

**Welfare-to-Work Programs for A Diverse Caseload:  
Evaluation of Seven Demonstration Projects**

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## Executive Summary

In the first year of welfare reform in Maryland, the Department of Human Resources, Community Services Administration, funded seven welfare-to-work demonstration projects. These projects were designed to provide services to families at greatest risk of long-term welfare receipt that would allow them to exit the welfare rolls and to enter employment. The projects differ in their target populations - some aimed to serve long-term welfare recipients while others focused on teen parents. They also differed in the services they provided - some focused on training participants for employment in particular industries while others concentrated on dealing with the barriers that were keeping the participants from any type of employment. Despite these differences, all seven programs shared the common goal of moving participants from welfare to work.

The Community Services Administration contracted with the University of Maryland School of Social Work to evaluate the demonstration projects on their common goal. The present report summarizes the results of that evaluation. Using employment and welfare receipt data from administrative data systems maintained by the Department of Human Resources, we find that in the quarter immediately preceding the start of the programs 18.0% of the participants were working in Maryland UI-covered jobs. In the first quarter after the projects ended (July-September 1998), employment was at 33.2% (n=233) with average quarterly earnings of \$1,325.<sup>1</sup> By the fourth post-program quarter, nearly half or 47.0% (n=330) of the participants were working in Maryland UI-covered employment, earning an average of \$1,810 per quarter. Two-

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<sup>1</sup>Readers should note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know when in the quarter someone worked or how many hours they worked. It is impossible to compute hourly wage figures from these quarterly earnings data.

thirds of participants (65.4%; n=459/702) worked at some point during the follow up year. This compares favorably to data describing employment during the two year period immediately before the start of the projects (46.3% employed at any point).

In terms of welfare receipt, participants received TANF an average of 73.9% of the time, or approximately 9 out of 12 months, during the year preceding the demonstration projects. Half of the participants received assistance more than 92.0% of the time, or 11 out of 12 months. It is not surprising that welfare receipt was even more common during the year the demonstration projects operated (July 1997 to June 1998). On average, participants received assistance for 9 ½ months that year, or 77.1% of the time.

Welfare receipt declined dramatically in the year after the demonstration projects. On average, participants received assistance 58.0% of the time, or for 7 out of 12 months. Over half of the participants received assistance for less than 8 months or 66.5% of the time. The difference between the demonstration year and the follow up year is 19.1% and is statistically significant at the  $p < .0001$  level.

In sum, despite their many programmatic differences, it is encouraging to see that all projects increased the employment of their participants and decreased their welfare receipt in the follow up year. While methodological issues do not allow us to draw causal conclusions (i.e. these changes may have occurred in the absence of these projects) or to specify which features of which programs worked best, we can say that the outcomes reported here warrant further consideration of program strategies for moving at risk families from welfare-to-work, such as the ones examined here.

## **Introduction**

In response to the era of welfare reform ushered in by the Personal Responsibility and Work Opportunity Reconciliation Act, states have radically changed their public assistance programs. Unlike its predecessor, Aid to Families with Dependent Children (AFDC), the Temporary Assistance to Needy Families (TANF) program includes a strong mandate to families to quickly move off the rolls and into employment and similarly strong mandates to welfare agencies to help them do so successfully. Among other things, to maintain program funding, states must now meet strict goals for the proportion of TANF clients engaged in work-related activities. Meeting these goals requires that states engage a broader section of their caseload in work activities (Herr, Wagner, and Halpern, 1996; Kramer, 1998; Olson and Pavetti, 1996). Families facing challenges such as low skills, little work experience, or homelessness--who were often exempt from work-related activities under AFDC--must now participate not only for the good of the state, but also for their own benefit so that they do not reach the five year lifetime limit.

In the spirit of reform, with an awareness of the new realities, and with encouragement from elected officials, the Maryland Department of Human Resources, Community Services Administration (CSA) began in the early days of TANF implementation to fund innovative demonstration projects designed to move the hardest-to-serve TANF families from welfare to work. Seven projects were funded in the first round and began operating in July 1997. CSA provided each demonstration project with a year's worth of funding and specifically selected projects that appeared to have the greatest likelihood of obtaining funding to sustain them beyond the first year.

In order to assess the outcomes of the seven demonstration projects, CSA contracted with the University of Maryland, School of Social Work (UM-SSW) to conduct a focused outcome-based evaluation. UM-SSW has contracted with the Department of Human Resources, Family Investment Administration for over 20 years to conduct policy-relevant research on the state's welfare programs. UM-SSW strengths, including a familiarity with Maryland's welfare programs and administrative data systems, made it an ideal candidate for evaluating CSA's demonstration projects.

This report presents the results of UM-SSW's evaluation of the seven welfare-to-work demonstration projects funded by CSA to operate between July 1, 1997 and June 30, 1998. As will be discussed, the seven projects varied considerably in terms of their target populations and services provided. However, the projects shared a common goal: to assist the families they served in transitioning from the welfare rolls to unsubsidized employment. The presence of this common goal made it possible for the evaluation to focus on two outcomes for all of the projects: 1) the extent to which participants obtained and maintained employment over the year following the program; and 2) the extent to which participants reduced their welfare receipt.

## **Background**

The length of time families receive public assistance was a public policy concern long before the most recent welfare reform initiatives. When the AFDC program (TANF's predecessor) began in 1935 its purpose was to provide financial support for widowed mothers so that they could care for their children in their own homes, without having to obtain outside employment (Fraser and Gordon, 1994). As the demographics of the US population and welfare caseloads have changed, the general public and many policy makers became concerned that families were becoming dependent on public assistance. While these concerns were sometimes translated into new policies and/or reform attempts, such as the Family Support Act of 1988, they were not critical to families and states as long as cash assistance remained an open-ended entitlement. Now, however, TANF's block grants, elimination of the entitlement to cash assistance, imposition of time limits and strict work participation requirements all make long-term welfare receipt a critical issue for families and states.

In contrast to common perceptions that most families on the welfare rolls remain there for decades, a number of studies of the AFDC program showed that long term welfare receipt was not the norm. Analyses of single welfare spells indicated that most welfare episodes lasted two years or less; fewer than one-sixth lasted for more than eight years (Bane and Ellwood, 1983; Ellwood, 1986; O'Neill, Wolf, Bassi, and Hannan, 1984). Greenberg's (1993) review of state level studies found that 50% of families exit the welfare rolls within one year; 70% exit within two years and less than 15% receive assistance for more than five years. When multiple welfare episodes are considered, however, estimates of long-term welfare receipt increase significantly. Pavetti (1995), using national survey data, found that 42% of those who ever receive cash



assistance do so for two years or less; one out of three receive assistance for more than five years over their lifetime.

