it was still voluntary and more focused on training and education than on immediate job search.)

In contrast, MFIP-R focused on quick job entry and the potential for achieving self-sufficiency by progressing through a series of jobs. MFIP-R required single parents who had received welfare for at least 12 of the previous 24 months, and parents in two-parent families who had been on welfare for at least six of the previous 12 months, to attend a one-week job skills workshop, followed by seven weeks of supervised job search and attendance at group job search meetings. Individuals who were not exempted or deferred for good cause and who failed to comply with the mandatory requirements were subject to financial sanctions which reduced their welfare grants by 10 percent until they began participating in a required activity.

B. Comparison of MFIP-R and Original MFIP

As shown in Table 2.1, the MFIP program that operated in the other demonstration counties offered the same financial incentives for work as MFIP-R but was not so focused on quick job entry. Regular MFIP did not require single parents to participate in employment-related activities as early as MFIP-R (it waited until two years of welfare receipt instead of one), and it offered participants a broader menu of work-related options — including education and training courses — instead of expecting virtually the entire caseload to move through a prescribed sequence of job search activities.

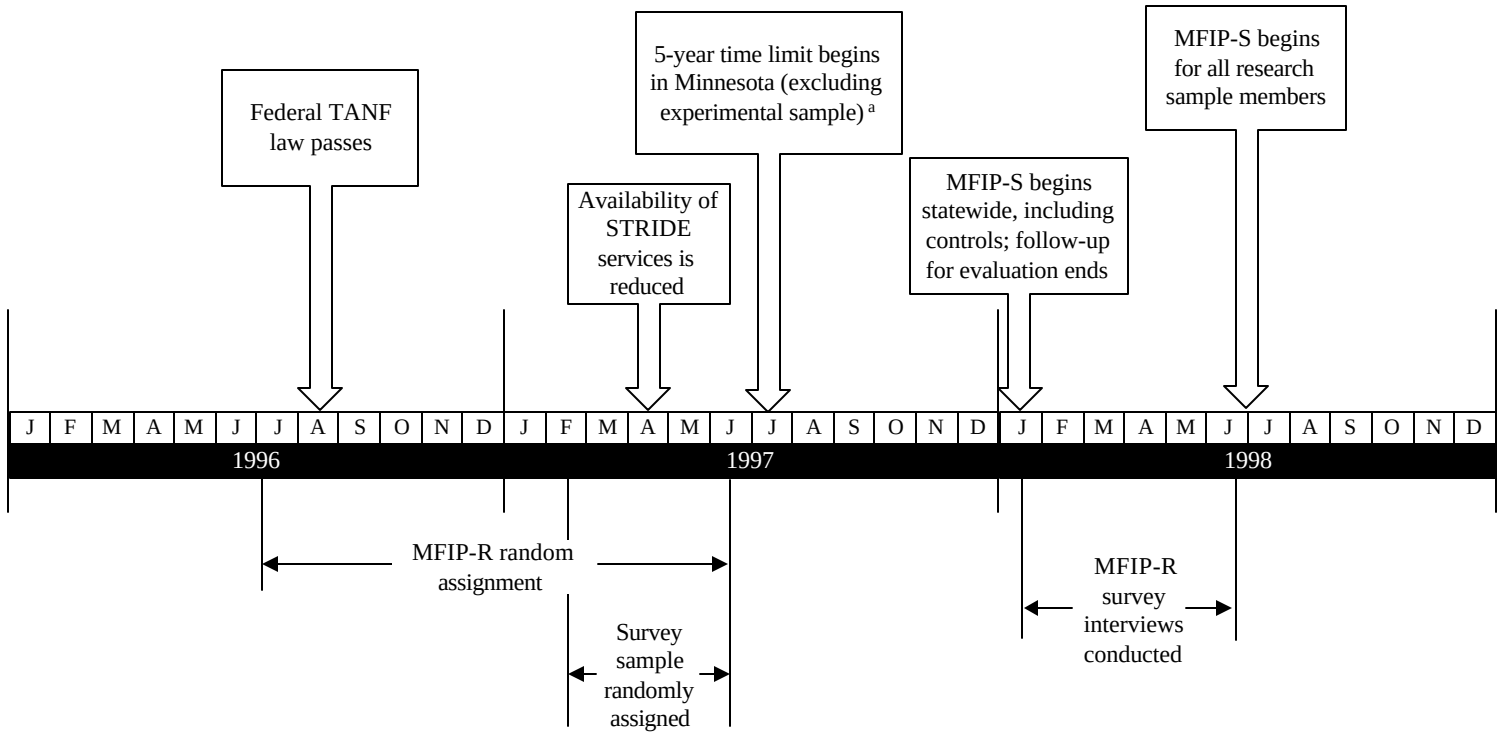
C. Changes in the Environment During the Evaluation Period

The MFIP-R demonstration operated between July 1996 and June 1998, during a period of considerable change in the Minnesota welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which overhauled the federal welfare system and placed time limits on the receipt of federal welfare benefits, was passed by Congress in August 1996. Based on the early success of MFIP, the Minnesota state legislature adopted welfare reform legislation in January 1997, to take effect a year later. (The sequence of welfare changes is shown in Figure 2.1.) Also, in July 1997 the state introduced a five-year lifetime limit on welfare receipt; expanded the AFDC earned income disregard to $30 and one-third of earnings for all months of employment; and eliminated the "100-hour rule," which made two-parent recipient families ineligible for assistance if the primary wage-earner worked more than 100 hours per month. All Minnesota counties began phasing in the new statewide MFIP initiative (MIFP-S) in January 1998. Replacing both STRIDE and AFDC, MFIP-S offers financial incentives for work, and it mandates participation in employment-related activities. MFIP-S differs from MFIP in that its incentives are somewhat less generous and it mandates participation in services after only six months of welfare receipt. Counties have some freedom in designing the employment component of MFIP-S; the focus in most counties is on quick employment rather than on education and training.

Individuals who were randomly assigned to the MFIP-R experimental group and therefore eligible to receive MFIP-R benefits were "held harmless" from these changes through June 1998, but because a formal impact evaluation was not originally planned, the rest of the welfare recipient caseload in Ramsey County — including the control group used in the impact analysis — was converted from AFDC to MFIP-S between January and March 1998. In addition, preceding the conversion to MFIP-S, the state caseload, including the control group in Ramsey County, became subject in July 1997 to the five-year time limit on welfare receipt and the expanded earnings disregards. Also, as of July 1997, all two-parent households

Figure 2.1

Timeline of Welfare Reform and MFIP-R Evaluation Milestones



NOTE: [a]In addition, the AFDC earnings disregard is expanded, and the 100-hour rule for two-parent recipient families is eliminated.

receiving AFDC benefits (including those in the control group) were no longer automatically ineligible for assistance if the primary wage-earner worked more than 100 hours per month.

Although these developments did not affect the benefits or participation mandates that applied to the MFIP-R recipients in the experimental group, they may have affected the way STRIDE was operated in its final months and the decisions that AFDC recipients made about looking for work or enrolling in an education or a training program — changes which could not be systematically tracked in the evaluation. The transition from AFDC/STRIDE to MFIP-S in January 1998 also shortened the follow-up period for the Ramsey County evaluation, effectively limiting it to only six months for the last group, randomly assigned in June 1997.

II. Data Sources and Samples

Between July 1996 and June 1997, over 1,000 applicants for and recipients of public assistance were assigned at random to MFIP-R; the remainder of the caseload was left in AFDC. Members of the MFIP-R group were eligible to receive MFIP-R benefits and were subject to the MFIP-R participation mandate. Individuals not assigned to MFIP-R (about 11,000 cases) were eligible for AFDC benefits and could volunteer to participate in employment and training programs provided through the STRIDE program if they met its eligibility criteria. As mentioned earlier, the original plan for the MFIP-R evaluation did not include a formal impact analysis, with the result that certain data were collected only for the MFIP-R group and not for the AFDC group.

A. Data Sources

Background Information Forms. A Background Information Form (BIF) was completed for all individuals assigned to the MFIP-R group just after random assignment. This form provides important demographic information, such as the individual's age, education, prior work history, and prior welfare receipt. BIF data are used to describe the sample.

Surveys. Data from two surveys are used to describe the implementation of MFIP-R. The first is a survey administered to a subset of the MFIP-R group 12 months after they entered the evaluation. Data from this survey are compared with the responses to a similar, second survey, which was administered to a subset of single parents in the MFIP evaluation in the three urban counties. (The surveys and samples are described in more detail in Section C.)

Administrative Records. These data provide information about each sample member's earnings and welfare receipt for one year prior to random assignment and for up to one year following random assignment. Information about welfare receipt is provided by Minnesota's Department of Human Services. Information about employment and earnings come from state Unemployment Insurance (UI) records, provided by Minnesota's Department of Economic Security. These data are used in Chapter 4 to assess the impacts of MFIP-R on employment and welfare receipt.

B. Sample Used for the Impact Analysis

The sample used for the impact analysis in Chapter 4 consists of all recipients randomly assigned to MFIP-R as well as their counterparts left in the AFDC system. MFIP-R's effects are

estimated by comparing employment, earnings, and welfare receipt for the two groups during the period after they were randomly assigned. As discussed in Chapter 4, however, because of the method in which random assignment was conducted, the estimated impacts should be interpreted with some caution.

C. Samples Used for the Implementation Analysis

The principal sample used to assess the implementation of MFIP-R in Chapter 3 is the MFIP-R survey sample of recipients. It consists of a subset of the full sample of single-parent recipients (either ongoing recipients or individuals who had previously received AFDC and were reapplying for benefits) who were randomly assigned to the MFIP-R group. Specifically, single parents randomly assigned to MFIP-R between February 1 and June 30, 1997, were targeted for the survey, and the 318 individuals who responded represent 86 percent of the targeted individuals.[4] A response bias analysis found no significant differences between the respondents and the nonrespondents, as discussed in Appendix A.

Each of the single parents in the MFIP-R survey sample was interviewed approximately 12 months after she had been randomly assigned to MFIP-R. Most of the interviews, which took about 20 minutes to complete, were conducted by telephone; only individuals who could not be reached by phone were interviewed in person. The 12-month survey provides information on the sample members' understanding of the program's benefits and mandates, the advice they were given about getting a job, their participation in the MFIP-R job search components and other employment-related activities, their labor market experiences after random assignment, and their use of post-placement assistance.

The great majority — 79 percent — of the 318 members of the MFIP-R survey sample were subject to the MFIP-R participation mandate from the point of random assignment, because they had received welfare for 12 of the preceding 24 months. Their responses to the survey questions were not much different from the responses of the full survey sample and are not shown separately, except in Table 3.2, which presents information about their participation in employment-related activities. This sample is referred to as the "MFIP-R mandatory" sample.

The implementation analysis seeks to understand how MFIP-R operated in practice by presenting recipients' experiences in the program. However, because the survey was not administered to the control group, this analysis should not be interpreted as the impact of the program. Instead, to provide a benchmark for how the program was implemented, MFIP-R recipients are compared with a comparable group of recipients in MFIP in the original urban counties. The survey sample used to provide this comparison is referred to as the "urban MFIP" recipients.

The MFIP 12-month survey was fielded to a subset of single parents who were randomly assigned to one of several research groups between September 1 and December 31, 1994, in Hennepin, Anoka, and Dakota Counties. A total of 1,342 sample members were in the eligible pool to be surveyed, and 1,123 individuals were interviewed, representing a response rate of 83.7 percent; these individuals were distributed across three different research samples in the MFIP evaluation. To make the closest possible comparison with the MFIP-R survey sample, the subset

[4]Forty-five individuals who were assigned to the MFIP-R group during this period were excluded from the survey universe because they were determined to be non-English-speaking.

of survey respondents who were eligible for MFIP in the three urban counties was further narrowed to include only those sample members who were subject to the MFIP participation mandate at the point of random assignment — that is, the individuals who had received welfare for 24 of the 36 months preceding random assignment. They are the same individuals who were referred to as "long-term recipients" in Miller et al., 1997, and who were used in the analysis of participation in the three urban counties. Again, because the comparison of MFIP-R with MFIP is not based on an experimental design, the findings are suggestive only.

III. Demographic Characteristics of the MFIP-R and MFIP Survey Samples

Selected characteristics of the MFIP-R survey sample of single-parent families are shown in Table 2.2. This is the subset of experimental group members which is used in Chapter 3 to analyze MFIP-R recipients' understanding of the program, participation in MFIP-R activities, and labor market experiences.

The MFIP-R survey sample members are overwhelmingly female and, on average, about 30 years of age. About 45 percent of them are white, 44 percent are black, and 6 percent are Hispanic. About two-thirds of the sample have one or two children, and half have no children under age 6. In terms of education and work experience, the group seem relatively well prepared for employment, although many of them have been on welfare for many years. At the time of random assignment, almost 60 percent had previously worked for at least six months with one employer, and only 5 percent had no prior work experience at all. Just over three-quarters of the sample had a high school diploma, a General Educational Development (GED) certificate, or a higher degree; and one-fifth were enrolled in an education or a training course or had been enrolled in one during the previous year. Most (85 percent) were "long-term" recipients, on welfare for at least two years; almost one-third had been on welfare for between five and 10 years; and one-fifth had been on welfare for more than 10 years.

