

**Promoting Employment  
Retention Among TANF  
Recipients: Lessons from  
the GAPS Initiative**

*Final Report*

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## EXECUTIVE SUMMARY

Interest among policymakers and program operators in services designed to promote employment retention among welfare recipients has increased greatly since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. This legislation, which ended Aid to Families with Dependent Children (AFDC) and created Temporary Assistance for Needy Families (TANF), imposed a five-year lifetime limit on cash assistance for most families and stricter work requirements on most able-bodied recipients. The Pennsylvania Department of Public Welfare (DPW) implemented TANF in March 1997. As required by the federal legislation, DPW has imposed a five-year limit on TANF receipt and now requires most recipients, after two years of TANF benefits, to work or participate in a work-related activity for at least 25 hours a week.

In response to these policy changes, The Pittsburgh Foundation, in collaboration with the Allegheny County Assistance Office (ACAO) of DPW, developed the GAPS initiative, an employment retention program that consisted of case management and other support services for employed Allegheny County welfare recipients. The program was called “GAPS” because it aimed to help welfare recipients bridge the gap between dependence on welfare and self-sufficiency. This report is the second and final report on the GAPS initiative. It examines how the program operated and how participants fared while enrolled in GAPS.

### THE GAPS PROGRAM

The GAPS initiative began in September 1997 and served participants for a three-year period ending in September 2000. When GAPS was implemented, it was the first program in Allegheny County to offer employment retention services to welfare recipients. Common questions about GAPS are:

- # *Who was eligible for GAPS?* Residents of Allegheny County who were employed current or former TANF recipients were eligible for GAPS. Over the three-year grant period, the program served about 600 participants.
- # *How were GAPS participants recruited?* GAPS was a voluntary program. Participants were recruited through mass mailings from the county welfare department, as well as directly by GAPS service providers.
- # *Who provided GAPS services?* The Foundation contracted with four community-based organizations in the Pittsburgh area to provide employment retention services.
- # *What key services did GAPS offer?* Case management was the central element of the GAPS program model. Through one-on-one contacts with participants, case managers provided supportive counseling; advice on child care, transportation, workplace behavior, and other issues; and referrals to other services in the community.

## THE GAPS STUDY

The Foundation contracted with Mathematica Policy Research, Inc. (MPR) to conduct an implementation and outcomes study of GAPS. The research was funded by the Foundation and by a grant from the Administration for Children and Families at the U.S. Department of Health and Human Services (DHHS). To gather information about program implementation and participant outcomes, MPR gathered information through: (1) two rounds of site visits to the four GAPS service providers, (2) service use logs maintained by program staff, (3) two rounds of follow-up surveys with program participants, and (4) state administrative welfare records.

Based on these data sources, the GAPS study provides a detailed look at program implementation and participants' experiences during the first two years of program operations. It examines both the challenges participants faced in maintaining employment and their progress toward self-sufficiency. Because GAPS services were provided by community-based organizations, some of which served specific neighborhoods or towns within Allegheny County, the study provides a unique opportunity to examine the issues surrounding this strategy for delivering employment retention services. The study was not designed to measure program impacts and thus did not gather data on a control or comparison group that did not receive GAPS services. Therefore, we cannot estimate the effect that GAPS may have had on the economic success of its participants.

## KEY STUDY FINDINGS

Through our analysis of site visit, service use, survey, and administrative records data, the following key findings about participants' experiences and program operations emerged:

- # ***Most GAPS participants experienced steady economic progress during their first 18 months in the program.*** During their first year and a half in GAPS, most participants maintained their employment and experienced substantial wage growth. On average, they were employed 80 percent of the time during this period; half were employed continuously throughout the period.<sup>1</sup> Wage levels among participants remained low, averaging less than \$8.00 an hour at the end of the follow-up period. Even so, after adjusting for inflation, participants' hourly wages increased by 14 percent, on average, in less than two years. Moreover, participants' dependence on cash assistance declined over the period, and earnings gains more than offset the decline in welfare benefits. Therefore, most GAPS participants experienced income growth, with average incomes increasing by more than 10 percent in the year prior to the second follow-up survey. Income levels of participants remained modest, however, averaging about \$20,000 annually almost two years into the program. Nonetheless, two out of three GAPS participants had incomes high enough to lift them out of poverty. In addition, most participants received the federal Earned Income Credit (EIC) for low-income workers, which provided many of them with

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<sup>1</sup>However, since the GAPS study was not designed to measure program impacts, we cannot determine whether these positive employment outcomes can be attributed to the effect of program services.

substantial additional income. The EIC averaged more than \$2,000 for the 8 in 10 participants who got the refundable credit, enough to raise their income by more than 10 percent.