While these studies indicate that long term welfare receipt is not common, they also demonstrate there is a sizable core of families (6-30%) who receive welfare for a long period of time and who will likely have a difficult time transitioning from the welfare rolls to unsubsidized employment. Families with many barriers to work are often referred to as *hard to serve* or *hard to place* by program managers and researchers. Despite the common usage of the term, there is not a clear definition of *hard to serve* in the literature. Implicitly the term is used to describe welfare recipients (or families) who have characteristics or are facing circumstances which put them at risk for long term welfare receipt.

A large number of risk factors have been identified in the AFDC literature and even more have been hypothesized, but not yet tested (see, for example, Bane and Ellwood, 1983; Blank, 1989; Cao, 1996; Gottschalk, 1990, 1992; Petersen, 1995; Sandefur and Cook, 1997). In many cases, risk factors for long-term welfare receipt are synonymous with characteristics likely to decrease or limit one's ability to participate in the formal labor market. Factors which have been shown to increase risk of long term welfare receipt include: demographic characteristics (e.g., age at first welfare receipt, race/ethnicity, marital status, teen childbearing); human capital (e.g., education, work experience); and welfare experiences (e.g., having received welfare as a child). Much less is known about other circumstances, such as homelessness, substance abuse, domestic violence, and health and mental health problems, which likely present barriers in the transition from welfare to work.

Historically, welfare recipients with significant barriers to employment have been excluded from work and education requirements. The Work Incentive Program (WIN), which

operated from 1967 to 1989, required all AFDC recipients without a child under six to register for work and training programs. However, only about 14% of those who registered ever actually participated in these activities, mostly job searching (U.S. House of Representatives, 1990).

The Family Support Act of 1988 (FSA) was a major attempt to transform the welfare system into a family support system that emphasizes work. FSA established the Job Opportunities and Basic Skills Training (JOBS) program which was specifically designed to help cash-assistance recipients obtain education, training, and services to promote employment, and ultimately, exit from cash assistance (General Accounting Office, April 1995). FSA permitted flexibility in the implementation of the JOBS programs from state to state – some programs emphasized immediate movement into the labor force for those who were job-ready, while others emphasized the need for education and training to help welfare recipients obtain employment (GAO, May 1995). Federal funding for the JOBS program was partially dependent on states spending at least 55% of their allocated funds on four target groups thought to be at special risk of long term welfare receipt: 1) families in which the custodial parent was under age 24 and had not completed high school or had little or no work experience in the preceding year; 2) families in which the youngest child was within two years of being ineligible because of age; 3) families that had received assistance for 36 or more months during the preceding 60 month period; and 4) applicants who had received AFDC for any 36 of the 60 months immediately preceding application. However, FSA allowed for a number of exemptions from JOBS. In 1992, states were exempting more than half the adult caseload for reasons such as having a child under three, disabilities, transportation or child care problems. Among those who did participate in JOBS, the majority (62% in 1991) belonged to one of the target groups (U. S. House of Representatives,

1996). In the early 1990s dissatisfaction with the JOBS program led many states to experiment with other welfare-to-work approaches under federal waivers from AFDC provisions.

However, when Congress passed and the President signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and eliminated the entitlement to federally funded cash assistance, it became imperative that long-term welfare dependency be addressed. In the new welfare world, open-ended federal funding is exchanged for block grants to the states and a five-year time limit for federally-funded cash assistance for adult recipients. Imposing these boundaries on welfare has intensified the need to decrease the rolls and quickly move recipients into the workforce.

The work first or labor force attachment strategy for welfare reform adopted by most states under PRWORA has been initially successful, in part, due to the strong economy. Welfare rolls across the country have declined significantly. Nationally, the number of families receiving cash assistance fell from 4.4 million in August 1996 to 2.2 million in June 2000, a decline of 50%. Rates of caseload decline have varied across the country from a low of 21% in Rhode Island to a high of 94% in Idaho. Maryland's welfare rolls were reduced by 62% during this period, from 75,573 families in January 1996 to 28,895 families in June 2000. Within-state variation in caseload decline has also been noted. In particular, major cities have seen their caseloads decline at a significantly slower rate than their surrounding, less urbanized counties (Born, Caudill, and Cordero, 2000; Bom, Caudill, Cordero, and Kunz, 2000; Born, Caudill, Spera and Cordero, 1999; Brookings Institution, 1999; DeParle, 1997; Welfare and Child Support Research and Training Group, 1998; Wolman, 1996).

In the midst of these unprecedented welfare roll reductions, caution is warranted. Many predict that those who have left the rolls in the first few years of reform have been those with the

fewest barriers to work and soon states will be left with a caseload of people who will not be able to transition to self-sufficiency with the minimal supports offered by many Work First approaches (Brookings, 1999; Brown, 1997; Heinrich, 1999; Loprest and Zedlewski, 1999; Meckler, 1999; Olson and Pavetti, 1996; Pavetti, Olson, Pindus, Pernas, and Isaacs, 1996; Pavetti, Olson, Nightingale, Due and Isaacs, 1997).

The main objective of the Work First model is to get welfare recipients into the job market as quickly as possible so that they will develop skills and work habits on the job rather than in a classroom. This model assumes that successful employment is best achieved by actually working one's way up the economic ladder. Therefore, the obstacles keeping welfare clients out of the labor force such as lack of skills or sufficient training become secondary when one considers any job is a good job (Brown, 1997).

In reality, customers at risk for long-term welfare receipt have difficulty fitting into the Work First model for employment. Issues such as limited education, domestic violence, and substance abuse among others present formidable obstacles for families trying to transition into the work force.

Despite a recognized need for programs specifically designed for at-risk clients, little is known about what works and what does not. Much of welfare reform programming has been directed at the welfare population at large and the success seen on that level does not necessarily extend to clients with multiple and/or severe barriers who are unlikely to participate in programs designed for the general welfare population. A key reason for overlooking the at-risk group was because, historically, it comprised a relatively small share of the caseload. Historically only about 10% of the caseload was composed of long-term recipients. More recent reports, however, have yielded estimates in the range of 27% to 38% for those recipients

currently on the rolls and at risk of continued welfare receipt due to obstacles or barriers to employment (Zedlewski, 1999). If indeed this is the case, it seems that it is of utmost importance to focus attention on this group.

Another reason why there is not a definitive answer to the question of what programs work for at-risk clientele is that the very nature of this group is exceedingly complex. Which subgroup does a program target? Homeless clients do not have the same needs as those with low educational attainment, nor do substance abusers require the same supports as victims of domestic violence. The diversity of the at-risk population sets up the potential for overlooking one or more of the subgroups that comprise the whole.