In terms of most characteristics, the MFIP-R recipients are quite similar to the MFIP recipients in the three urban counties, with whom they will be compared in the implementation analysis. There are some noticeable differences in terms of employment and education, however, which suggest that the MFIP-R sample might be slightly more advantaged. For example, at the time of random assignment, the MFIP-R sample had a higher proportion of individuals who had full-time work experience of over six months with one employer (57 percent compared with 51 percent) and a smaller proportion of individuals who had no prior work experience (5 percent compared with 10 percent). Prior education experience was also somewhat higher among the MFIP-R group, and a smaller proportion of the MFIP-R sample had been on welfare for 10 years or more (21 percent compared with 27 percent). The MFIP-R sample also had a higher proportion of individuals whose youngest child was of school age (51 percent compared with 42 percent). These differences reflect, at least in part, the different targeting strategies of the two programs. Because the MFIP mandatory group had been on welfare for at least 24 months prior to random assignment while MFIP-R required participation after a year of welfare receipt, the MFIP-R sample more broadly represents the welfare caseload in general.

A comparison of the MFIP-R survey sample and the full sample of MFIP-R applicants and recipients (not shown in the table) indicates some notable differences in the demographic characteristics of the two groups. The primary difference — which may account for the other differences — is that only 2.6 percent of the survey sample were Asian or Pacific Islanders,

Table 2.2

Selected Characteristics of Single-Parent Survey Respondents at Random Assignment

Characteristic	MFIP-R Recipients	Urban MFIP Recipients
Demographic characteristics		
Gender (%)		
Female	96.9	96.4
Male	3.1	3.6
Age (%)		
Under 20	0.6	4.3
20-24	22.3	22.0
25-34	46.2	44.7
35-44	25.8	23.4
45 or older	5.0	5.7
Average age (years)	30.9	30.6
Race/ethnicity (%)		
White, non-Hispanic	45.3	51.1
Black, non-Hispanic	44.1	34.8
Hispanic	5.8	1.4
Native American/Alaskan Native	2.3	9.2
Asian/Pacific Islander	2.6	2.1
Family status		
Marital status (%)		
Never married	64.1	71.6
Married, living with spouse	1.0	0.7
Married, living apart	12.2	5.7
Separated	4.2	0.7
Divorced	17.3	19.9
Widowed	1.3	1.4
Number of children (%)		
1	35.8	39.7
2	31.1	27.0
3	17.3	18.4
4	10.1	7.8
5 or more	5.0	4.3
Age of youngest child, in years (%)		
Under 3[a]	30.7	35.0
3-5	18.4	23.4
6-18	50.9	41.6
Labor force status		
Worked full time for 6 months or more for one employer (%)	57.1	50.7
Never worked (%)	5.3	10.0

(continued)

Table 2.2 (continued)

Characteristic (%)	MFIP-R Recipients	Urban MFIP Recipients
Current and recent education and training		
Currently enrolled in education or training[b]		
Any type	20.8	18.4
GED preparation	2.9	2.8
English as a second language	0.6	0.0
Adult basic education	0.6	0.0
Vocational education/skills training	6.1	6.4
Post-secondary education	7.4	5.0
Job search/job club	2.3	1.4
Work experience	1.9	2.1
High school	0.0	1.4
If enrolled, program is part of a STRIDE plan	36.8	28.9
Enrolled in education or training during the previous 12 months[b]		
Any type	20.8	18.4
GED preparation	3.8	5.0
English as a second language	0.6	0.0
Adult basic education	0.3	0.7
Vocational education/skills training	9.3	10.6
Post-secondary education	9.6	5.7
Job search/job club	2.9	0.0
Work experience	4.8	0.7
High school	0.0	1.4
If enrolled, program is part of a STRIDE plan	38.8	27.3
Education status		
Highest credential earned		
GED certificate[c]	18.1	20.6
High school diploma	42.7	38.3
Technical/2-year college degree	13.3	9.9
4-year college degree or higher	2.3	0.0
None of the above	23.6	31.2

Table 2.2 (continued)

SOURCE: MDRC calculations using data from Background Information Forms.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997. The MFIP survey sample members were randomly assigned from April through December 1994 in Anoka, Dakota, and Hennepin Counties. These sample members had received welfare assistance for 24 of the 36 months preceding random assignment and were therefore required to participate in MFIP employment and training activities from the point of random assignment.

Approximately 1 percent of both samples are missing some of these data items.

[a] Includes women who were pregnant.

[b] Totals may not equal all the categories summed because some sample members may be in more than one category.

[c] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[d] This refers to the total number of months an individual or her spouse has spent on AFDC during one period or more as an adult. It does not include AFDC receipt under a parent's name.

compared with 12.2 percent of the full MFIP-R single-parent sample. In a number of ways, the survey sample appears to be more employable than the full sample. For example, a larger percentage of the survey sample had children age 6 or over (50.9 percent compared with 38.9 percent); a larger percentage had worked full time for six months with the same employer (57.1 percent compared with 50.9 percent); and a larger percentage had a high school diploma, GED, or post-secondary education (76.4 percent compared with 62.6 percent). These differences are not so great, however, as to make the subsample unrepresentative of the full MFIP-R caseload.

The MFIP-R survey sample members, like the full MFIP-R caseload, are predominantly women who, despite having relatively high levels of education and work experience, face significant barriers to finding employment that would lead to self-sufficiency: just over half have been on welfare for five years or more, and half have a child under the age of 6.

Chapter 3

Implementation of MFIP-R for Single Parents

Among the key challenges of implementing a work first program are (1) ensuring that program staff give a clear and consistent message about the importance of quick job entry; (2) ensuring that participants move through the prescribed sequence of activities, maintaining participation in job search over time; and (3) recycling recipients back into job search if they leave a job (Auspos, 1997; Weissman, 1997; Brown, 1997). The following sections discuss how well these challenges were met in MFIP-R, drawing primarily on the responses of the MFIP-R survey sample.

I. Getting the Work First Message Across

A. Recipients' Understanding of Requirements, Expectations, and Supports

The previous report on MFIP-R's implementation (Auspos, 1997) showed that the program provided repeated opportunities for recipients to hear the basic message that quick employment was the goal and expectation of the program and that changes in the way benefits were calculated in MFIP-R made it financially advantageous for recipients to go to work. On-site observations, interviews with MFIP-R staff, and the MFIP-R job counselors' responses to a survey of their opinions and behavior all indicated that staff communicated a clear and consistent message that expounded the work first philosophy, encouraged MFIP-R participants to find work quickly, and emphasized the financial advantages of working. Even if recipients did not participate in an MFIP-R job search component, they heard the message from their financial workers and during the initial briefing, which all nonexempt MFIP-R recipients were required to attend.

New data from a survey which documented the recipients' understanding of the MFIP-R program's rules and benefits and what they were told by staff about the program confirm that MFIP-R staff were largely successful in conveying the intended messages. As shown in Table 3.1, the overwhelming majority of the surveyed recipients (83 percent) understood the MFIP-R requirements regarding program participation and the imposition of sanctions for noncompliance. A similar percentage said they were informed that child care and medical assistance were available if they left welfare because of employment.

Just over two-thirds of the surveyed recipients understood that they would be financially better off if they worked 30 hours or more per week than if they did not work at all, but there was less unanimity in the responses about this part of the message. Almost one-quarter of the respondents thought there was no financial difference between working 30 hours or more per week and not working, and 8 percent thought working would make them financially worse off.

Asked about their own preferences, well over three-quarters of the sample members said they wanted to be working over 30 hours per week, although not all of them wanted to be off assistance. Only 16 percent said they would prefer to work fewer than 30 hours per week and stay on assistance.

Almost two-thirds of the survey respondents indicated that the MFIP-R staff encouraged

Table 3.1

Information About the MFIP-R and Urban MFIP Programs, as Reported by Survey Respondents

Outcome (%)	MFIP-R Recipients	Urban MFIP Recipients
Knowledge of MFIP-R requirements		
Would sample member be required to look for a job, attend an MFIP-R briefing, or attend group job search meetings after being on assistance for a total of 12 months?[a]		
Yes	82.7	---
No	15.7	---
Don't know	1.6	---
Would sample member lose part of her welfare grant if she did not look for a job, go to school, or get training?		
Yes	82.1	79.4
No	15.1	8.5
Don't know	2.8	12.1
Incentives and supports for work		
Compared with not working, if a sample member worked 30 or more hours a week while on assistance she would be		
Better off	67.2	63.8
Worse off	8.2	7.1
Same	23.7	25.5
Don't know	0.9	3.5
Was sample member informed about the medical assistance available if she leaves welfare for a job?		
Yes	83.6	78.7
No	15.1	14.9
Don't know	1.3	6.4
Was sample member informed about the child care assistance available if she leaves welfare for work?		
Yes	84.0	70.9
No	13.8	18.4
Don't know	2.2	9.9
If sample member had a choice, she would		
Work less than 30 hours a week and stay on assistance	16.1	14.9
Work 30 hours or more a week and stay on assistance	33.4	27.7
Work 30 hours or more a week and leave assistance	50.2	48.9
Don't know; it depends	0.3	8.5
Goals that staff encourage		
To get a job quickly[b]	63.4	64.2
To go to school or training[b]	22.6	49.6
To identify a target job[ac]	66.4	---
Asked of the respondents who identified a target job		
What would staff recommend about a job that was not the target job?[ad]		
Take the job	78.2	---
Wait to find your target job	20.4	---
No recommendation either way	0.9	---

(continued)

Table 3.1 (continued)

Outcome (%)	MFIP-R Recipients	Urban MFIP Recipients
What would staff recommend about a job which offered 30 or more hours per week, paid $6 an hour, but had no medical benefits?[e]		
Take the job	67.6	44.7
Don't take the job	25.5	45.4
No recommendation either way	1.6	2.1
No contact with staff, or don't know	5.3	7.8
What would staff recommend about a job which offered less than 30 hours per week, paid $6 an hour, but had no medical benefits?[f]		
Take the job	51.9	39.7
Don't take the job	42.8	46.1
No recommendation either way	1.9	1.4
No contact with staff, or don't know	3.5	12.8
Evaluations of welfare		
Strongly believe MFIP-R/MFIP has helped sample member's chances of getting and keeping a job[g]	36.9	45.0
Strongly agree with the statement that "in Minnesota, its easy just to stay on MFIP-R/MFIP and not try to get off"[g]	16.8	19.0
Sample size (total = 459)	318	141

SOURCE: MDRC calculations using data from the 12-month client surveys.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997. The MFIP survey sample members were randomly assigned from April through December 1994 in Anoka, Dakota, and Hennepin Counties. These sample members had received welfare assistance for 24 of the 36 months preceding random assignment and were therefore required to participate in MFIP employment and training activities from the point of random assignment.

MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13). MFIP survey respondents were interviewed between 12 and 19 months after random assignment (on average, in month 13).

Sample sizes vary for the individual measures because of missing values.

Rounding may cause slight discrepancies in sums.

[a]These data are not available for MFIP sample members.

[b]Represents the percentage of respondents who indicated values 7-10 on a scale of 1-10.

[c]This represents the percentage of cases who responded "Yes" when asked whether staff encouraged them to identify a target job, defined as a "goal" job or "ideal" job.

[d]Only asked of respondents who said they were asked to identify a target job.

[e]MFIP recipients were asked whether staff would recommend a job that offered 30 hours per week, paid $5 an hour, but had no medical benefits.

[f]MFIP recipients were asked whether staff would recommend a job which offered less than 30 hours per week, and paid $5 an hour, but had no medical benefits.

[g]"Strongly agree" represents the percentage of respondents who indicated values 7-10 on a scale of 0-10.

them to get a job quickly,[5] and just under one-quarter said they were encouraged to go to school or training. Although the majority of respondents said they were encouraged to identify a "target" job (defined as an "ideal," or goal, job to work toward), most of them indicated that staff nevertheless gave a higher priority to getting a job quickly than to holding out for the target job.[6] Reports about advice on taking a job that did not offer medical benefits were more mixed. About 68 percent of the survey respondents said staff would encourage them to take a job that provided 30 or more hours of work per week and paid $6 an hour but had no medical benefits, while only 52 percent said they would be encouraged to take a similar job that offered 30 hours or less per week.[7]

The respondents' assessment of MFIP-R was somewhat mixed. Almost 40 percent strongly believed that the program had helped their chances of getting and keeping a job; only 17 percent strongly agreed that, in Minnesota, it was easy to stay on welfare and not try to leave it.

B. Comparison with Responses in the MFIP Urban Counties

A comparison of the survey responses among the MFIP-R and the MFIP caseloads suggests that the MFIP-R program may have been somewhat more successful than MFIP in informing recipients about program rules and benefits, and, as intended, conveyed a stronger message about the importance of getting a job quickly.

As shown in Table 3.1, slightly higher percentages of MFIP-R survey respondents understood the program's rules and the financial advantages of working, and a much higher percentage were aware of the availability of child care to recipients who left welfare because of work (84 percent of MFIP-R respondents compared with 71 percent of MFIP respondents).

The higher level of understanding of the program's rules and benefits shown by MFIP-R recipients may have resulted from differences in the way information was provided in the two programs and/or from differences in the content of the information that was provided. MFIP-R required all nonexempt recipients, regardless of how long they had been on welfare, to attend a one-hour briefing that reviewed the program's rules and requirements and benefits and expectations shortly after random assignment. Once recipients were subject to the participation requirement, the rules and benefits were discussed by MFIP-R program staff during the mandatory job skills workshop and weekly group job search meetings. In contrast, MFIP had no mandatory briefing. After MFIP recipients became subject to the participation requirement, they met with an employment counselor to develop an employment plan. MFIP employment counselors reported having monthly contact with the MFIP caseload, but they typically did not conduct the activities in which MFIP recipients participated. MFIP-R recipients therefore had both earlier and more frequent opportunities to hear about the program's rules and benefits from the staff. Certainly it is suggestive that 82 to 83 percent of the MFIP-R survey sample correctly understood the basic incentives and requirements of the program, and, as discussed below, 82 percent indicated that they had attended the initial briefing.