# *In spite of this economic progress, substantial challenges remain.* For example, some GAPS participants lacked health insurance at the end of the follow-up period, and the proportion of those who were uninsured grew over time. At the time of the second survey, 14 percent of GAPS participants had no insurance coverage, up from 11 percent at the first survey. Three in 10 participants reported that they or their children had been uninsured at some point during the past year. In addition, although most participants maintained steady employment, some continued to struggle with challenges that made it difficult for them to stay employed. For example, one in five reported that workplace conflicts and difficulty in getting along with others interfered with their ability to do their job. Case managers indicated that these problems were among the most difficult to address, because they were often associated with serious personal problems, such as mental health issues, substance abuse, or family conflicts.

Others struggled with child care challenges; 14 percent said a child care problem made it difficult for them to stay employed. Moreover, these problems often led to missed work time. On average, participants with children under six missed work because of child care problems at the rate of almost eight times a year. Many GAPS participants, particularly those with infants and toddlers, relied on home-based child care providers (such as relatives, friends, and neighbors), rather than on day care centers or other group care arrangements. Parents may have many reasons for choosing friends and relatives as child care providers, including lower costs, greater convenience or availability, and a higher level of trust and comfort with this type of arrangement. However, child care arrangements with home-based providers were more prone to break down and lead to lost work time than group care arrangements.

Other GAPS participants faced transportation problems, although only five percent said these problems made it difficult for them to stay employed. Fewer than 4 in 10 GAPS participants owned a car, so most relied on public transportation to get to work. One in four public transportation commuters was dissatisfied with this arrangement, usually because of long commute times. Participants who relied on public transportation to get to work averaged a commute time of 50 minutes each way--twice as long as those who drove. These long commutes reduced the time that participants could spend with children, on household chores, and at work. Because of these and other challenges facing GAPS participants (and newly employed welfare recipients generally), the women enrolled in GAPS missed substantially more work time than other working women, which may have limited their prospects for job advancement and put some of them at risk of job loss.<sup>2</sup>

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<sup>2</sup>Almost all GAPS participants (99 percent) were women.

# ***GAPS participants valued the supportive counseling, personal attention, and advice their case managers provided.*** Case management was the central element of the GAPS program model. Through one-on-one contacts, GAPS case managers attempted to provide flexible services for participants, based on their individual needs. Supportive counseling was the service that case managers most commonly provided. Counseling sessions covered such topics as housing problems, goal setting, money management, methods for resolving conflicts at work, and family difficulties. Case managers also helped participants obtain support services by referring them to other agencies and programs. In addition, GAPS provided employment services, usually job search advice, for some participants. GAPS participants clearly appreciated the personalized support and attention they received from case managers. During follow-up surveys, they reported high levels of satisfaction with their case managers.

# ***Supplementing case management with additional tangible services may help gain participants' trust and, ultimately, improve their economic outcomes.*** Although GAPS participants clearly appreciated the supportive counseling and advice they received from their case managers, many expressed skepticism about the ability of these services alone to improve their employment outcomes. In follow-up surveys, most participants indicated that they were not convinced that the program's counseling services actually helped them stay employed or advance to a better job. However, participants who received services that had a more direct connection to employment (such as help with child care, transportation, or a specific problem at work) were more likely to consider GAPS services useful. Among participants who received this type of service, most thought GAPS had helped them stay employed.

Some participants also received emergency financial assistance from GAPS, including help paying for car repairs or overdue rent or utility bills. One GAPS agency provided emergency financial assistance much more frequently and in larger amounts than the other agencies. Participants at this agency had better employment success than other GAPS participants, which may be due in part to the agency's greater use of emergency financial assistance. In addition, according to case managers at the agency, providing this type of assistance promoted trust and a willingness on the part of participants to contact the program for help in a crisis.

# ***A greater emphasis on job advancement for newly employed welfare recipients may be needed.*** Although most participants maintained a high level of employment during their time in GAPS and many experienced substantial wage growth, their average hourly wage remained fairly low after almost two years in the program. In addition, during their early months in GAPS, half of employed participants indicated on follow-up surveys that they were looking for another job, usually with higher wages or better benefits. In the current environment where many newly employed welfare recipients can maintain employment but many continue to work for low wages and look for better jobs, programs that emphasize job advancement may be more effective at promoting economic success. The fact that participants who began GAPS with below-average wages

were less successful at maintaining their employment also suggests that additional job advancement assistance may be an appropriate emphasis for future employment retention programs.

Some newly employed welfare recipients may require additional education or training to advance to higher-paid employment. Four in 10 GAPS participants reported that they would have liked to attend training while in the program but could not, often because they could not afford to pay for training or afford or find child care. Moreover, participants who entered GAPS with more education experienced higher wage growth while in the program. These findings suggest that employment retention programs should consider promoting job advancement by offering help in paying for training and in finding and paying for child care while participants attend education programs.