An additional stumbling block is the presence of multiple barriers in the lives of at-risk clients. For example, low skill level tends to be a common obstacle for at-risk recipients, but that problem is often compounded by having some of the other barriers making the task of transitioning the recipient from welfare into the workforce that much more challenging (Born, Caudill and Cordero, 1999). One is then faced with the dilemma of determining the root cause of long-term welfare receipt among customers with multiple barriers. Consequently, programs often attack the issues that are readily observable without addressing the underlying causes, therefore causing their efforts to be in vain.

Published evaluations of JOBS and state waiver projects generally provide little information about which welfare-to-work program strategies work best for which clients. Typically clients are randomly assigned to either a treatment or control group. Employment and welfare receipt outcomes and impacts are reported in aggregate form to allow comparison between the treatment and control groups. A few studies report results separately for different subgroups predicted to be at risk for long term welfare receipt. For example, Riccio and

colleagues (1994) find that the California GAIN program, particularly when a human capital development approach was emphasized, significantly increased employment and earnings and decreased welfare receipt among those in need of basic education and those who had received welfare for more than two years prior to entering the program. In contrast, the Indiana Work First program was found to have no impact on clients who were not job-ready (Fein, et al., 1998). Michalopoulos, Schwartz, and Adams-Ciardullo (2000) conclude in their evaluation of 20 welfare-to-work programs that although all programs increased earnings equally for the more disadvantaged and the less disadvantaged, the more disadvantaged continue to earn much less than others. Further, employment-focused programs were found to benefit the more disadvantaged most, while programs providing a mix of activities effectively served the broadest range of clients.

Recent reviews of the welfare-to-work literature emphasize the need to expand our knowledge of how to help families facing the most serious challenges to leaving welfare (Kramer, 1998; Pavetti, et al., 1996, 1997). Three strategies appear to be most common in assisting at risk clients with the welfare to work transition. Programs may provide remedial services or direct treatment to deal with the main barrier that is keeping the recipient from working. A less intense approach is to provide ancillary supports, such as crisis intervention, but focus mainly on assisting the client with finding and keeping a job. Manipulating the job market or finding an employment niche for at risk adults is another possibility (Kramer, 1998).

Although there is little empirical data on the effectiveness of specialized programs for at risk clients, some best practices have been recognized. Programs experienced in working with the hardest to serve emphasize that work participation should be broadly defined to accommodate wide variation in employment and family needs (Herr, Wagner, and Halpern,

1996). Short term goals should be created and steps towards these goals closely monitored. Small successes should be celebrated. Program pathways should be flexible and individualized, rather than regimented. Support services should be provided to help families deal with crises which will eventually arise.

The present study builds on the emerging literature by evaluating seven welfare-to-work projects specifically designed by community-based organizations for families at risk for long term welfare dependency. These seven demonstration projects were funded by the Maryland Department of Human Resources, Community Services Administration in the early stages of welfare reform in Maryland. Each project is distinct in its approach to tackling this issue in terms of its target population and its program format. Despite their differences, the programs share the common goal of moving at risk welfare recipients off the welfare rolls and into private employment. This common goal provides the framework for our evaluation.

## Methods

This chapter describes the seven demonstration projects and the study methods. The next chapter presents findings on the characteristics, employment and welfare outcomes of project participants.

### Project Descriptions

The seven demonstration projects funded by the Maryland Department of Human Resources, Community Services Administration are:

Associated Black Charities: PREP-Park-Reist Employment Project

Baltimore Reads: Food Service Partnership Project

Baltimore City Healthy Start: Life Planning Institutes

People Encouraging People: FYI-For Your Independence

South East Community Organization: Baltimore Care Cooperative

YMCA of Cumberland: Y's Choices

Catholic Charities of Prince George's County: S.T.A.R.S.-Support To Achieve Real Success

Each project targeted different subgroups of the at-risk population and provided different services. Following is a summary of the projects and their goals; Table 1 also summarizes key features of each project.<sup>2</sup>

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<sup>2</sup>Project descriptions are based primarily on the proposals the project organizers submitted in response to the Community Services Administration's request for proposals.



**The Park-Reist Employment Project**, located in Baltimore City and operated by the Associated Black Charities, sought to impact 75 long-term clients and 25 sixteen or seventeen year olds who were neither working nor in school. Participants were to follow a four-phase plan with Phase I lasting 4-8 weeks and concentrating on family assessment and family enhancement planning and implementation. Phase II was devoted to personal enhancement and job readiness training. This phase was to last 6 weeks and pay the participant \$25 per week with a \$150 bonus upon completion. Phase III signified movement into a job while Phase IV focused on job and educational enhancements and upward mobility. The overall project outcome goal for the first year was to enroll 136 people (100 adults and 36 teens) with a 75% placement ratio among adults and a 76% placement ratio among teens. Other goals were to engage 50 fathers of children in 100 targeted families and have 30 fathers complete job placement.

**The Food Service Partnership Project** aimed to prepare participants for careers in the hospitality/food service industry by helping them gain necessary entry-level skills. The objective was to serve 60 customers in the span of one year, running three training cycles of 20 persons per cycle. Efforts were focused on those clients who were nearing the termination of their public assistance because of their children's ages and school status. These participants were to have the minimum of a sixth grade skill level and the ability to work flexible hours. The actual program was to consist of a 13-week training period followed by a two-week unpaid internship and a six-month follow-up period. Outcome goals for this project were for 48 of the original 60 customers to complete the training period and be placed in an internship. Of those 48, Baltimore Food Services Partnership Project expected 40 to successfully complete their internship and achieve employment.

**The Life Planning Institutes**, of Baltimore City's Healthy Start, planned to serve 200 at risk clients who were pregnant or early postpartum, teenage parents, and substance abusing pregnant or early postpartum customers. This demonstration project sought to promote job readiness despite the year of exemption allocated to mothers after the birth of their child, to maintain educational involvement for parenting teens, and to treat those women who were identified as substance abusers prior to job placement. The program's Life Planning core was to consist of: employment readiness training for eight weeks; GED classes three days a week; a resource center with educational and employment materials; Career Exploration; and job training. Parenting classes; individual tutoring and mental health counseling; financial support in the event of sanctioning for non-compliance; entrepreneurial training; education on house-sharing; and computer skills training were also to be provided.

Outcome goals were that 80% of the 200 participants (n=160) would successfully complete the core activities of the Life Planning Institute within the first year. Of those 160, 20% (n=32) were expected to acquire stable employment within three months of completion, 30% (n=48) in six months, 25% (n=40) by month nine following completion, and 25% (n=40) at 12 months of follow-up. Job retention for one year was expected for 50% (n=80) of those participants finding employment.