[5]As would be expected, the percentage of immediately mandatory sample members who said this was even higher: 69 percent (not shown).

[6]For additional discussion of the importance of a target job in MFIP-R, see Section II.C.

[7]Staff's emphasis on the importance of finding a 30-hour-a-week job may have increased as the January 1998 start-up date of MFIP-S approached.

Even more striking are the differences in the way the survey respondents characterized the messages they were given about finding work. About equal proportions of both samples (63 and 64 percent, respectively) indicated that staff urged them to get a job quickly. But only about one-quarter of the MFIP-R sample said they were encouraged to go to school or training, compared with half the MFIP respondents. MFIP-R sample members also indicated that they were more likely to be encouraged to take a job — full-time or part-time — that did not pay medical benefits. On most measures, a smaller percentage of MFIP-R respondents indicated that they did not know what staff would encourage.

These findings are consistent with earlier findings from a survey of staff attitudes and behavior, presented in the previous report on the implementation of MFIP-R, which suggested that MFIP-R job counselors were articulating a stronger work first message than their MFIP colleagues (Auspos, 1997).[8] The pattern of responses among staff and caseload suggests that MFIP-R staff gave a stronger work first message than staff in the other MFIP urban counties, as was consistent with the different program design.[9]

Despite the apparently greater emphasis on finding a job quickly in MFIP-R than in MFIP, about the same proportions of both samples (17–19 percent) strongly agreed that it was easy to stay on welfare and not try to get off. However, a higher proportion of the MFIP sample members (45 percent compared with 37 percent) felt that the program had improved their chances of getting or keeping a job.

II. Participation in MFIP-R

One of the key features of the MFIP-R program design was participation in a prescribed sequence of activities designed to lead to quick job entry. As noted, all nonexempt recipients were required to attend an orientation that explained the program's requirements and benefits. Additionally, recipients who had received welfare for 12 of the previous 24 months were required to attend a one-week job search workshop and to participate in seven weeks of supervised job search, which included attendance at group meetings. Individuals who had not found a job at the end of seven weeks of job search were reassessed, and they could potentially continue in job search. Individuals who were already enrolled in an employment or education program prior to assignment to MFIP-R were allowed to continue in the activity if certain conditions were met; often their job counselor required them to combine part-time work with the education or training program. Recipients who left employment were supposed to reenroll in job search.

[8] An earlier report documented that the MFIP financial workers in the seven original MFIP counties were giving a stronger work message than their AFDC counterparts, and that the MFIP job counselors gave a stronger work message than their STRIDE counterparts (Miller et al., 1997).

[9] Note that Table 3.1 compares the responses of the full MFIP-R survey sample (all recipients, whether or not they were required to participate in program activities at the point of random assignment) with the responses of the subset of MFIP enrollees who had already been on welfare and were required to participate in employment activities from the point of random assignment. The MFIP-R recipients who were mandatory at random assignment show even higher levels of understanding about the program's rules, benefits, participation requirements, and financial and programmatic supports for work (analysis not shown).

Table 3.2

Participation in Employment and Training Activities Within 12 Months After Random Assignment, as Reported by Survey Respondents

Outcome (%)	MFIP-R Recipients	MFIP-R Mandatory	Urban MFIP Recipients
Participation in activities			
Attended an MFIP-R briefing[a]	81.8	83.3	---
Ever participated in any activity	61.0	66.3	58.9
Ever participated in a short-term employment-related activity	52.5	57.5	49.6
Job skills or career workshop	45.3	50.4	29.8
Job search	40.9	46.4	41.8
Both workshop and job search	33.6	39.3	22.0
Ever participated in an education or training activity	23.6	24.6	25.5
Basic education	6.0	6.3	10.6
Regular high school diploma	1.3	1.6	2.8
English as a Second Language	1.3	1.6	2.8
Post-secondary education[b]	12.0	11.9	9.9
Vocational training[c]	6.6	7.1	7.1
Work experience, unpaid	0.9	1.2	0.7
On-the-job training	1.3	1.6	0.7
Other	6.3	6.0	2.8
Sanction activity			
Ever sanctioned for noncompliance with employment and training requirements[d]	26.7	29.4	22.0
Sample size (total = 711)	318	252	141

SOURCE: MDRC calculations using data from the 12-month client surveys.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997. The MFIP-R mandatory sample members are the subset of MFIP-R survey respondents who had received welfare assistance for 12 of the 24 months preceding random assignment and were therefore required to participate in MFIP-R employment activities from the point of random assignment. The MFIP survey sample members were randomly assigned from April through December 1994 in Anoka, Dakota, and Hennepin Counties. These sample members had received welfare assistance for 24 of the 36 months preceding random assignment and were therefore required to participate in MFIP employment and training activities from the point of random assignment.

MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13). MFIP survey respondents were interviewed between 12 and 19 months after random assignment (on average, in month 13).

[a]These data are not available for the MFIP sample.

[b]Post-secondary education is defined as courses for college credit at a two-year or four-year college.

[c]Vocational training is training for a specific job, trade, or occupation that does not lead to college credit. It does not include on-the-job training or work experience.

[d]Sanctioned between date of random assignment and date of survey interview.

A. Participation Rates Within 12 Months of Program Entry

Table 3.2 presents data on participation in MFIP-R within 12 months of random assignment, as reported by the survey respondents. Data are reported separately for the entire survey sample (column 1) and for the subset of survey respondents who were subject to the participation mandate at the point of random assignment because they had received welfare for 12 of the prior 24 months (column 2). The data suggest that MFIP-R was successfully implemented as a work first program in which the primary activity was job search and job skills workshops. A substantial but smaller proportion of respondents reported participating in training or education; many of these individuals were already enrolled in such activities before being randomly assigned to MFIP-R. Nevertheless, a substantial group of respondents reported never participating in any activity other than the briefing.

The "ever participated" rates shown in Table 3.2 are at the high end for work first programs (Freedman, Mitchell, and Navarro, 1999; Hamilton et al., 1997). A total of 83 percent of recipients in the MFIP-R mandatory sample — that is, of the subsample who were subject to the participation mandate from the date of random assignment — participated in the mandated initial briefing within 12 months of random assignment, and 66 percent participated in some type of employment-related activity. Participation among the full MFIP-R survey sample, as would be expected, was somewhat lower (61 percent).

Some nonparticipation resulted from program-approved exemptions or deferrals from the participation mandates; other nonparticipation resulted from noncompliance and therefore was subject to the imposition of financial sanctions. MFIP-R recipients could be automatically exempted from any participation requirements (including attendance at the initial briefing) if they were pregnant, had a child under age 1, or were already working the required number of hours. Other exemptions — for health problems or other issues — were not granted until after the recipient attended a briefing and met with a job counselor.

Participation in the initial hour-long briefing — which was a valuable source of information about the MFIP-R rules, supports, and expectations — might have been higher if the sessions were scheduled to take place immediately after the individual's application or recertification, rather than being scheduled for a week or so later and requiring a separate trip to the welfare office.

Some fall-off in participation would be expected after this initial briefing, because it was at this stage that sample members could be granted deferrals or exemptions for reasons relating to illness, family crisis, and so on. They could also be exempted from participation because they were already meeting the work requirement (working 20 hours per week if they had a child under age 6, or 30 hours per week if their youngest child was age 6 or older).

As intended, participation was concentrated in short-term employment-related activities. As shown in column 2 of Table 3.2, nearly 58 percent of the MFIP-R mandatory sample participated in a short-term employment-related activity within 12 months of program entry: half the survey respondents participated in an employment-oriented workshop, and 46 percent participated in a job search component; 39 percent participated in both, as intended by the MFIP-R design. These percentages include participation in workshops or job search offered by outside organizations as well as those conducted by MFIP-R staff specifically for MFIP-R recipients. However, most of this participation was in activities developed and operated by MFIP-R staff for

MFIP-R recipients.[10] The focus of the MFIP-R job skills workshops was to dispense information about the local labor market, explore job or career options, and help enrollees identify their own occupational interests and skills; the content of the job search component is discussed below, in Section II.C.

A smaller proportion of the mandatory sample (25 percent) were enrolled in an education or a training activity — primarily post-secondary education (12 percent) — followed by basic education (6 percent), vocational training (7 percent), and "other" (6 percent). MFIP-R staff were not supposed to assign recipients to training, but under specified conditions they were allowed to approve education plans for programs in which recipients were already active. Baseline information about the sample indicates that 21 percent of the MFIP-R survey sample members were already enrolled in an education or a training activity when they came into the program. Presumably, most of the activity after random assignment was a continuation of what had begun before random assignment.[11] There was also some mixing of education and training activities with job search activities or part-time employment. Thus, only 9 percent of the survey respondents who were subject to the participation mandate when they were randomly assigned to MFIP-R reported participating in an education or a training activity but not in a job skills/career workshop or job search (not shown in the table).

As staff noted, some MFIP-R recipients got jobs on their own without attending the job skills workshop or the job search component. This point is supported by the fact that 76 percent of the survey sample reported being employed at some point during the 12 months of follow-up but that only about 40 percent reported participating in a job search component. The very low unemployment rate in the Minneapolis–St. Paul metropolitan area helped to make this possible. Knowing that they would have to participate in 20 to 30 hours of job search under the program rules may also have motivated some segment of the caseload to find jobs on their own.

Without more information about the patterns of participation and the use of sanctions, it is difficult to make judgments about how rigorously the participation mandates were enforced. Overall, 29 percent of recipients in the MFIP-R mandatory sample (27 percent of the full MFIP-R survey sample) reported having been sanctioned for noncompliance with the program's participation requirements. As discussed in the previous report (Auspos, 1997), staff were more concerned that participants in job search make a good-faith effort to look for a job than with monitoring the precise number of hours each week that they spent on job search.

B. MFIP-R Participation Compared with MFIP Participation

To understand better what these participation data suggest about the success that MFIP-R staff had in implementing a work first program, it is helpful to compare the data with participation levels in the MFIP program in the three urban Minnesota counties. As can be seen by comparing columns 2 and 3 of Table 3.2, the overall level of participation (discounting the

[10]Survey data not presented here show that only 6 percent of MFIP-R survey respondents said that they participated in a career workshop outside MFIP-R; an equal proportion reported participating in a job search component outside MFIP-R.

[11]It does appear, however, that there was some new entry into post-secondary education after random assignment to MFIP-R: 7.4 percent of the survey sample reported that they were in post-secondary education at they time they were randomly assigned, while 12 percent said they had been enrolled in post-secondary education in the first 12 months after random assignment.

initial briefing) among the part of the sample who were required to participate in an employment-related activity is higher for the MFIP-R mandatory sample than for their MFIP counterparts (66 percent compared with 59 percent). Most of this difference is accounted for by higher participation levels in the mandated short-term employment activities (58 percent for the MFIP-R group compared with 50 percent for the MFIP group). Compared with their MFIP counterparts, recipients in the MFIP-R mandatory sample were much more likely to enroll in a job skills/career workshop (50 percent compared with 30 percent) and somewhat more likely to participate in job search (46 percent compared with 42 percent). About one-quarter of both groups reported participating in an education or a training activity. On the whole, the participation patterns of the full MFIP-R survey sample (shown in column 1 of Table 3.2) are quite similar to the patterns of the urban MFIP group, except that their participation rate in a job skills/career workshop is much higher (45 percent compared with 30 percent).

These data suggest that conveying a strong work first message and imposing a mandate to participate in short-term employment-related activities did increase the overall participation levels in these components, although it did not affect enrollment levels in education activities among the ongoing recipient caseload.

Sanction rates are also somewhat higher for MFIP-R (29 percent compared with 22 percent). This might have occurred because the MFIP-R staff were more vigorous in enforcing the rules or because the rules were easier to monitor and enforce, or it might reflect some combination of these or other factors; the reasons for the difference cannot be ascertained from the available data. It is also possible that recipients who were sanctioned for some other reason, such as lack of cooperation with child support rules, might have misunderstood and reported that they were sanctioned for noncompliance with employment and training mandates.

C. Ongoing Participation in the MFIP-R Job Search Component

In trying to understand the way that the MFIP-R program was implemented and how it achieved its impacts, it is important to know not only what percentage of the recipients actually participated in job search but also how intensive their job search activities were, how long they stayed in job search, and whether they reentered job search if they lost a job.

MFIP-R participants with a child under age 6 were required to spend 20 hours per week searching for a job; if the youngest child was age 6 or older, 30 hours of job search were required. Recipients who were working less than this amount were supposed to supplement their work hours with job search hours. Participants in job search had to attend two or three group sessions per week, led by an MFIP-R job counselor (depending on the number of hours they had to participate per week); the remainder of the time they were supposed to be looking for jobs on their own.

As detailed in the previous report (Auspos, 1997), both the required job skills workshop, which preceded the supervised job search component, and the group sessions held during the job search component gave participants substantive information about job search techniques, the "world of work," and a range of occupational options. They also offered career exploration activities; assistance in writing résumés, filling out job applications, and conducting interviews; and discussions about dealing with problems and pressures associated with moving into employment. The emphasis was on motivating participants to pursue the financial and other advantages of work, and on providing supports which would enhance their ability to get and keep a job. Although job development was not a formal part of the MFIP-R program, several job

counselors used their personal contacts to identify job possibilities for participants.