**FYI-For Your Independence**, planned by People Encouraging People Inc., sought to serve homeless families and those in transition out of homelessness. Other characteristics associated with the targeted group were substance abuse, mental health or disabling conditions, and child custody issues. To attack these barriers, FYI proposed to provide work orientation, work experience, job readiness, and job search/placement services. FYI expected to serve 41 customers with 25 having social barriers to employment removed, and 16 having barriers

reduced. Thirty-three of the 41 participants were to complete work orientation and to participate in work experience and 26 were expected to complete work experience. Of those twenty-six, 80% (n = 21) were proposed to successfully complete the job readiness phase and engage in job search. Ultimately it was expected that 50% (n=20) of the original referrals would be employed.

Though not specifically targeting the hard-to-serve customer, **The Baltimore Care Cooperative** proposal presented a program that had as its focus training and employing TCA recipients in the health care industry. Because it was modeled after the successful Cooperative Home Care Associates (CHCA) in New York City, Baltimore Care Cooperative expected to thrive. The cooperative sought to serve 60 clients in one year. The services they provided were to be: an intense, four-week health care aide-training program (training was to consist of 160 hours of classroom training and 16 hours of field practice); support services; educational/career counseling; guaranteed employment with the cooperative for successful trainees, promising an exit from welfare in just one month; and after six months of employment, additional training in business and entrepreneurial skills.

Outcome goals were that of the 60 enrolled program participants, 52 would complete the program and would be employed by the cooperative with benefits. Forty-two customers would maintain employment by the end of 12 months and over half of those would express an interest in becoming worker-owners by the end of the second year.

**Y s Choices**, a program designed by the YMCA of Cumberland, Maryland, specifically targeted those welfare recipients in need of supportive services due to skill level and unstable living conditions. Other participant characteristics consisted of 16-26 year old pregnant or parenting welfare recipients with homes in crises. In addition, 27 to 40 year old parents with

even tougher situations such as intergenerational welfare receipt that make it necessary for longer-term intervention were also expected to comprise the participant pool.

To tackle this challenge, Y's Choices proposed to offer: child care; housing counseling; transportation support; educational training and employment-readiness assistance; mentoring; exercise and health classes; and work attire. In short, Y's Choices hoped to be a one-stop shop for welfare recipients utilizing their services.

Program goals were that by the end of its first year, 75 families would have been enrolled with a minimum of 18 participants employed. Other objectives were that five participants completed their GED requirements, Family Housing Units were occupied, and educational/employment classes continued.

The final demonstration project included in this study is Catholic Charities of Prince George's County's **STARS** Program. STARS was a joint undertaking between program partners and a community collaborative of business, educational, and other organizational resources to move those in the hard-to-serve category from welfare to work. Because of this collaborative effort, participants were to receive a variety of services such as: GED/educational assistance; job-skills training; substance abuse treatment; counseling for domestic violence; solutions to homelessness or the risk of it; mentoring; and on-going job search support.

The goal was to assess 257 families with 75% being at-risk and falling under one or more of these categories: teenage mothers; long-term welfare recipients; substance abusers; those involved in domestic violence; those possessing low skills/low educational attainment; and those families who were homeless or at-risk of homelessness. Of the 257 assessed, 200 were projected to complete Out of Poverty (the nationally recognized welfare reform training program from Memphis, Tennessee consisting of 40 hours of classroom time and 20 hours of time spent outside

of the classroom) and enter the STARS program. As referenced by the STARS proposal, in the first year, 142 participants would become employed, part- or full-time, and 67 would have exited welfare and attained personal self-sufficiency.

**Table 1. Summary of the Seven Demonstration Projects**

| PROJECT                                   | TARGETED POPULATION/<br>SAMPLE SIZE  | SERVICES   | OUTCOME GOALS   |
|---|--|--|---|
| <b>PREP-Park Reist Employment Project</b> | <b>100</b> total:<br><b>75</b> Long-term assistance (60+ mos.) adults and <b>25</b> 16- or 17-year-olds who are not working or in school.  | Four-Phase plan: <b>Phase I:</b> Family Assessment & Family Enhancement Planning/ Implementation; <b>Phase II:</b> Personal Enhancement/Job Readiness training; <b>Phase III:</b> Job placement; and <b>Phase IV:</b> Job and Educational enhancements | Expected enrollment of at least 136 (100 adults, 36 youths); 75% placement ratio among adults; 76% placement ratio among teens; having engaged a min. 50 fathers with 60% (n= 30) obtaining job placement.  |
| <b>Food Service Partnership</b>           | <b>60</b> customers who are near termination of assistance due to children s age, show an interest in hospitality industry, have a min. 6 <sup>th</sup> -grade skill level, and no barriers to employment.                                   | Three training cycles (20 participants per) each consisting of: 13 weeks of skill building and training; 2 weeks of unpaid internship with employer; job placement; and 6-month employment monitoring and follow up.                                   | Expected enrollment of 60 (out of at least 90 assessed) with an 80% (n= 48) training completion rate; of the 48 to be placed in internship, 40 hired upon internship completion.  |
| <b>Life Planning Institutes</b>           | <b>200</b> customers: <b>100</b> from East Baltimore and <b>100</b> from West. 175 are currently/very recently pregnant; teen parents; or self-reporting substance-abusing pregnant/early postpartum women while 25 are their male partners. | Core program to include items such as: 8-wk employment readiness training; pre-GED/GED classes; career exploration; mentoring; customized job training; and basic skills.  | Of the 200 participants, 80% (n=160) would have successfully complete core activities in the first year; 20% of those 160 (n=32) would obtain stable employment within 3 mos. of completion; 30% (n=48) within 6 mos.; 25% by 9 mos.; and 25% by 1 year of follow-up. Job retention would be 50% (n=80) for those securing employment |