The group meetings operated as a support group for people in job search rather than as sessions in which participants were actively engaged in contacting employers. Job counselors used the sessions — which lasted for an hour to an hour and a half — to guide and monitor the participants' job search, provide motivation and support, share job leads, provide information about particular jobs, and work on job-searching and job-keeping skills. MFIP-R job search participants also had access to a resource room in the welfare office where they could use telephones, computers, fax machines, newspapers, and computerized job listings and could get assistance with résumé writing and other needs. Participants were not required to use the resource room.

The previous report on the MFIP-R implementation discussed the staff's concerns about maintaining motivation among participants who did not find a job quickly and about monitoring ongoing participation in the job search component. It suggested that, despite the requirement that participants spend 20 or 30 hours per week on their job search, counselors seemed more concerned about the general level of effort that participants put into a job search or the frequency with which they attended the group meetings than about monitoring the actual number of hours they devoted to their job search each week.

Self-reported information from the survey (shown in Table 3.3) regarding overall rates of participation, the number of hours spent per week looking for work, and the number of weeks spent in the job search component all suggest that MFIP-R participants engaged in considerable amounts of job search activity, although less than called for by the program. This information is based on participants' recall; there is no way to verify the accuracy of their responses.

As staff had indicated, most of those who participated in MFIP-R job search did not stay in the component for very long: 59 percent of those who participated at all participated for four weeks or less, and 36 percent participated for only one or two weeks (see Table 3.3). This is consistent with the program design, which emphasized the importance of moving quickly into employment. Despite staff concerns about maintaining motivation in those who did not find a job quickly, the program was successful in keeping some participants active in job search beyond the initial seven or eight weeks: 18 percent of the respondents said they participated for nine weeks or more, and 12 percent said they were still active after 12 weeks. The overwhelming majority of participants (77 percent) said they left job search because they found a job, suggesting that dropout rates were low.

Participants in MFIP-R job search indicated that although they spent somewhat less than the requisite amount of time per week looking for work, they spent a substantial amount of time on it — 15.5 hours per week, on average, in addition to the hours spent in group job search meetings. (Participation in these sessions would have added between 2 and 4.5 hours of job search per week, depending on how many days of attendance were required and on whether the job counselors scheduled 1 hour or 1.5 hours per day.) While a bit more than one-quarter of the sample said they spent fewer than 10 hours per week looking for a job outside the group sessions, almost half the participant respondents said they spent 20 or more hours per week in a job search outside the group meetings.

Table 3.3

Patterns of Participation in MFIP-R Job Search Within 12 Months after Random Assignment, as Reported by Survey Respondents Who Participated in an MFIP-R Job Search

Outcome	MFIP-R Recipients
Number of separate job search spells begun (%)	
1	90.2
2	8.9
3	0.9
Number of weeks participated in first spell (%)	
1-2 weeks	36.0
3-4 weeks	23.4
5-8 weeks	22.5
9-12 weeks	6.3
13 weeks or more	11.7
Average number of weeks participated	6.5
Average number of hours per week job search participants looked for work outside of MFIP-R group meetings (%)	
Less than 10 hours per week	27.7
10-19 hours per week	26.8
20-29 hours per week	33.9
30 hours or more	11.6
Number of hours per week spent looking for work outside of MFIP-R group meetings	15.5
Percentage of participants who left first job search activity because they found a job (%)	76.8
Percentage of ever-employed respondents who left a job and started another MFIP-R job search to find another job[a] (%)	7.1
Sample size	112

SOURCE: MDRC calculations using data from the 12-month client survey.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997.

MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13).

[a]This percentage is based on the 98 respondents who reported participating in an MFIP-R job search and subsequently leaving a job.

The survey responses suggest that there was very limited "repeat" use of job search among MFIP-R recipients who lost jobs during the initial 12-month follow-up period; only 10 percent of those who participated in job search indicated that they had enrolled in more than one spell of job search.

III. Employment Patterns, Job Retention, and Characteristics of Jobs Held

This section presents MFIP-R survey data on employment levels, job retention, job turnover, and job progression among MFIP-R recipients during the first year of follow-up. Because there are no comparative data about how members of the control group fared, the outcomes described here should not be confused with the impacts of the program (described in Chapter 4) or taken as an indication that MFIP-R was successful in accomplishing its objectives.

As a work first program, a primary goal of MFIP-R was quick job entry for a large proportion of the caseload. At the same time, staff wanted to ensure that recipients remained employed and were able to obtain "good" jobs; staff worried that the strong work first message in MFIP-R might undercut these goals. Staff were concerned, for example, that the quick employment focus in MFIP-R might push individuals to take jobs that were inappropriate for them or that paid low wages, causing problems with job retention. Another concern was that recipients would get "stuck" in low-paying, low-skilled jobs.

MFIP-R incorporated several features to deal with these potential problems. Program rules allowed recipients to search for a "target" job — defined as a job that they really wanted and that would help them progress toward a long-term occupational goal — rather than requiring them to take "any" job that was offered during the initial seven weeks of job search. (As shown in Table 3.1, two-thirds of the respondents said they were encouraged to identify a target job, but only 20 percent of those respondents indicated that staff would have encouraged them to hold out for the target job.)

As noted, the MFIP-R program was designed to bolster job retention by providing financial incentives for working and by paying child care providers directly. Staff also addressed retention issues in the job search workshops and group job search meetings, and they encouraged recipients to contact them if problems arose after taking a job. To facilitate reemployment, program rules required recipients who left a job to notify their job counselor within 10 days and to begin another job search.

To mitigate against the concern that recipients would get "stuck" in low-paying, low-skilled jobs, the MFIP-R program incorporated what it termed the "stepping-stone philosophy," an approach developed by Project Match in Chicago (Herr and Halpern, 1991). Staff encouraged recipients to think about employment as a progression of jobs or a series of steps that built on each other and would, over time, move them from an entry-level job to a "good" job that offered higher pay, better hours, and more benefits and that utilized higher skill levels.

Tables 3.4 through 3.6 present information about the employment patterns of the MFIP-R survey sample and the characteristics of the jobs they held during the first year of follow-up. As noted, the survey was fielded only to members of the MFIP-R group; comparable information for members of the AFDC group is not available. These outcomes should not be confused with program impacts.

A. Post–Random Assignment Employment

The top panel of Table 3.4 presents data on the employment patterns of the MFIP-R survey sample over the first 12 months of follow-up, as well as their employment status at the end of the 12-month follow-up period. Just over three-quarters of the survey respondents reported that they had been employed at some point during the first 12 months after starting to receive MFIP-R benefits. (This includes individuals who continued working in a job held prior to random assignment.) Half the respondents were working at the end of the 12-month follow-up period, and almost 40 percent had looked for work during the last four weeks of the follow-up period. A small percentage were working in more than one job at the end of the follow-up period.

As shown in the second panel of Table 3.4, respondents who were employed at some point during the 12 months of follow-up worked an average of 7.8 months and held an average of 1.9 jobs. Among these "ever-employed" MFIP-R recipients, there was a fair amount of job turnover: one-third held two sequential jobs in the first year after random assignment, and almost one-quarter held three or more sequential jobs. The great majority (82 percent) of the respondents who had worked at all during the follow-up period reported that they continued to receive MFIP-R benefits at some point while they were employed. (Chapter 4 provides more information about employment and receipt of MFIP-R benefits over the follow-up period.)

B. Characteristics of Jobs Held

Additional information is available about the type of jobs that employed respondents held at the end of the 12-month follow-up period. As shown in the third panel of Table 3.4, the 161 survey sample members who were employed at the end of the 12-month follow-up period were working an average of 33 hours per week; just over 70 percent of them were working 30 or more hours per week.

Average hourly earnings, at $8.20, were relatively high. Over half the MFIP-R survey sample who reported working at the end of the follow-up period said they were earning $8 or more, 20 percent were earning $10 or more, and only 15 percent of this subsample earned less than $6 per hour. Only about half the jobs provided some type of benefit, however: 57 percent offered some paid time for vacation, 52 percent provided health benefits, 44 percent offered dental benefits, and 34 percent offered reimbursement for training or tuition. Two-thirds of the respondents who were working in jobs that offered health benefits said that they had accepted benefits.

Data shown in the first column of Table 3.5 provide additional information about the employment patterns among the 210 MFIP-R survey respondents who obtained a job after random assignment. The average amount of time between random assignment and placement in an initial job among this group of recipients was 4.9 months — considerably longer than the period of time that participants reported spending in the job search component. This may be explained in part by the fact that, among participants in the mandated sequence of activities, some of this time would have been spent in the MFIP-R components that preceded job search, or in waiting for them to begin. Other recipients who got jobs may have spent time in an education or a training program before starting to look for a job. Still others who were included in the analysis for Table 3.5 never participated in job search at all, either because they were not mandated to participate or because they failed to do so when mandated.

Table 3.4

Employment Patterns and Status Within 12 Months After Random Assignment as Reported by MFIP-R Survey Respondents

Characteristics	MFIP-R Recipients
Employment patterns since random assignment among all respondents	
Ever employed in post-random assignment job (%)	76.4
Employed at the end of 12-month period	50.6
Employed in more than one job at the end of month 12	5.7
Looked for work within the previous 4 weeks	
Full-time work	30.5
Part-time work	8.8
Either or both	6.3
Sample size	318
Employment patterns among respondents ever employed during the 12-month follow-up period	
Ever received MFIP-R benefits while employed(%)	81.9
Average total number of months employed during the 12-month follow-up period (mean)	7.8
Average number of jobs held (mean)	1.9
Number of jobs held by employed respondents during the 12-month follow-up period(%)	
1	44.0
2	32.9
3	14.4
4	6.2
5	2.5
Sample size	243
Characteristics of all primary jobs held at end of 12-month follow-upa	
Average hours worked per week by employed respondents (%)	
1-19	8.8
20-29	20.0
30 or more	71.3
Total average hours worked per week	33.0

(continued)

Table 3.4 (continued)

Outcome (%)	MFIP-R Recipients
Average hourly earnings ($)	8.20
Distribution of earnings per hour (%)	
Less than $5.15	9.2
$5.15-$5.99	5.9
$6.00-$6.99	10.5
$7.00-$7.99	17.6
$8.00-$9.99	37.3
$10.00 or more	19.6
Total average earnings per week ($)	272
Types of benefits provided (%)	
Dental	44.1
Paid vacation	57.1
Training and tuition reimbursement	33.5
Health	52.2
Of the respondents whose employers provide health insurance, percentage who accepted the health benefits	66.7
Sample size	161

SOURCE: MDRC calculations using data from the 12-month client surveys.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997.

MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13).

[a]These percentages are based on the responses of the 161 respondents who were employed at the end of the 12-month follow-up, including those with jobs that started prior to random assignment. A primary job is defined as the current job in which the respondent works the most hours (or has held the longest if the respondent works the same number of hours at more than one job). Fewer than 5 percent of these 161 respondents were missing data for any individual question reported here.

Table 3.5

Characteristics of Jobs Held Within 12 Months After Random Assignment, as Reported by MFIP-R Survey Respondents

Outcome	Characteristics of all First Jobs Started After Random Assignment	Characteristics of the Initial Job of the Respondents Who Started Two Jobs After Random Assignment	Characteristics of the Second Job of the Respondents Who Started Two Jobs After Random Assignment
Average number of months between random assignment into MFIP-R program and employment at first job	4.9	4.1	---
Average number of months employed at first job	5.2	4.0	---
Average number of months between first and second job	---	---	1.8
Average number of months employed at second job	---	---	3.5
Average number of hours worked per week	32.6	33.6	32.6
Average hourly earnings ($)	6.99	6.86	7.53
Distribution of earnings per hour (%)			
Less than $5.15	15.7	13.4	11.2
$5.15-$5.99	12.7	16.5	5.1
$6.00-$6.99	19.6	23.7	28.6
$7.00-$7.99	22.1	22.7	15.3
$8.00-$9.99	21.1	16.5	28.6
$10.00 or more	8.8	7.2	11.2
Average weekly earnings ($)	229	231	250
Left their initial job and found a second job (%)	54.9	---	---
Sample size	210	98	98

SOURCE: MDRC calculations using data from the 12-month client survey.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997.
MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13).

As shown in the first column of Table 3.5, the respondents who entered employment after random assignment spent an average of 5.2 months in their initial job; worked almost 33 hours per week, on average; and earned $7 an hour, or $229 per week, on average. Only slightly more than half the employed sample left their initial job and found a second job during the 12-month follow-up period. Leaving a job was also likely to result in a period of not working: as seen in column 3 of Table 3.5, employed recipients who held two sequential jobs in the follow-up period spent almost two months, on average, between leaving their first job and starting their next job. This suggests that the typical sample member did not leave a job with another one already secured. These findings are consistent with Rangarajan, Schochet, and Chu's analysis (1998), which shows that job loss frequently occurs four to six months after a job begins and that many welfare recipients who leave a job will find another, but only after an interval of not working.

Information presented in Tables 3.4 and 3.5 shows that MFIP-R recipients who were employed were working, on average, about 32 or 33 hours per week. The majority of those who were looking for work in the final four weeks of follow-up said they were looking for full-time work (Table 3.4, top panel). This is in keeping with the program design, which expected MFIP-R recipients with children age 6 or older to work at least 30 hours per week and to supplement their work hours with additional job search hours if they were working less than this amount. (MFIP-R's emphasis on 30 hours of work may have been further reinforced, at the time the survey was fielded, by the fact that MFIP-S was being phased in and was encouraging the caseload to work at least 30 hours per week.)

C. Job Progression

A comparison of the characteristics of the first and second jobs held by the 98 MFIP-R survey respondents who had at least two (sequential) post–random assignment jobs during the 12-month follow-up period suggests that, on average, sample members may have been moving up into slightly better jobs over the course of the year. As shown in the second and third columns of Table 3.5, sample members with at least two jobs had higher average hourly earnings in the second job than in the first ($7.53 compared with $6.86). As a result, although they were working, on average, an hour less per week (32.6 hours versus 33.6), they were earning almost $20 more per week, on average ($250 compared with $231).

As shown in columns 1 and 2 of Table 3.5, compared with all recipients who got a first job after random assignment, the group who held two or more jobs in sequence during the follow-up period found their initial jobs more quickly (within 4.1 months, on average, compared with 4.9 months) and left them more quickly (after 4 months, on average, compared with 5.2 months). Interestingly, however, when compared with all employed recipients, the group who moved on were paid a slightly lower hourly wage and worked an extra hour per week, on average, in their initial job. That some were able to move on to "better" jobs gives some credence to the stepping-stone approach. The healthy state of the local economy undoubtedly contributed to this. (Of course, as previously noted, many MFIP-R recipients left a job but did not find another job during the 12-month follow-up period.)

The information presented here is primarily a description of MFIP-R recipients' experiences and does not constitute an analysis that definitively supports or refutes the stepping-stone strategy. To draw that conclusion would require a more rigorous comparison of the work first/stepping-stone strategy and some other competing advancement strategy. (Some recent

studies that analyze welfare recipients' labor market experiences over time reach somewhat different conclusions about the potential for a series of job changes to produce higher earnings for this population. See Rangarajan, Schochet, and Chu, 1998; Cancian and Meyer, 1998; and Cancian et al., 1999.)

D. Barriers to Employment and Use of Post-Placement Assistance

Table 3.6 presents some data on self-reported barriers to employment among the survey sample and information on the reasons why they contacted job counselors for help on the job. It shows that the difficulties that MFIP-R survey members most commonly reported experiencing in finding employment or retaining a job related to, in order of frequency, child care, transportation, and health (their own or that of a family member). These are typical of the problems reported by single-mother welfare recipients in other studies (Rangarajan, 1996; Olson, Berg, and Conrad, 1990). Problems experienced on the job are also frequently cited as reasons for leaving employment (Rangarajan, Schochet, and Chu, 1998; Olson, Berg, and Conrad, 1990).

Information shown in Table 3.6 suggests that the MFIP-R job counselors had some success in getting the employed recipients to contact them for help. Almost two-thirds of the 243 ever-employed respondents reported that they had contacted their MFIP-R counselor for help with some problem while they were working; almost half asked for help with a child care problem; about a third asked for help with transportation; much smaller percentages asked for help with benefits, a personal issue, or a job-related problem. The small proportions who contacted their counselors for help with finding a better job (15 percent) or getting education or training (14 percent) suggest that some MFIP-R recipients may have had a conscious — albeit limited — interest in implementing the stepping-stone philosophy.

It appears that MFIP-R was not greatly successful in motivating recipients who lost a job to reenroll in job search, despite the intent to do so. As already shown in Table 3.3, only 10 percent of the survey respondents who said they participated in job search reported participating in more than one spell of job search, and other data (not shown) suggest that only a handful of those who lost a job participated in a job search to get another job.

Table 3.6

Barriers to Employment and Post-Placement Assistance Utilized, as Reported by MFIP-R Survey Respondents

Characteristic (%)	MFIP-R Recipients
Respondents experienced difficulty in finding or keeping a job due to	
Child care	36.5
Finding adequate housing	18.2
Transportation	33.6
Respondent's health	23.9
Health of respondent's child or other family members	24.5
Someone not wanting the respondent to work	11.9
Family or friends with problems	8.8
Drugs or alcohol	3.1
Death of spouse or other close family member	7.2
Sample size	318
Employed respondents contacted MFIP-R job counselors for help with	
Finding a better job	15.3
Resolving problems on the job	7.6
MFIP-R transitional benefits	11.4
Getting education and training	14.0
Transportation	32.2
Child care	47.0
Personal issue	9.7
Anything else	4.7
Contacted for any reason	63.1
Sample size	243

SOURCE: MDRC calculations using data from the 12-month client survey.

NOTES: The MFIP-R survey sample members were randomly assigned from February through June of 1997.

MFIP-R survey respondents were interviewed between 11 and 17 months after random assignment (on average, in month 13).

Chapter 4

The Effect of MFIP-R on Employment, Earnings, and Welfare Receipt

Findings from the survey suggest that MFIP-R was well implemented in Ramsey County. Sample members who were assigned to the program appear to have received a strong work first message, and a large proportion of them participated in job search and/or obtained full-time jobs. Nearly 75 percent of recipients, for example, reported being employed during the year after program entry.

The ultimate effects of MFIP-R's combination of financial incentives and work first focus, however, cannot be determined from the survey data, because they cover only recipients in the program. It is possible, for example, that the employment patterns observed in Chapter 3 would have occurred in the absence of MFIP-R. Determining the program's effects requires a comparison of the experiences of MFIP-R recipients with those of a comparable group of recipients who were not in MFIP-R, or a control (AFDC) group. This part of the report uses this method, along with data from state administrative records, to estimate the impacts of MFIP-R on employment, earnings, and welfare receipt. As described Section I, however, the results must be viewed with some caution, given the way in which the treatment and control groups were identified in Ramsey County.

MFIP-R was designed to provide a very different approach to employment than the STRIDE system, which was in effect for AFDC recipients before and during the demonstration period. Single-parent MFIP-R recipients were required to participate in job workshops and job search after they had been on welfare for 12 months. In contrast, STRIDE was offered on a voluntary basis to certain groups of recipients, such as those who had been on welfare for at least three years. Traditionally, most of the STRIDE caseload enrolled in long-term education or training programs.

When considering the treatment difference between MFIP-R and AFDC, however, two aspects of the changing policy environment during this time should be kept in mind. First, STRIDE staff were making some changes in their program after January 1997, in preparation for the transition from AFDC/STRIDE to the new, statewide welfare reform program, known as MFIP-S, which was scheduled for January 1998. (Recipients randomly assigned to MFIP-R were not moved into MFIP-S until July 1998, and those in the control group were moved into MFIP-S in January 1998, along with the rest of the state caseload.) State staff indicate that, in anticipation of these changes, the Ramsey County STRIDE program became more focused on employment and shorter-term education or training programs. This development suggests that the treatment difference between MFIP-R and STRIDE services may have been reduced somewhat during the demonstration period. However, during 1997, STRIDE services were also significantly curtailed — after March of that year, STRIDE stopped accepting new enrollees, although those who were already enrolled were allowed to continue their activities. Second, as mentioned earlier, time limits on benefit receipt and an expanded earnings disregard were introduced statewide in July 1997. The AFDC group in Ramsey County became subject to these changes at that time. The MFIP-R group was exempt from the limits until July 1998.

These changes in the environment may have affected recipients' decisions about employment and welfare receipt, leading the evaluation to incorrectly attribute these changes to the effects of MFIP-R. Many MFIP-R families, for example, might have believed that time limits applied to them, and they were informed that they would be subject to a time limit beginning July 1998. In addition, members of the AFDC group, given time limits and expanded earnings disregards in July 1997, might have felt a greater urgency about employment. The latter effect suggests that the impact analysis might underestimate the effects of MFIP-R relative to AFDC.

I. Data and Methods

As noted earlier, the results presented in this section should be interpreted with some caution, because the process of random assignment used in Ramsey County was not as rigorous as the process typically used in most program evaluations. Between July 1996 and June 1997, about 13 percent of the caseload in Ramsey County (about 1,100 cases) were assigned to the MFIP-R program, while the remainder continued to be subject to the rules of AFDC.[12] For ongoing recipients, for example, staff took the list of cases scheduled to appear for recertification interviews in the coming month and randomly chose some of them to be MFIP-R cases. Staff did not create a comparable list of control group cases, or those *not* assigned to MFIP-R. The final evaluation sample was defined after June 1997 as including all ongoing recipients who were scheduled to attend recertification interviews between July 1996 and June 1997. All those who had not been assigned to be MFIP-R recipients were considered members of the control (AFDC) group.

Random assignment is a powerful tool for estimating program impacts. When individuals are assigned at random to either a program or a control group, on average there should be no systematic differences between the two groups when they enter an evaluation. The effects of the program can then be estimated by comparing average post-program outcomes for the two groups. When the two groups are not comparable, however, the validity of the estimated impacts is called into question.

The process used to assign recipients into the groups in Ramsey County suggests that the two groups (MFIP-R and AFDC) may not be comparable for two reasons. The first reason relates to recipients who did not appear for their recertification interview. Recipients were chosen to be in MFIP-R before their interview, and although those who did not show up were supposed to have been designated as MFIP-R cases, in practice this may not have happened for all of them. In fact, a separate analysis of the welfare receipt data (not shown) suggests that many of these "no-shows" were mistakenly left as AFDC cases. In other words, although their cases were closed, they were closed as AFDC cases. Thus, the AFDC group may contain a disproportionate share of no-shows, reducing the comparability between the MFIP-R and AFDC groups. Staff suggest, however, that only about 5 percent of recipients did not attend their recertification interview.

The second issue relates to the method by which the AFDC (control) group members were identified. It is preferable to identify the control group during the intake period, rather than after the fact using historical records, because the latter method might miss some control group members and reduce the comparability between the two research groups.

[12]The percentage assigned to MFIP-R was somewhat higher for two-parent families in order to achieve adequate sample sizes.

Several steps were taken to address these issues,[13] and a comparison of pre-program earnings and welfare receipt showed few statistically significant differences between the MFIP-R and AFDC groups, suggesting that they are in fact quite comparable. In addition, to control for any differences between the groups, all impacts were regression-adjusted using data on employment, earnings, and welfare receipt in the year prior to random assignment. Nonetheless, the impacts presented below should be interpreted with these issues in mind.

The first step in estimating program impacts is to track families after they enter the program in order to obtain data on their employment and welfare receipt. As mentioned in Chapter 2, in this case data on employment and earnings were obtained from Minnesota's Unemployment Insurance (UI) records database, and data on welfare receipt were obtained from Minnesota's benefit issuance records. Because MFIP-R was designed to replace AFDC, Family General Assistance, and Food Stamps, in the subsequent analyses welfare is defined as the sum of payments from these sources and payments from MFIP-R.

Members of each group are followed until the evaluation ends — or, in this case, until the implementation of MFIP-S (the statewide version of MFIP) in January 1998. For the full evaluation sample (sample members who were randomly assigned from July 1996 through June 1998), the amount of common follow-up available is only six months. In order to present longer-term impacts, this report presents results for members randomly assigned before January 1997 (half the research sample), for whom one year of follow-up is available. Results for the full sample are presented in Appendix B. In addition, because the AFDC group was identified as all cases scheduled to come in for recertification interviews, applicants assigned to the AFDC group were not identified. For this reason, impacts can be estimated only for ongoing recipients.

Finally, all impacts, or differences between the groups, are tested for statistical significance, and only those differences that are significant at the 10 percent level are considered program impacts. If an impact is statistically significant, then it can be thought of as a true program effect rather than a difference that arises between the groups because of sampling variability.

II. Impacts for Single-Parent Families

Table 4.1 presents the effects of MFIP-R for the early cohort of 3,064 single-parent recipients. (Six-month impacts for the full sample are similar to those shown here and are reported in Appendix B.) Nearly all recipients (94 percent) had received welfare at least 12 months prior to program entry and were immediately required to participate in employment-related services. Most of those who were not immediately required to participate would have been required to do so after one or two additional months of welfare receipt. Thus, the impacts presented here show both the effects of MFIP-R's financial incentives and the immediate effect of mandatory job search. The first column presents average outcomes for the MFIP-R group; the second column presents average outcomes for the AFDC group; and the third column presents the difference in outcomes, or the program impact. Because quarter 1 is the quarter in which the individual

[13]To address the issue of no-shows, the analysis was restricted to all cases who were still receiving benefits in the month after random assignment. This method, although conservative, eliminates no-shows from both groups. To address the second concern, the analysis includes only those MFIP-R cases who were identified both by county staff during the intake period and by the retrospective method used to identify the AFDC group.