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| <p><b>FYI-For Your Independence</b></p>     | <p>41 homeless families transitioning out of homelessness that are African American single female headed families with two or more children. This targeted group has high incidence of substance abuse and mental health or disabling conditions, no social supports, and child custody issues.</p> | <p>Three Phases: (1) <i>Social Rehabilitation Phase</i> 1 month intense intervention to lessen the expected barriers to employment with the aid of an Employment Specialist. Participants developed an Individualized Employment Plan. (2) <i>Work Adjustment Phase</i> participants gain work experience, vocational education, and work skills (length of phase varied). (3) <i>Employment Phase</i> participants are place in unsubsidized jobs.</p> | <p>Of the 41 participants, 60% would have elimination of social barriers (n=25). All 41 would participate in work orientation phase with 80% (n=33) completing this phase and participating in work experience. Of those 33, 80% (n=26) would complete work experience. 80% of those 26 (n=21) would successfully completed job readiness and be employed. Overall, the program would have a 50 % success rate for employment.</p> |
| <p><b>Baltimore Care Cooperative</b></p>    | <p>60 TCA who were emotionally mature, able to work unsupervised, and have 5<sup>th</sup> or 6<sup>th</sup> grade reading level.</p>  | <p>Under the supervision and instruction of a Registered Nurse, 4 weeks of classroom training and 16 hours of field practice. Training consisted of: Caregiver Training; Business/Entrepreneurial Training; and Specialized Caregiver Training</p>  | <p>87% of the 60 (n=52) customers would successfully complete the training program and be hired by Co-op with living wage and benefits. 81% of 52 (n=42) would still be employed at the end of 12 mos. Majority of the employed would express interest in becoming worker-owners during the second year.</p>   |
| <p><b>Y s Choices (Allegany County)</b></p> | <p>75 TCA families drawn from two groups. 38 participants consisted of 16-26 y.o. who were pregnant or parents of children under four, while 37 were comprised of 27-40 y.o. who were parents of children up to 14 y.o. and had ≤60 mos TCA receipt.</p>  | <p>In the course of the year, Y s Choices provided goal-attaining services each quarter. Some of these services were: evening childcare; GED classes; Job Readiness; Job Search; health class; links to the community and family housing units established.</p>   | <p>70% of the 38 younger participants (n=27) expected to be employed within 1 year with 50% of those (n=14) retaining employment. 70% of the 37 older participants (n=26) will be employed within 3 years of the project</p>   |

|   |  |   |   |
|---|--|---|---|
| <p><b>S.T.A.R.S.-Support To Achieve Real Success</b><br/>(Prince George s County)</p> | <p>257 families assessed with 192 (75%) comprising the hard-to-serve population.</p> | <p>After completion of 60 hours of <i>Out of Poverty</i> training, Core services were performed. These included: life skills planning; creation of Personal Prosperity Plan; vocational training and counseling; job placement and job retention. Other organizations assisted with substance abuse treatment, employment referrals and placements, and outreach.</p> | <p>78% (n=200) 70% of the participants (n=142) would secure employment (part- or full time) and 33% (n=67) would transition to personal self-sufficiency. Secondary benefits would include: stabilization of families; growth in skills and confidence of heads of households; businesses provided with reliable and well-trained employees; community support of participating families; and personal and accessible services.</p> |
|---|--|---|---|



As discussed, these seven projects were diverse in their proposed package of program services as well as their target populations. However, it is important to recognize some of the commonalities. For example, as shown in Table 2, five programs (PREP, Food Service Partnership, the Life Planning Institute, Y s Choices, and STARS) focused on long-term welfare recipients. Five of the seven projects operated in Baltimore City. Four projects (Food Service Partnership, Baltimore Care Cooperative, Y s Choices and STARS) planned to serve customers with low levels of education. While their approaches varied, their outcome goals were the same. All sought to move TANF recipients into employment, although they varied as to whether this was an immediate goal or a more long-term one.

**Table 2. Targeted Populations by Project**

| Project                    | Targeted Population |              |                              |                        |                      |                              |                   |
|----------------------------|---------------------|--------------|------------------------------|------------------------|----------------------|------------------------------|-------------------|
|                            | Homeless Families   | Teen Parents | Long-term Welfare recipients | Low level of Education | Mental Health Issues | Victims of Domestic Violence | Substance Abusers |
| PREP                       |                     |              | X                            |                        |                      |                              |                   |
| Food Service Partnership   |                     |              | X                            | X                      |                      |                              |                   |
| Healthy Start              |                     |              | X                            |                        | X                    |                              | X                 |
| FYI/PEP                    | X                   |              |                              |                        |                      |                              | X                 |
| Baltimore Care Cooperative |                     |              |                              | X                      |                      |                              |                   |
| Y s Choices                |                     | X            | X                            | X                      |                      |                              |                   |
| STARS                      | X                   | X            | X                            | X                      |                      | X                            | X                 |

The primary issue is determining how successful these programs were at meeting their goals. Therefore, it is the objective of this study to examine these projects with common

measures of employment and welfare outcomes. The next section describes the methods we used.

## **Sample**

Our sample includes all individuals who were reported to us or determined by us as having participated in the seven projects between July 1, 1997 and June 30, 1998. Specifically, the sample was identified from information provided by the demonstration projects and from the Work Opportunities Management Information System (WOMIS), Maryland's system of record for welfare-to-work activities. Based on these sources, a total of 708 individuals participated in the seven projects during the demonstration period. Table 3 displays the number of known participants for each project. Five of the seven projects appear to have served fewer individuals than originally expected. Two programs, FYI and STARS, served more individuals than they had originally proposed.<sup>3</sup>

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<sup>3</sup>Differences between the number of customers projects expected to be served and the number actually served may be due in part to the fact that these projects were operating in the earliest months of welfare reform. It is quite possible that referral and communication processes among the projects and the local Departments of Social Services were not optimal.

**Table 3. Program Participation by Demonstration Project**

| <b>Project</b>                             | <b>Sample Size</b> |
|--|--------------------|
| PREP- Park-Reist Employment Project        | 41                 |
| Food Service Partnership Project           | 34                 |
| Healthy Start- Life Planning Institutes    | 162                |
| FYI- For Your Independence                 | 52                 |
| Baltimore Care Cooperative                 | 31                 |
| Y s Choices                                | 41                 |
| S.T.A.R.S. Support to Achieve Real Success | 347                |
| Total                                      | 708                |

### **Data Sources**

Information on project participants characteristics, employment, and welfare outcomes was obtained from three administrative data systems: AIMS/AMF; CARES; and MABS. Two of these systems (AIMS/AMF and CIS/CARES) are maintained by the Department of Human Resources and provide data about client characteristics and client utilization of public assistance and social service programs. The third, Maryland Automated Benefits System (MABS), is maintained by the Department of Labor, Licensing and Regulation and contains employment and wage data on the approximately 93 percent of Maryland jobs that are covered by the state s Unemployment Insurance Program (UI). It is important to note that MABS excludes federal government employees, some agricultural workers, some religious workers, and self-employed individuals who do not employ others. MABS also does not cover employment in the four states bordering Maryland (Delaware, Pennsylvania, Virginia and West Virginia) and the District of Columbia.

## Findings

### Participant Characteristics

As displayed in Table 4 following, the majority of clients participating in the seven demonstration projects were African American (93.3%; n=641/687), female (97.9%; n=693/708) and have never married (85.0%; n=557/655).<sup>4</sup> Participants ranged in age from 16 to 55 years, with an average or mean age of 28.09 years and a median or midpoint of 27.00 years.

In terms of UI-covered employment, almost half of the sample (46.3% or 324/700) had worked at some point in the two years preceding the demonstration projects. Although it is encouraging that many participants had recent work experience, this percentage is still considerably below the rate of 60.4% for the active 1998 TCA caseload (Caudill, 2000). Also, very few participants (18.0% or 126/700) were employed in the quarter right before the projects began.