Table 4.1

Impacts on Employment, Earnings, Welfare Receipt, and Income for Single-Parent Recipients in the Early Cohort

Outcome	MFIP-R	AFDC	Impact (Difference)		Percentage Change
Employment and earnings					
Ever employed (%)					
Quarters 2-5	67.0	54.3	12.8	***	23.5
Quarter 1	33.3	29.2	4.1	**	14.2
Quarter 2	46.5	30.0	16.5	***	55.0
Quarter 3	49.1	32.5	16.6	***	51.1
Quarter 4	46.7	37.7	9.0	***	23.9
Quarter 5	52.3	41.1	11.1	***	27.1
Average earnings ($)					
Quarters 2-5	3,549	2,609	940	***	36.0
Quarter 1	329	337	-8		-2.4
Quarter 2	669	459	210	***	45.8
Quarter 3	849	546	303	***	55.6
Quarter 4	968	696	272	***	39.1
Quarter 5	1,063	909	154	*	17.0
Quarters employed (%)					
None	33.0	45.8	-12.8	***	-27.9
1-3	35.1	36.3	-1.2		-3.2
4	31.9	18.0	13.9	***	77.6
Welfare receipt					
Ever receive welfare (%)					
Quarters 2-5	100.0	98.7	1.2	**	1.2
Quarter 1	100.0	100.0	0.0		0.0
Quarter 2	100.0	98.6	1.4	**	1.4
Quarter 3	96.9	95.1	1.8		1.9
Quarter 4	94.1	91.1	3.0	*	3.2
Quarter 5	87.7	85.3	2.4		2.8
Welfare payments ($)					
Quarters 2-5	7,707	7,255	453	***	6.2
Quarter 1	2,174	2,101	73	***	3.5
Quarter 2	2,218	1,998	220	***	11.0
Quarter 3	1,974	1,891	83	**	4.4
Quarter 4	1,844	1,775	69		3.9
Quarter 5	1,671	1,590	81	*	5.1

(continued)

Table 4.1 (continued)

Outcome	MFIP-R	AFDC	Impact (Difference)	Percentage Change
Income from earnings and welfare				
Average income ($)				
Quarters 2-5	11,257	9,864	1,393 ***	14.1
Quarter 1	2,503	2,438	65 **	2.7
Quarter 2	2,887	2,457	430 ***	17.5
Quarter 3	2,823	2,437	386 ***	15.8
Quarter 4	2,812	2,471	341 ***	13.8
Quarter 5	2,735	2,499	236 ***	9.4
Sample size (total = 3,064)	373	2,691		

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to December 31, 1996.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

was randomly assigned, quarters 2 through 5 represent the follow-up year.

The numbers for the control group illustrate the typical employment patterns that would have occurred among recipients in the absence of MFIP-R. In quarter 1 (the quarter of random assignment), 29.2 percent of AFDC group members were employed, and this proportion increases gradually to 41.1 percent by quarter 5. The data for earnings show that, on average, AFDC group members earned $909 in quarter 5.[14] Note, however, that employment rates for the AFDC group might have been affected as well by the imposition of time limits and the expanded earnings disregard in July 1997.

Comparing outcomes for the two groups shows that MFIP-R substantially increased employment throughout the follow-up period, especially in the early quarters. In quarter 2, for example, 46.5 percent of the MFIP-R group worked, compared with 30 percent of the AFDC group, for a statistically significant difference of 16.5 percentage points. Employment rates remain consistently higher for the MFIP-R group, although the impacts become smaller by the end of follow-up, as employment rates for the AFDC group increase. The earnings impacts follow a similar pattern.[15]

The employment results — especially the large impacts in the early quarters — indicate that MFIP-R moved recipients into jobs relatively quickly, consistent with its work first focus. As noted earlier, there was concern among staff that quick employment might lead to quick job loss, or substantial job turnover. During MDRC field visits to the county, staff reiterated their impression that some recipients were having difficulty keeping jobs. The next few rows of Table 4.1 attempt to address this issue by presenting data on the number of quarters in which recipients were employed. Note that this measure does not capture job retention, because the UI data indicate only whether the individual was employed at some point during the quarter. The program decreased the percentage of recipients who were never employed during the year, from 45.8 percent for the AFDC group to 33 percent for the MFIP-R group. The pattern of impacts suggests that most of this increase in employment is due to an increase in the proportion of recipients employed during all four quarters of the follow-up period (31.9 percent for the MFIP-R group compared with 18 percent for the control group). Although many MFIP-R recipients who got jobs may have subsequently changed jobs and experienced intermittent spells of unemployment (Table 3.4 shows that 56 percent of MFIP-R recipients who worked during the year held more than one job), these figures indicate that those sample members who went to work in response to MFIP-R typically stayed employed throughout the year.[16]

The second panel of Table 4.1 presents impacts on welfare receipt. The numbers for the AFDC group show a gradual decrease in welfare receipt, from 100 percent in quarter 1 to 85.3 percent in quarter 5, illustrating the typical caseload attrition that would have occurred among recipients in the absence of MFIP-R. Comparing the two columns shows that MFIP-R increased welfare receipt, although not all the impacts are statistically significant. In quarter 5, for example,

[14]Average earnings was calculated across all group members and includes zeros for those who did not work.

[15]Employment rates according to the UI data are generally consistent with employment reported on the survey (shown in Table 3.4). For example, 50.6 percent of the MFIP-R sample reported being employed at the 12-month survey, while 52.3 percent of the MFIP-R group were employed, according to the UI data, at some point during quarter 5.

[16]The survey data suggest that changing jobs is not necessarily a negative outcome; among recipients who held more than one job during the period, hourly wages were higher on average in the second job (see Table 3.5).

87.7 percent of the MFIP-R group received welfare, for a difference of 2.4 percentage points, which is not statistically significant. Average welfare payments are also higher for MFIP-R recipients in all follow-up quarters. The increase in welfare payments is expected in the short run, since MFIP-R is designed to let recipients who work keep more of their benefits.

Finally, the bottom panel of Table 4.1 presents MFIP-R's impacts on income. Note that in this table income is defined as including recipients' earnings plus welfare; it does not include other sources of income that may have been available to the family. Because MFIP-R increased recipients' earnings and welfare payments, it also significantly increased their income. In the first year of follow-up (quarters 2 through 5) income was $11,257 for the MFIP-R group and $9,864 for the AFDC group, which is a statistically significant increase of $1,393.

III. Impacts for Subgroups

Welfare-to-work programs typically have different effects on different types of individuals, and it is easy to imagine that a program like MFIP-R, with its focus on quick employment, might work differently for recipients who are more versus less job-ready. This section addresses this issue by presenting impacts separately for groups of recipients. Because demographic data are not available for the AFDC group in the Ramsey sample, employment prior to random assignment, as measured by UI records data, is used as a proxy for job-readiness.

Table 4.2 presents MFIP-R's effects for recipients who were employed at some point in the year prior to program entry and for those who were not. Comparing the employment rates for the two AFDC groups shows that prior employment is a good predictor of subsequent employment. Among those previously employed, 79.5 percent were employed during the follow-up year, compared with 35.8 percent of those not employed before random assignment.

The results show that MFIP-R had much larger effects on the employment outcomes of those who were not employed in the prior year. In the year after random assignment, 55.1 percent of the MFIP-R group worked, for an impact of 19.4 percentage points. In contrast, the impact on employment for the previously employed group is 4.8 percentage points and not statistically significant. The impacts on average earnings follow a similar pattern. Impacts on employment for the job-ready group are smaller, most likely because so many in the control group worked already, making further increases hard to achieve.

MFIP-R did have one effect on the more job-ready group: it increased the percentage who were employed in all four quarters of follow-up; 45.1 percent of the MFIP-R group were employed in all four quarters, compared with 32.6 percent of the control group. The pattern of effects on quarterly employment rates (not shown) suggests that this impact arises because MFIP-R encouraged recipients to take jobs earlier than they would have otherwise; for this job-ready group, MFIP-R produced positive impacts on employment in quarters 2 and 3 but not in quarters 4 and 5.

MFIP-R also increased the percentage of the less job-ready group who were employed in all four quarters (from 7.1 percent to 23 percent). This impact is encouraging in that many of those who got jobs managed to stay employed during the year. On the other hand, a high percentage (44.9 percent) of the less job-ready recipients in the MFIP-R group were not employed at all

Table 4.2

Impacts on Employment, Earnings, Welfare Receipt, and Income, by Employment Status in the Year Prior to Random Assignment, for the Early Cohort

Outcome	Employed in the Prior Year MFIP-R	AFDC	Impact (Difference)	Not Employed in the Prior Year MFIP-R	AFDC	Impact (Difference)
Employment						
Employed in quarters 2-5 (%)	84.2	79.5	4.8	55.1	35.8	19.4 ***
Quarters employed (%)						
None	15.8	20.5	-4.8	44.9	64.3	-19.4 ***
1-3	39.2	46.9	-7.7 *	32.2	28.6	3.6
4	45.1	32.6	12.5 ***	23.0	7.1	15.8 ***
Earnings						
Average earnings in quarters 2-5 ($)	4,706	4,109	598	2,730	1,511	1,219 ***
Welfare receipt						
Ever receive welfare in quarters 2-5 (%)	100.3	97.6	2.8 **	99.6	99.6	0.0
Average welfare payments in quarters 2-5 ($)	7,588	6,801	786 ***	7,876	7,574	302 *
Income						
Average income from welfare and earnings in quarters 2-5 ($)	12,294	10,910	1,384 ***	10,607	9,085	1,521 ***
Sample size (total = 3,064)	160	1,134		213	1,557	

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to December 31, 1996.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

during the year, suggesting that program designers still face the challenge of addressing the employment barriers of a significant portion of the caseload.

MFIP-R produced larger increases in welfare receipt among the job-ready group. The increase in total welfare during the year, for example, was $786 for the previously employed group, compared with $302 for the group not previously employed. The larger impacts on welfare receipt for this group probably reflect the fact that more recipients in the job-ready AFDC group would have left welfare in the absence of the program; average receipts, for example, were $6,801 for the job-ready control group, compared with $7,496 for the less job-ready control group. As a result of the larger increase in welfare receipt for the job-ready group, MFIP-R's impacts on income from earnings and welfare are fairly similar for both groups — $1,384 for the job-ready group versus $1,521 for the less job-ready group.

IV. Comparing MFIP-R and MFIP

MFIP-R was designed to be a work first version of the MFIP program originally implemented in the seven evaluation counties. One way to assess the merits of focusing more strongly on quick employment is to compare the impacts of the two programs. Table 4.3 reproduces the MFIP-R results and also presents the effects of MFIP for the sample of urban recipients who would have been required to participate in employment services at random assignment — those who had received welfare for two of the previous three years.[17]

One effect of MFIP-R's stronger focus on immediate employment might be to reduce the program's increase in welfare receipt; yet impacts on welfare receipt, although somewhat smaller under MFIP-R, are generally similar across the two programs. Both MFIP-R and MFIP increased welfare receipt by 2 to 3 percentage points toward the end of the follow-up period, and both programs increased average payments.

The more notable difference in impacts is that in the early quarters the increases in employment are somewhat larger in MFIP-R than in MFIP, presumably because of MFIP-R's quick-employment focus. In quarter 2, for example, the impacts on the employment rate are 16.5 percentage points in Ramsey County and 10.6 percentage points in the other counties. By quarters 4 and 5, however, the employment impacts are somewhat larger for the MFIP counties. The earnings impacts follow a similar pattern.

Although it is tempting to conclude that MFIP-R was more effective than MFIP in the early quarters and less effective over the longer term, this comparison of the two programs is only suggestive. One possible reason for the different effects is that the control group in Ramsey County made larger employment and earnings gains in the later quarters than the control group in the other three urban counties (Hennepin, Anoka, and Dakota). Because program impacts are defined as the experimental–control difference, they are affected by outcomes for the control group. A variety of factors might explain why the control group in Ramsey had higher employment rates than the control group in the other three counties — some of which relate to the recipients themselves and others to the external environment. For example, the majority of recipients in the Ramsey sample had received welfare for at least 12 months of the previous year, while the sample in Hennepin, Anoka, and Dakota Counties consists of recipients who had received welfare for at least two of the

[17] These results are taken from Miller et al., 2000.

Table 4.3

Impacts on Employment, Earnings, and Welfare Receipt for MFIP-R and MFIP Single-Parent Recipients, in the Early Cohort

Outcome	MFIP-R			MFIP (Urban Counties)		
	MFIP-R	AFDC	Impact (Difference)	MFIP	AFDC	Impact (Difference)
Employment and Earnings						
Ever employed (%)						
Quarters 2-5	67.0	54.3	12.8 ***	68.5	51.2	17.3 ***
Quarter 1	33.3	29.2	4.1 **	31.6	27.7	3.9 **
Quarter 2	46.5	30.0	16.5 ***	42.1	31.5	10.6 ***
Quarter 3	49.1	32.5	16.6 ***	47.2	34.5	12.7 ***
Quarter 4	46.7	37.7	9.0 ***	45.3	31.9	13.4 ***
Quarter 5	52.3	41.1	11.1 ***	49.5	33.0	16.5 ***
Average earnings ($)						
Quarters 2-5	3,549	2,609	940 ***	2,807	2,143	664 ***
Quarter 1	329	337	-8	331	313	18
Quarter 2	669	459	210 ***	477	402	75 *
Quarter 3	849	546	303 ***	661	520	141 ***
Quarter 4	968	696	272 ***	765	565	200 ***
Quarter 5	1,063	909	154 *	905	656	248 ***
Welfare receipt						
Ever receive welfare (%)						
Quarters 2-5	100.0	98.7	1.2 **	97.9	97.5	0.4
Quarter 1	100.0	100.0	0.0	97.5	97.3	0.2
Quarter 2	100.0	98.6	1.4 **	96.8	96.9	-0.1
Quarter 3	96.9	95.1	1.8	94.2	92.6	1.6
Quarter 4	94.1	91.1	3.0 *	90.7	88.5	2.2
Quarter 5	87.7	85.3	2.4	87.9	84.3	3.6 **
Welfare payments ($)						
Quarters 2-5	7,707	7,255	453 ***	7,848	7,230	618 ***
Quarter 1	2,174	2,101	73 ***	2,023	1,901	123 ***
Quarter 2	2,218	1,998	220 ***	2,167	1,965	202 ***
Quarter 3	1,974	1,891	83 **	2,005	1,861	145 ***
Quarter 4	1,844	1,775	69	1,886	1,760	126 ***
Quarter 5	1,671	1,590	81 *	1,791	1,645	146 ***
Sample size (total = 4,745)	373	2,691		846	835	

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The MFIP-R sample includes members randomly assigned from July 1, 1996, to December 31, 1996. The MFIP (Urban Counties) sample includes members randomly assigned from April 1, 1994, to March 31, 1996 in Hennepin, Anoka, and Dakota Counties, excluding the small percentage who were receiving or applying only for Food Stamps at random assignment.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

previous three years, indicating that the latter group may be more disadvantaged in terms of labor market prospects. This hypothesis is supported by data presented earlier, in Table 2.2, comparing several characteristics of the two groups.

The programs also operated in different environments. First, the AFDC group in Ramsey County became subject to time limits and expanded earnings disregards in July 1997, halfway through the follow-up year. Although it is unclear to what extent the AFDC group understood and reacted to the time limit, it is possible that the limit caused them to move into employment more quickly than they would have otherwise. Second, although unemployment rates were fairly similar across all counties at a point in time (about 2.5 percent in 1997), random assignment in Ramsey County occurred much later than in the other three counties, so that follow-up covers different periods of time. The one year of follow-up for the Ramsey sample covers the calendar year 1997, whereas the corresponding one year for the MFIP sample in the other counties covers mid-1994 through mid-1995. Although unemployment rates were relatively low in both follow-up periods, they were somewhat lower in the later period (about 3 percent) than in the earlier period (3.8 percent). Finally, the mix across employment sectors differs slightly; employment in manufacturing was higher in Ramsey County.

Because of all these differences across sites, it is difficult to say whether MFIP-R would have produced the results achieved in Ramsey County if the program had been implemented in Hennepin, Anoka, and Dakota Counties. Nonetheless, the results from Ramsey County indicate that a work first approach can move recipients into jobs quickly and that those who get jobs tend to stay employed — maybe in different jobs — for at least the first year of follow-up. However, according to the UI data, 33 percent of all MFIP-R recipients did not get jobs during the year, and nearly half were not employed in the last quarter of follow-up, suggesting that a large percentage of the caseload may need more support to get and keep jobs.

V. Impacts for Two-Parent Families

Because two-parent families were not included in the MFIP-R 12-month survey, the first part of this report focused on single-parent families' experiences in MFIP-R. However, administrative records data were obtained for all family types, and this section uses these data to present program impacts for two-parent families.

The MFIP-R program for two-parent families was the same as the program for single parents, except that two-parent families were required to participate in a job skills workshop and job search after six months on welfare, rather than after one year. (The couple could choose which parent would be subject to the mandatory participation requirement, and they could change that designation over time.) MFIP-R differed significantly from the employment program for two-parent families who received welfare benefits through the AFDC-Unemployed Parent (AFDC-UP) program. In the AFDC-UP program, the family became ineligible for benefits if the principal wage-earner worked more than 100 hours per month, which was not the case in MFIP-R. However, as noted earlier, the 100-hour rule was eliminated in July 1997 for all state cases, including those in the control group in Ramsey County. Finally, the AFDC-UP program, operated by STRIDE, required the principal wage-earner to participate in four weeks of job search for 20 hours per week as soon as the family started receiving benefits; individuals who

failed to find a job during this period were required to work in a Community Work Experience Program (CWEP) position for 16 hours per week.

Table 4.4 presents selected demographic characteristics of the two-parent sample. These numbers are reproduced from an earlier report describing the implementation of MFIP-R (Auspos, 1997).[18] In general, the two-parent families in Ramsey County are more disadvantaged, in terms of labor market prospects, than the single-parent families. They are also more disadvantaged than two-parent recipient families in the seven MFIP counties (not shown). For example, average education levels are quite low, over half have four or more children, and most have limited work experience. Note that the responses on the Baseline Information Form (BIF) were typically provided by the women, meaning that work experience and education, for example, reflect their characteristics and not their spouses'. Finally, 60 percent of the two-parent families in Ramsey County are Asian or Pacific Islander (primarily Hmong).

Staff reported some special challenges in working with the Hmong population, stemming from both language and cultural differences. For example, job counselors reported that an inability to speak English limited individuals' job options, and most staff felt that non–English speakers were less likely to benefit from or participate in MFIP-R activities.[19] (Limited English speakers had the option in both MFIP-R and AFDC-UP of enrolling in a six-month English as a Second Language course, designed to teach workplace literacy, rather than starting job search immediately.)

Table 4.5 presents MFIP-R's impacts on employment and earnings for two-parent families. The first set of columns present data on the women's employment; the second set, on the men's employment; and the third set, on families' employment.[20] As the data for the AFDC-UP group show, two-parent families had fairly low employment rates throughout the follow-up period. By quarter 5, for example, 23.6 percent of the women were employed, 30 percent of the men were employed, and 40.7 percent of the families had at least one parent working. The program increased employment rates and earnings for women. In quarter 4, for example, 29.5 percent of the MFIP-R women were employed, compared with 21.4 of the control group women, for a statistically significant impact of 8.1 percentage points. The earnings difference of $194 is also statistically significant.

[18]This sample is larger than the sample used to estimate impacts (the full cohort) because the latter sample is restricted to those cases who were identified as MFIP-R cases both by county caseworkers and by the retrospective method used to identify the AFDC group. Since the retrospective method identified only ongoing recipients, the primary difference between the samples is that the sample used for Table 4.4 includes recipients and reapplicants, whereas the impact sample consists primarily of recipients.

[19]Staff noted several other factors that might hinder the Hmong population's ability to find or maintain employment. For example, staff reported that it was difficult for many Hmong participants to develop needed interviewing skills because their culture considers it impolite to look an individual directly in the eye or to talk about one's accomplishments or skills. Other difficulties arose with female participants, who were uncomfortable having a male job counselor or were less prepared for the job market than their husbands. On the other hand, the close kinship ties among the Southeast Asian population can facilitate job entry, because many find jobs through family and friends.

[20]Most often, it was the welfare case head who completed the Baseline Information Form. Data from Table 4.4 indicate that for over 90 percent of families the welfare case head was the woman. Since BIFs are not available for control group families, the sample of women referred to in Table 4.5 is defined as the sample of case heads and may, therefore, contain a small number of men.

Table 4.4

Selected Characteristics of MFIP-R Two-Parent Recipient Families at Random Assignment

Characteristic	MFIP-R Recipients[a]
Demographic characteristics	
Gender (%)	
Female	93.5
Male	6.5
Age (%)	
Under 20	0.2
20-24	16.1
25-34	37.8
35-44	27.6
45 or older	18.4
Average age (years)	35.4
Race/ethnicity (%)	
White, non-Hispanic	21.5
Black, non-Hispanic	14.9
Hispanic	2.4
Native American/Alaskan Native	1.3
Asian/Pacific Islander	59.9
Family status	
Marital status (%)	
Never married	11.5
Married, living with spouse	84.2
Married, living apart	2.2
Separated	0.0
Divorced	1.6
Widowed	0.6
Number of children[b] (%)	
3 or less	48.3
4 or more	51.7
Age of youngest child, in years (%)	
Under 3, or client pregnant at the time of random assignment	48.3
3-5	22.9
6-18	28.9
Labor force status	
Worked full time for 6 months or more for one employer (%)	36.6
Never worked (%)	41.3

(continued)

Table 4.4 (continued)

Characteristic	MFIP-R Recipients[a]
Current and recent education and training activities	
Currently enrolled in education or training[c] (%)	
Any type	22.3
GED preparation	2.6
English as a Second Language	12.4
Adult basic education	1.3
Vocational education/skills training	1.5
Post-secondary education	2.0
Job search/job club	0.6
Work experience	0.6
High school	2.7
If enrolled, program is part of a STRIDE plan	29.3
Enrolled in education or training during the previous 12 months[c] (%)	
Any type	28.8
GED preparation	3.3
English as a Second Language	16.4
Adult basic education	1.8
Vocational education/skills training	1.8
Post-secondary education	2.0
Job search/job club	1.3
Work experience	1.3
High school	2.9
If enrolled, program was part of a STRIDE plan	29.2
Education status	
Highest credential earned (%)	
GED certificate[d]	7.0
High school diploma	19.7
Technical/2-year college degree	5.0
4-year college degree or higher	1.4
None of the above	66.9
Prior welfare receipt	
Total prior AFDC receipt[e] (%)	
None	1.6
Less than 4 months	1.3
4 months or more but less than 1 year	4.9
1 year or more but less than 2 years	6.8
2 years or more but less than 5 years	34.7
5 years or more but less than 10 years	30.6
10 years or more	20.1
Current housing status	
Public housing	24.9
Subsidized housing	12.2
Emergency or temporary housing	2.2
None of the above	60.8
Sample size	559

(continued)

Table 4.4 (continued)

SOURCE: MDRC calculations using data from Background Information Forms.

NOTES: The sample includes MFIP-R group members who were randomly assigned from February through June of 1997. A recipient is defined as a person who was receiving cash assistance at the time of random assignment or was applying for assistance and who had received assistance at some point in the last three years. The sample excludes new applicants to welfare, defined as those who were applying for welfare and had not received welfare in the prior three years.

[a]For two-parent families, the respondent was typically a woman, not necessarily the family's primary wage-earner. This may have effects on the answers regarding employment, education levels, or other items.

[b]The unborn children of sample members who were pregnant at the time of random assignment are included in this item.

[c]Totals may not equal all categories summed because some sample members may be in more than one category.

[d]The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[e]This refers to the total number of months an individual or her spouse has spent on AFDC during one period or more as an adult. It does not include AFDC receipt under a parent's name.

Table 4.5

Impacts on Employment and Earnings for MFIP-R and AFDC-UP Two-Parent Recipient Families in the Early Cohort

Outcome	Women			Men			Families		
	MFIP-R	AFDC-UP	Impact (Difference)	MFIP-R	AFDC-UP	Impact (Difference)	MFIP-R	AFDC-UP	Impact (Difference)
Employment and earnings									
Ever employed (%)									
Quarters 2-5	39.9	28.0	11.9 ***	46.9	35.6	11.3 ***	64.5	45.4	19.1 ***
Quarter 1	14.0	11.7	2.3	25.9	18.3	7.6 ***	35.8	25.8	10.0 ***
Quarter 2	23.6	13.8	9.7 ***	30.7	20.1	10.6 ***	46.9	27.2	19.7 ***
Quarter 3	26.1	15.7	10.4 ***	37.0	21.7	15.3 ***	52.4	29.1	23.4 ***
Quarter 4	29.5	21.4	8.1 **	37.1	25.8	11.4 ***	53.7	35.9	17.8 ***
Quarter 5	30.5	23.6	6.9 **	39.3	30.0	9.4 ***	56.5	40.7	15.8 ***
Average earnings ($)									
Quarters 2-5	2,482	1,819	663 **	4,339	3,260	1,079 ***	6,820	5,079	1,742 ***
Quarter 1	213	208	5	535	522	13	749	730	19
Quarter 2	375	308	67	780	596	183 **	1,155	904	251 **
Quarter 3	561	368	193 **	1,023	694	329 ***	1,584	1,062	522 ***
Quarter 4	686	492	194 **	1,208	886	322 **	1,894	1,378	516 ***
Quarter 5	860	651	209 *	1,328	1,084	244	2,187	1,734	453 **
Sample size (total = 803)	186	617							

SOURCE: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to December 31, 1996.
A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.
Rounding may cause slight discrepancies in sums and differences.

The impacts for the men are somewhat larger. In quarter 4, MFIP-R increased their employment rate by 11.4 percentage points and their earnings by $322. The net result is a fairly substantial increase in the percentage of families in which at least one parent was employed. The program increased family employment rates in quarter 5, for example, by 15.8 percentage points.

Two-parent families in MFIP-R also had higher combined earnings over the one-year follow-up period than AFDC-UP families (an increase of $1,742).

Table 4.6 presents impacts on two-parent families' welfare receipt and income. Although welfare receipt rates gradually decrease over time for both groups, the higher receipt rate in MFIP-R is statistically significant only in quarter 5; 92.8 percent of MFIP-R families received welfare, compared with 87.8 percent of control families, for an increase of 5 percentage points. Average payment amounts are significantly higher in all quarters. Again, the increase in welfare receipt is expected in the short run, because MFIP-R's incentives allowed families to receive more of their benefits when they worked. Finally, because both family earnings and welfare receipt were higher, MFIP-R families had higher incomes during the follow-up period ($18,877 versus $15,683, for an increase of $3,193).

MFIP-R's impacts for two-parent families in Ramsey County are notably different from those for two-parent families in Hennepin, Anoka, and Dakota Counties, where the MFIP program did not increase family employment rates and decreased average family earnings (Miller et al., 2000). However, it is difficult to use the two sets of impacts to assess the effectiveness of MFIP-R versus MFIP, because the families in Ramsey County were very different from those in the other three counties. As shown in Table 4.4, the majority of two-parent families in Ramsey Country were Hmong, and they appeared to be more disadvantaged in terms of labor market prospects than the families in the other counties. This difference is also apparent in the very low employment rates and earnings for families in Ramsey County during the follow-up period. Table 4.5 indicates that only 28 percent of the women and 35.6 percent of the men in the AFDC-UP group were employed during the follow-up year. In the other three urban counties, in contrast, 52.2 percent of the women and 61.2 percent of the men were employed (not shown). Average earnings were also substantially lower for families in Ramsey County.