It is not surprising that many demonstration project participants were long-term welfare recipients, given that chronic reliance on welfare is believed to be an indicator of a customer deemed as hard to serve or hard to place. In addition, long-term welfare receipt was a stated client selection criterion in several of the demonstration proposals. As shown in Table 4, during the year preceding the demonstration projects (July 1, 1996 to June 30, 1997), participants received TCA an average of 73.9% of the time, or approximately 9 out of 12 months. Half of the participants received assistance more than 92.0% of the time, or 11 out of 12 months. One in five sample members had received assistance continuously for at least two years before they enrolled in a demonstration project.

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<sup>4</sup>It is not surprising that nine out of ten participants are of African-American heritage, given that five of the seven projects operated in Baltimore City.

**Table 4. Characteristics of Participants**

| <b>Characteristic</b>  | <b>Frequency</b> | <b>Percentage</b> |
|--|------------------|-------------------|
| <b>Gender</b>  |                  |                   |
| Female   | 693              | 97.9              |
| Male   | 15               | 2.1               |
| <b>Ethnicity</b>   |                  |                   |
| African-American   | 641              | 93.3              |
| Caucasian  | 41               | 6.0               |
| Other  | 5                | 0.7               |
| <b>Age</b>   |                  |                   |
| 16-17  | 27               | 3.8               |
| 18-20  | 101              | 14.4              |
| 21-25  | 177              | 25.2              |
| 26-30  | 156              | 22.2              |
| 31-35  | 113              | 16.1              |
| 36 and older   | 129              | 18.3              |
| Mean   | 28.09 years      |                   |
| Median   | 27.00 years      |                   |
| Standard deviation   | 7.79 years       |                   |
| Range  | 16 to 55 years   |                   |
| <b>Marital Status</b>  |                  |                   |
| Never Married  | 557              | 85.0              |
| Separated  | 55               | 8.4               |
| Married  | 24               | 3.7               |
| Divorced   | 17               | 2.6               |
| Widowed  | 2                | 0.3               |
| <b>Employment History</b>  |                  |                   |
| Worked at any point in two years preceding project                   | 324              | 46.3              |
| Did not work at any point in two years preceding project             | 376              | 53.7              |
| Worked in the quarter preceding the project start                    | 126              | 18.0              |
| Did not work in the quarter preceding the project start              | 574              | 82.0              |
| <b>Percent of Time on Welfare in the Year Preceding the Projects</b> |                  |                   |
| Less than 25%  | 114              | 16.5              |
| 25% to 49%   | 42               | 6.0               |
| 50% to 74%   | 46               | 6.7               |
| 75% to 100%  | 490              | 70.8              |
| Mean   | 73.9%            |                   |
| Median   | 92.0%            |                   |
| Standard deviation   | 35.5%            |                   |
| Range  | 0 to 100%        |                   |
| Received welfare continuously for at least 2 yrs before program      | 148              | 21.4              |

Note: Due to missing data, frequencies may not always total 708.

## Employment Outcomes<sup>5</sup>

As shown in Table 5, there was a slight but steady increase in the percentage of program participants working in UI-covered jobs after the completion of the projects. In the first quarter after the projects ended (July-September 1998), employment was at 33.2% (n=233) with average quarterly earnings of \$1,325.<sup>6</sup> This compares favorably to the findings previously reported for the quarter immediately before the demonstration projects began (18.0% employed). By the fourth post-program quarter, nearly half or 47.0% (n=330) of the participants were working in Maryland UI-covered employment, earning an average of \$1,810 per quarter. Two-thirds of participants (65.4%; n=459/702) worked at some point during the follow up year. Again, this compares favorably to data describing employment during the two year period immediately before the start of the projects (46.3% employed at any point).

Employment outcomes varied by prior work history. In the first quarter after the demonstration projects ended, 42.3% of those with a recent work history were employed, compared to 25.3% of those without a recent work history. Although the difference in employment rates persists, it is encouraging to note that the employment rates for both groups increase over the follow up period. Over half of those without a recent work history worked at some point during the year after the program ended, as did three-fourths of those with a recent work history.

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<sup>5</sup>Employment outcomes are reported for the 702 participants for whom MABS data were available. Six individuals for whom we did not have valid Social Security numbers are excluded.

<sup>6</sup>Readers should note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know when in the quarter someone worked or how many hours they worked. It is impossible to compute hourly wage figures from these quarterly earnings data.

It is important to note that an increase in employment from the pre-demonstration project period to the follow up period was found among participants in all seven projects. In the first quarter after the projects ended, the employment rates for individual projects ranged from 22.0% to 74.2%. By the fourth follow up quarter, employment rates had increased for all projects from a low of 36.6% to a high of 74.2%. Employment in any post-project quarter ranged across projects from 51.2% to 93.5%. More detailed information on the employment outcomes of each demonstration project are not reported here because of methodological concerns. Specifically, our source for employment data (MABS) does not cover employment outside of Maryland. Because two of the seven projects are located in counties with high rates of out-of-state employment (Y's Choices in Allegany County and STARS in Prince George's County), it would not be accurate to compare them with the other five projects on employment data that likely excludes many of their successful placements.

**Table 5. Employment Outcomes**

|   |             |
|---|-------------|
| <b>Employment in the 1<sup>st</sup> Quarter After the Program Ended</b> |             |
| Percent Working   | 33.2% (233) |
| Mean Earnings   | \$1,325     |
| Median Earnings   | \$917       |
| Percent of those without a recent work history                          | 25.3% (95)  |
| Percent of those with a recent work history                             | 42.3% (138) |
| <b>Employment in the 2<sup>nd</sup> Quarter After the Program Ended</b> |             |
| Percent Working   | 38.7% (272) |
| Mean Earnings   | \$1,545     |
| Median Earnings   | \$1,180     |
| Percent of those without a recent work history                          | 32.6% (123) |
| Percent of those with a recent work history                             | 45.7% (149) |
| <b>Employment in the 3<sup>rd</sup> Quarter After the Program Ended</b> |             |
| Percent Working   | 40.3% (283) |
| Mean Earnings   | \$1,791     |
| Median Earnings   | \$1,512     |
| Percent of those without a recent work history                          | 30.6% (115) |
| Percent of those with a recent work history                             | 51.5% (168) |
| <b>Employment in the 4<sup>th</sup> Quarter After the Program Ended</b> |             |
| Percent Working   | 47.0% (330) |
| Mean Earnings   | \$1,810     |
| Median Earnings   | \$1,604     |
| Percent of those without a recent work history                          | 38.6% (145) |
| Percent of those with a recent work history                             | 56.7% (185) |
| <b>Employed at Any Point in the Year After the Program Ended</b>        |             |
| Percent Working   |             |
| Percent of those without a recent work history                          | 65.4% (459) |
| Percent of those with a recent work history                             | 54.8% (206) |
|   | 77.6% (253) |

Note: Participants are identified as having a recent work history if they had any UI-covered earnings in Maryland in the two years preceding the start of the demonstration projects.