Thus, MFIP-R may have increased work among two-parent families in Ramsey County because employment rates and earnings were initially very low. It is often the case that programs have larger impacts on groups with lower initial employment rates because there is more room for improvement. Although some part of the difference in impacts may reflect the fact that MFIP-R was more employment-focused than MFIP in the other three counties, it is hard to say whether MFIP-R would have produced similar impacts for other types of families. What is known, however, is that the program increased earnings and employment among two-parent families in Ramsey County. This finding is encouraging, given the challenges that staff faced in working with and understanding the cultural differences of this population, many of whom did not speak English as their first language.

Table 4.6

Impacts on Welfare Receipt and Income for Two-Parent Recipient Families in the Early Cohort

Outcome	MFIP-R	AFDC	Impact (Difference)		Percentage Change
Welfare receipt					
Ever receive welfare (%)					
Quarters 2-5	99.5	99.2	0.3		0.3
Quarter 1	100.0	100.0	0.0		0.0
Quarter 2	99.5	99.2	0.3		0.3
Quarter 3	97.2	96.2	1.0		1.1
Quarter 4	95.7	92.9	2.8		3.0
Quarter 5	92.8	87.8	5.0	*	5.7
Welfare payments ($)					
Quarters 2-5	12,056	10,605	1,452	***	13.7
Quarter 1	3,195	3,066	129	***	4.2
Quarter 2	3,344	2,917	427	***	14.6
Quarter 3	3,080	2,802	279	***	10.0
Quarter 4	2,918	2,599	319	***	12.3
Quarter 5	2,714	2,287	426	***	18.6
Income from earnings and welfare					
Average income ($)					
Quarters 2-5	18,877	15,683	3,193	***	20.4
Quarter 1	3,943	3,796	148	**	3.9
Quarter 2	4,499	3,821	678	***	17.7
Quarter 3	4,664	3,864	801	***	20.7
Quarter 4	4,812	3,977	835	***	21.0
Quarter 5	4,901	4,022	879	***	21.9
Sample size (total=803)	186	617			

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to December 31, 1996.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

Chapter 5

Conclusion

Evidence from interviews with recipients and staff indicates that MFIP-R was well implemented overall. MFIP-R staff conveyed a strong work first message, and recipients understood the program's benefits and mandates. The majority of recipients who were interviewed reported participating in a work-related activity within the first year after program entry, and an even higher proportion reported finding a job within that time frame. Both overall participation and participation in short-term employment activities were higher among the MFIP-R recipients who were subject to the participation mandate throughout the follow-up period than among their MFIP counterparts in other counties; this suggests that the stronger work first emphasis in the messages staff conveyed in MFIP-R and the differences in program design did increase participation in activities focused on quick job placement. The focus on quick job entry may have been somewhat diluted, however, by the fact that a sizable proportion of recipients reported participating in an education or a training program and that a substantial proportion did not participate in any employment activity during the first year of follow-up. However, many of the participants in education also participated in job search or employment, and some of the nonparticipants also moved into employment.

The main objective of a work first approach is to move the caseload quickly into jobs, and the indications are that MFIP-R was relatively successful in doing that. The impact analysis shows that, compared with the AFDC/STRIDE program, MFIP-R substantially increased employment and earnings among single-parent recipients throughout the one-year follow-up period, especially in the early quarters. As anticipated because of the financial incentives for work, MFIP-R also increased welfare receipt. MFIP-R was particularly effective in increasing employment and earnings among recipients who had not worked during the year prior to entering the program. Nevertheless, the fact that a substantial proportion of the MFIP-R recipients were not employed at all during the follow-up year and/or were not employed in the final quarter of follow-up suggests that a large part of the caseload may need more support to get and keep jobs.

Despite staff concerns that MFIP-R's focus on quick job entry would result in poor job quality, high job turnover, and short job retention, information from the survey of MFIP-R recipients indicates that participants typically found jobs that paid above the minimum wage and worked 30 or more hours per week; only about half the jobs offered benefits, however. The average length of time recipients reported spending in a particular job during the first year of employment seems typical among welfare recipients. The survey data also support the idea that, on average, recipients who held two jobs during the follow-up period showed some signs of advancement in terms of higher hourly earnings in the second job. Impact data indicate that, compared with the AFDC group, MFIP-R recipients not only moved into jobs faster but also tended to be employed more consistently over the course of the follow-up year. These findings give some credence to the stepping-stone philosophy underlying the program design, but they do not constitute a true test of it. The very favorable labor market conditions during the period of the field trial probably contributed to these effects.

Comparisons between MFIP-R results and MFIP results must be made with caution and are suggestive only. Comparing the results for single-parent recipients shows that MFIP-R

produced larger impacts on employment and earnings than MFIP in the first two quarters after random assignment, but it produced smaller impacts by the end of the first year of follow-up. Because there are important differences among the recipient groups and the time periods in the two studies, these findings cannot be used to draw conclusions about which program was more effective.

Compared with AFDC/STRIDE, MFIP-R also substantially increased employment levels among two-parent families, although it affected the female parents' employment somewhat differently than the male parents'. Combined earnings also went up among the MFIP-R two-parent families, as did welfare receipt. These results are quite different from MFIP's impacts for two-parent families in the urban counties, but the high proportion of Hmong recipients in the MFIP-R two-parent sample makes comparisons with MFIP particularly inadvisable.

Appendix A

Results of the MFIP-R 12-Month Survey Response Analysis

Results of the MFIP-R 12-Month Survey Response Analysis

Sample members who completed a survey are called respondents, while sample members selected for the survey who did not complete it are called nonrespondents. There were 370 sample members selected for the survey.[1] For the purpose of the response analysis, 318 sample members were included in the respondent sample, and 52 were included in the nonrespondent sample. This appendix explores the extent to which the survey respondent sample differs from the survey nonrespondent sample.[2]

Whenever survey response rates are less than 100 percent, there is a potential for biases to be present in the sample. In this case, estimates based on the answers of respondents could be biased because the respondents may be systematically different from nonrespondents. Consequently, an analysis was conducted to determine whether estimates based on survey data would be systematically biased by the absence of completed interviews for some sample members.

To summarize the results of the following analysis, there were no systematic differences between the characteristics of respondents and nonrespondents. However, the analysis did show that there were some significant demographic differences between the respondent and nonrespondent samples.

Comparisons Between Respondents and Nonrespondents Within the Survey Sample

To assist in the assessment of the generalizability of survey-based estimates, the 0/1 dummy variable indicating survey response versus survey nonresponse was regressed on demographic information using the survey sample of respondents and nonrespondents combined. The demographic data used for this analysis were derived from Background Information Forms that were filled out for sample members during their welfare assistance eligibility interview. Table A.1 shows the results of this analysis. The parameter estimates in the first column capture the effect of each variable on the probability of being in the survey response sample. Asterisks and p-values show the statistical significance of this relationship. As indicated in Table A.1, there were statistically significant differences between survey respondents and nonrespondents with respect to gender, education, and amount of time the sample member received welfare assistance. However, the F-statistic and its p-value at the bottom of the table show that there are no overall statistically significant differences between survey respondents and survey nonrespondents. Therefore, estimates based on the survey data are not systematically biased by the absence of completed interviews for some sample members.

[1] It should be noted that 45 of the sample members were not included in this analysis because they were determined to be non–English speakers at the time of the interview.

[2] The issue of item nonresponse — that is, the failure to answer a particular question or set of questions — is not examined here. In most instances, item nonresponse was fairly low for sample members who otherwise responded to the survey.

Table A.1

MFIP-R 12-Month Survey Response Analysis: Estimated Regression Coefficients for the Probability of Being a Respondent

Variable	Parameter Estimate	Standard Error	p-Value
Constant	84.69 ***	2.14	0.00
Gender			
Male	-0.17 *	0.10	0.08
Age			
Under 20	-0.16	0.21	0.44
20-24	-0.01	0.05	0.89
35-44	0.04	0.05	0.42
45 or older	-0.03	0.08	0.70
Race/ethnicity			
Hispanic	0.00	0.08	1.00
Asian	-0.03	0.11	0.77
American Indian	-0.08	0.12	0.53
White	0.03	0.04	0.40
Education status			
GED[a]	0.02	0.05	0.69
Technical, AA, 2-year degree	0.11 *	0.06	0.08
4-year college degree	0.00	0.13	0.99
Other education or training	-0.05	0.05	0.27
Prior welfare receipt[b]			
Never received welfare	0.09	0.12	0.47
Less than 4 months	0.14	0.18	0.42
4-11months	0.15	0.09	0.11
1-2 years	0.14 *	0.09	0.10
5-10 years	0.11 **	0.05	0.02
10 years or more	0.01	0.05	0.84
R-square	0.06		
F-statistic	1.21		
P-value of F-statistic	0.25		
Sample size	370		

SOURCE: MDRC calculations using data from Background Information Forms.

NOTES: The sample includes MFIP-R members who were randomly assigned from February through June of 1997.

[a]The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[b]This refers to the total number of months an individual or her spouse has spent on AFDC during one period or more as an adult. It does not include AFDC receipt under a parent's name.

A two-tailed t-test was applied to each coefficient estimate. The column labeled p-Value indicates the statistical significance level of the parameter estimate. That is, p is the probability that the true parameter is zero. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix B

Table B.1

Impacts on Employment, Earnings, Welfare Receipt, and Income for Single-Parent Families in the Full Sample

Outcome	MFIP-R	AFDC	Impact (Difference)	Percentage Change
Employment and earnings				
Ever employed (%)				
Quarters 2-3	57.1	41.2	15.9 ***	38.6
Quarter 1	32.0	27.8	4.2 ***	15.1
Quarter 2	47.2	31.2	16.1 ***	51.5
Quarter 3	51.2	34.9	16.3 ***	46.5
Average earnings ($)				
Quarters 2-3	1,591	1,081	510 ***	47.2
Quarter 1	315	308	7	2.3
Quarter 2	682	463	219 ***	47.2
Quarter 3	909	618	291 ***	47.2
Welfare receipt				
Ever receive welfare (%)				
Quarters 2-3	99.6	98.7	0.9 **	0.9
Quarter 1	100.0	100.0	0.0	0.0
Quarter 2	99.5	98.6	0.9 **	0.9
Quarter 3	97.0	94.0	3.0 ***	3.2
Welfare payments ($)				
Quarters 2-3	4,225	3,838	386 ***	10.1
Quarter 1	2,207	2,095	111 ***	5.3
Quarter 2	2,237	1,987	250 ***	12.6
Quarter 3	1,988	1,852	136 ***	7.3
Income from earnings and welfare				
Average income ($)				
Quarters 2-3	5,816	4,919	896 ***	18.2
Quarter 1	2,522	2,403	119 ***	4.9
Quarter 2	2,918	2,450	469 ***	19.1
Quarter 3	2,897	2,470	427 ***	17.3
Sample size (total = 5,855)	750	5,105		

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to June 30, 1997.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

Table B.2

Impacts on Employment and Earnings for Two-Parent Families in the Full Sample

Outcome	Women MFIP-R	Women AFDC-UP	Women Impact (Difference)	Men MFIP-R	Men AFDC-UP	Men Impact (Difference)	Families MFIP-R	Families AFDC-UP	Families Impact (Difference)
Employment and earnings									
Ever employed (%)									
Quarters 2-3	28.9	20.8	8.1 ***	40.7	29.1	11.6 ***	56.1	38.1	18.0 ***
Quarter 1	14.3	11.8	2.5 *	24.2	20.4	3.8 **	34.1	27.9	6.2 ***
Quarter 2	22.9	15.9	7.0 ***	32.5	24.3	8.2 ***	47.0	32.3	14.6 ***
Quarter 3	25.0	18.3	6.7 ***	37.6	25.8	11.8 ***	52.3	34.7	17.6 ***
Average earnings ($)									
Quarters 2-3	1,006	740	266 **	1,898	1,600	298 *	2,904	2,340	564 ***
Quarter 1	210	190	19	519	557	-38	729	747	-18
Quarter 2	406	321	85	806	727	80	1,212	1,047	165 *
Quarter 3	601	420	181 ***	1,092	873	218 **	1,692	1,293	399 ***
Sample size (total = 1,550)	348	1,202							

SOURCE: MDRC calculations using data from Minnesota unemployment insurance (UI) earnings records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to June 30, 1997.
A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.
Rounding may cause slight discrepancies in sums and differences.

Table B.3

Impacts on Employment, Earnings, and Welfare Receipt for Two-Parent Families in the Full Sample

Outcome	MFIP-R	AFDC	Impact (Difference)
Welfare receipt			
Ever receive welfare (%)			
Quarters 2-3	99.7	99.1	0.6
Quarter 1	100.0	100.0	0.0
Quarter 2	99.7	99.0	0.7
Quarter 3	97.0	94.5	2.5 *
Welfare payments ($)			
Quarters 2-3	6,485	5,511	974 ***
Quarter 1	3,258	3,065	194 ***
Quarter 2	3,402	2,874	528 ***
Quarter 3	3,083	2,637	446 ***
Income from earnings and welfare			
Average income ($)			
Quarters 2-3	9,389	7,851	1,538 ***
Quarter 1	3,987	3,812	175 ***
Quarter 2	4,614	3,921	693 ***
Quarter 3	4,776	3,930	846 ***
Sample size (total = 1,550)	348	1,202	

SOURCES: MDRC calculations using data from Minnesota's unemployment insurance (UI) earnings records and public assistance benefit records.

NOTES: The sample includes members randomly assigned from July 1, 1996, to June 30, 1997.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

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