## **Welfare Receipt Outcomes**

We were able to obtain welfare participation data for 692 (97.7%) of the 708 demonstration project participants. Because individuals were enrolled in the projects at different times throughout the year and for different lengths of time, we chose to compute three standard measures of welfare receipt. For each person we calculated the percent of time they received TCA during the year preceding the demonstration projects (July 1, 1996 to June 30, 1997), the percent of time they received TCA during the year of the demonstration projects (July 1, 1997 to June 30, 1998) and the percent of time they received TCA during the year after the demonstration projects (July 1, 1998 to June 30, 1999). Table 6, following, displays the results for these welfare participation variables.

As noted previously, participants received TCA an average of 73.9% of the time, or approximately 9 out of 12 months, during the year preceding the demonstration projects. Half of the participants received assistance more than 92.0% of the time, or 11 out of 12 months. It is not surprising that welfare receipt was even more common during the year the demonstration projects operated (July 1997 to June 1998). On average, participants received assistance for 9 ½ months that year, or 77.1% of the time.

**Table 6. Welfare Outcomes - All Projects Combined**

|                                | <b>Percent</b> | <b>Cumulative Percent</b> |
|--------------------------------|----------------|---------------------------|
| <b>Year Preceding Projects</b> |                |                           |
| Less than 25%                  | 16.5% (114)    | 16.5%                     |
| 25% to 49%                     | 6.0% (42)      | 22.5%                     |
| 50% to 74%                     | 6.7% (46)      | 29.2%                     |
| 75% to 100%                    | 70.8% (490)    | 100.0%                    |
| Mean                           | 73.9%          |                           |
| Median                         | 92.0%          |                           |
| Standard deviation             | 35.5%          |                           |
| Range                          | 0 to 100%      |                           |
| <b>Year Of Projects</b>        |                |                           |
| Less than 25%                  | 12.1% (84)     | 12.1%                     |
| 25% to 49%                     | 6.4% (44)      | 18.5%                     |
| 50% to 74%                     | 9.7% (67)      | 28.2%                     |
| 75% to 100%                    | 71.8% (497)    | 100.0%                    |
| Mean                           | 77.1%          |                           |
| Median                         | 91.2%          |                           |
| Standard deviation             | 30.2%          |                           |
| Range                          | 0 to 100%      |                           |
| <b>Year After Projects</b>     |                |                           |
| Less than 25%                  | 23.3% (161)    | 23.3%                     |
| 25% to 49%                     | 15.9% (111)    | 39.2%                     |
| 50% to 74%                     | 16.4% (114)    | 55.6%                     |
| 75% to 100%                    | 44.4% (306)    | 100.0%                    |
| Mean                           | 58.0%          |                           |
| Median                         | 66.5%          |                           |
| Standard deviation             | 36.4%          |                           |
| Range                          | 0 to 100%      |                           |

TCA receipt declined dramatically in the year after the demonstration projects. On average, participants received assistance 58.0% of the time, or for 7 out of 12 months. Over half of the participants received assistance for less than 8 months or 66.5% of the time. The difference between the demonstration year and the follow up year is 19.1% and is statistically significant at the  $p < .0001$  level.

Table 7, following, presents the same welfare receipt variables separately for each of the seven projects. It is encouraging that welfare receipt in the follow up year was reduced for

participants in five of the seven projects and that this reduction was statistically significant. The two projects which did not produce a significant decline show the same declining trend in welfare receipt, but they had too few clients to reach statistical significance. Differences in average welfare receipt between the project year and the follow up year range from a low of 8.0% for FYI/PEP to a high of 41.6% for the Baltimore Caregivers. Readers should note that differences observed among the seven demonstration projects may be a product of the different populations served, the services provided and/or the extent to which employment was an immediate goal.

**Table 7. Welfare Outcomes by Project**

|                           | Percent of Time on TCA |                |            |
|---------------------------|------------------------|----------------|------------|
| Project                   | Year Before            | Year Of        | Year After |
| Y's Choices**             |                        |                |            |
| Mean                      | 65.9%                  | 42.5%          | 20.3%      |
| Median                    | 87.4%                  | 29.3%          | 0.0%       |
| Standard deviation        | 37.7%                  | 37.0%          | 29.5%      |
| Range                     | 0 to 100%              | 0 to 100%      | 0 to 100%  |
| Baltimore Caregivers***   |                        |                |            |
| Mean                      | 81.5%                  | 74.0%          | 32.4%      |
| Median                    | 100.0%                 | 83.0%          | 25.0%      |
| Standard deviation        | 30.2%                  | 26.3%          | 34.9%      |
| Range                     | 0 to 100%              | 0 to 100%      | 0 to 100%  |
| Food Services Partnership |                        |                |            |
| Mean                      | 70.6%                  | 78.3%          | 64.6%      |
| Median                    | 100.0%                 | 91.2%          | 82.6%      |
| Standard deviation        | 42.0%                  | 23.3%          | 38.7%      |
| Range                     | 0 to 100%              | 8.24 to 99.73% | 0 to 100%  |
| FYI/PEP                   |                        |                |            |
| Mean                      | 72.4%                  | 71.0%          | 63.0%      |
| Median                    | 91.8%                  | 90.7%          | 66.5%      |
| Standard deviation        | 36.8%                  | 28.8%          | 30.3%      |
| Range                     | 0 to 100%              | 0 to 100%      | 0 to 100%  |
| STARS***                  |                        |                |            |
| Mean                      | 76.8%                  | 87.1%          | 63.0%      |
| Median                    | 92.0%                  | 100.0%         | 74.7%      |
| Standard deviation        | 31.8%                  | 24.0%          | 34.5%      |
| Range                     | 0 to 100%              | 0 to 100%      | 0 to 100%  |
| PREP**                    |                        |                |            |
| Mean                      | 69.9%                  | 64.8%          | 45.4%      |
| Median                    | 99.7%                  | 83.5%          | 41.5%      |
| Standard deviation        | 42.2%                  | 35.3%          | 35.6%      |
| Range                     | 0 to 100%              | 0 to 99.73%    | 0 to 100%  |
| Healthy Start**           |                        |                |            |
| Mean                      | 70.4%                  | 69.0%          | 60.5%      |
| Median                    | 98.9%                  | 83.0%          | 70.3%      |
| Standard deviation        | 39.3%                  | 32.0%          | 36.5%      |
| Range                     | 0 to 100%              | 0 to 100%      | 0 to 100%  |

As shown in the section describing the seven demonstration projects, there was a great deal of variation among the projects in terms of target population and program design. However, a common theme for many of the projects was that they wanted to serve long term welfare recipients. This theme should not be surprising given the extensive empirical literature showing that those who receive welfare for 24 months or more continuously are at greatest risk of long term welfare receipt (see, for example, Bane and Ellwood, 1994). There is also some indication in the literature that different strategies work best for different types of clients (Freedman, Knab, Gennetian, and Navarro, 2000; Michalopoulos, Schwartz, and Adams-Ciardullo, 2000). To allow us to better interpret the welfare and employment outcomes reported in the previous sections, we examined if the projects differed in the proportion of long-term (i.e. two years or more of continuous welfare receipt before the project start) customers they served and the results they achieved with long-term vs. short-term customers. Table 8 presents information on the proportion of long-term customers served by each program. Across all projects, one in five participants (21.4%) was a long term welfare recipient. The proportion of long-term recipients served varied considerably among projects ranging from a low of 8.5% for STARS to a high of 56.7% for the Baltimore Caregivers.

**Table 8. Continuous Welfare Receipt in the Two Years Prior to Project Start**

| <b>Project</b>            | <b>Less Than 2 Continuous Yrs</b> | <b>At Least 2 Continuous Yrs</b> |
|---------------------------|-----------------------------------|----------------------------------|
| Y s Choices               | 80.6% (29)                        | 19.4% (7)                        |
| Baltimore Caregivers      | 43.3% (13)                        | 56.7% (17)                       |
| Food Services Partnership | 52.9% (18)                        | 47.1% (16)                       |
| FYI/PEP                   | 73.1% (38)                        | 26.9% (14)                       |
| STARS                     | 91.5% (312)                       | 8.5% (29)                        |
| PREP                      | 59.0% (23)                        | 41.0% (16)                       |
| Healthy Start             | 69.4% (111)                       | 30.6% (49)                       |
| Total                     | 78.6% (544)                       | 21.4% (148)                      |

Table 9, following, shows that on average welfare receipt decreased between the project year and the follow up year 18.3% for short-term recipients and 22.2% for long-term recipients. Although this difference is small in absolute terms, it is statistically significant at the  $p < .05$  level. In all projects, the decline in welfare receipt was largest for long-term recipients, although the magnitude of this effect varied by project. None of the project-specific differences between long-term and short-term recipients are statistically significant; however, readers should be cautioned that sample sizes for these analyses are generally too small to provide reliable results.

**Table 9. Outcomes for Long Term vs. Short Term Customers**

|                           | N   | Year of Project | Year After Project | Average Change |
|---------------------------|-----|-----------------|--------------------|----------------|
| Y s Choices               |     |                 |                    |                |
| < 2 yrs                   | 29  | 40.1%           | 20.4%              | -19.7%         |
| 2 yrs or more             | 7   | 42.5%           | 20.3%              | -32.2%         |
| Baltimore Caregivers      |     |                 |                    |                |
| < 2 yrs                   | 13  | 68.7%           | 32.5%              | -36.2%         |
| 2 yrs or more             | 17  | 78.1%           | 32.4%              | -45.7%         |
| Food Services Partnership |     |                 |                    |                |
| < 2 yrs                   | 18  | 71.8%           | 70.3%              | -1.5%          |
| 2 yrs or more             | 16  | 85.6%           | 58.2%              | -27.4%         |
| FYI/PEP                   |     |                 |                    |                |
| < 2 yrs                   | 38  | 68.7%           | 63.3%              | -5.5%          |
| 2 yrs or more             | 14  | 77.2%           | 62.3%              | -14.9%         |
| STARS                     |     |                 |                    |                |
| < 2 yrs                   | 312 | 86.3%           | 62.2%              | -24.0%         |
| 2 yrs or more             | 29  | 95.9%           | 71.0%              | -24.9%         |
| PREP                      |     |                 |                    |                |
| < 2 yrs                   | 23  | 48.3%           | 33.9%              | -14.4%         |
| 2 yrs or more             | 16  | 88.6%           | 61.8%              | -26.8%         |
| Healthy Start             |     |                 |                    |                |
| < 2 yrs                   | 111 | 63.1%           | 55.2%              | -7.9%          |
| 2 yrs or more             | 49  | 82.3%           | 72.5%              | -9.8%          |
| Total*                    |     |                 |                    |                |
| < 2 yrs                   | 544 | 75.3%           | 57.0%              | -18.3%         |
| 2 yrs or more             | 148 | 83.6%           | 61.5%              | -22.2%         |

## Conclusions

The seven demonstration projects evaluated in this report shared the ambitious goal of moving families with multiple personal and family challenges to self-sufficiency from welfare to work. This goal was particularly ambitious given that the projects were operating in the earliest days of welfare reform. Previous welfare-to-work efforts provided little guidance in how best to work with customers at highest risk of long-term welfare receipt. Each of the seven demonstration projects evaluated here focused on a different population of hard-to-serve welfare recipients and adopted a different strategy for serving them.

Despite these differences, it is encouraging to see that all projects increased the employment of their participants and decreased their welfare receipt in the follow up year. While methodological issues do not allow us to draw causal conclusions (i.e. these changes may have occurred in the absence of these projects) or to specify which features of which programs worked best, we can say that the outcomes reported here warrant further consideration of program strategies for moving at risk families from welfare-to-work, such as the ones examined here. In short, the use of community-based organizations to provide community-specific services to various subgroups of at risk customers appears to be a promising strategy based on the results from these very early projects.

The patterns of caseload decline experienced over the past few years suggest that the rate of decline has varied significantly across localities and that decline may be slowing down in some areas. While a recent study suggests that the prediction that the hard-to-serve will be left behind is too simplistic to describe the present reality, it also indicates that today's welfare caseload may be different-to-serve than the caseload agencies were working with just a few short years ago (Caudill, 2000). Indeed, many agencies are now faced with the task of



identifying ways to work with clients for whom, for a variety of reasons, traditional work first strategies are not appropriate. Innovative community programs such as the ones examined here, combined with process and outcome evaluations, can help agencies identify promising practices.

Thus, if we were to make any suggestions for modifications to the process for funding similar projects in the future, the primary one would be to make the identification and dissemination of best practices (i.e. what worked and what didn't) an expected goal of the projects. In this fashion, the valuable and we suspect, often hard-won insights gained by innovative community-based projects could help to inform the activities of other providers. To the extent the pundits are correct in asserting that customers with multiple barriers to self-sufficiency have or will come to dominate the TANF caseload, it will be imperative that systematic effort be made to develop and make maximum use of field-based knowledge such as these projects can yield.

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