# I

## INTRODUCTION

Interest among policymakers and program operators in services designed to promote employment retention among welfare recipients has increased greatly since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. This legislation, which ended Aid to Families with Dependent Children (AFDC) and created Temporary Assistance for Needy Families (TANF), imposed a five-year lifetime limit on cash assistance for most families and stricter work requirements on most able-bodied recipients. The Pennsylvania Department of Public Welfare (DPW) implemented TANF in March 1997. As required by the federal legislation, DPW has imposed a five-year limit on TANF receipt and now requires most recipients, after two years of TANF benefits, to work or participate in a work-related activity for at least 25 hours a week.

In response to these policy changes, The Pittsburgh Foundation, in collaboration with the Allegheny County Assistance Office (ACAO) of DPW, developed the GAPS initiative, an employment retention program that consisted of case management and other support services for employed Allegheny County welfare recipients. The program was called “GAPS” because it aimed to help welfare recipients bridge the gap between dependence on welfare and self-sufficiency. This report is the second and final report on the GAPS initiative. It examines how the program operated and how participants fared while enrolled in GAPS.

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transportation, workplace behavior, and other issues; and referrals to other services in the community.

## **B. THE GAPS STUDY**

The Foundation contracted with Mathematica Policy Research, Inc. (MPR) to conduct an implementation and outcomes study of GAPS. The research was funded by the Foundation and by a grant from the Administration for Children and Families at the U.S. Department of Health and Human Services (DHHS). To gather information about program implementation and participant outcomes, MPR used five data collection methods:

1. ***Site Visits.*** MPR researchers conducted two rounds of sites visits to the four community-based organizations that provided GAPS services. During these visits, conducted in mid-1998 and mid-1999, researchers conducted in-depth interviews with GAPS case managers, ACAO and Foundation staff, and other service providers to which GAPS participants were referred.
2. ***Service Use Logs.*** As part of the study, GAPS program staff documented the services they provided by recording information about their contacts with or on behalf of GAPS participants on standard contact logs that MPR developed. Program staff collected these data on the 467 participants who entered the program through June 1998. The service use data analyzed in this report cover all contacts that occurred from September 1997 through August 1999 (the first two years of program operations).
3. ***Follow-Up Surveys.*** MPR conducted two telephone follow-up surveys with GAPS participants. The first survey was conducted from July through September 1998 (eight months after participants' enrollment in the program, on average).<sup>1</sup> This report relies primarily on data from the second follow-up survey, which was conducted from September through December 1999. The follow-up period for the second survey ranged from 16 to 27 months and averaged 22 months. Both surveys included questions about participants' backgrounds, work histories, barriers to employment, experiences with GAPS, income sources, and employment outcomes. Of the 467 GAPS participants who entered the program through June 1998, a total of 378 completed the second follow-up survey, for a response rate of 81 percent.
4. ***State Administrative Welfare Records.*** DPW provided state administrative records data on GAPS participants' welfare receipt, covering the period from five years before their enrollment in GAPS through 18 months after their enrollment. These data are available for the 467 GAPS participants who enrolled in the program through June 1998.

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<sup>1</sup>To ensure a minimum of six months between program enrollment and the first follow-up survey, MPR restricted the first survey sample to the 355 participants who entered GAPS through early March 1998. Of these participants, 298 completed the survey, for a response rate of 84 percent.

5. ***Profiles of Selected Participants.*** Based on detailed discussions with GAPS program staff, as well as participants' survey responses and information from their service use log, MPR researchers completed detailed profiles of eight GAPS participants. These profiles focus on these participants' experiences, including both their economic successes and their challenges, as they moved from welfare to work. Information from these profiles is included in text boxes throughout this report to illustrate specific study findings. Participants' names have been changed in these descriptions.

Based on these data sources, the GAPS study provides a detailed look at program implementation and participants' experiences during the first two years of program operations; it examines both the challenges participants faced in maintaining employment and their progress toward self-sufficiency. The study was not designed to measure program impacts and thus did not include data collection for a control or comparison group that did not receive GAPS services. Therefore, we cannot estimate the effect that GAPS may have had on the economic success of its participants.

### **C. OVERVIEW OF THE REPORT**

We present our analysis of site visit, service use, survey, and administrative records data in Chapters II through VI of this report. Chapter II provides an overview of the GAPS program model. It describes how the initiative was developed and funded, who provided GAPS services, and what the characteristics of its participants were. Chapter III examines participants' experiences with GAPS, including the type and amount of services they received and their opinions of the program. Chapter IV describes the challenges participants faced in maintaining their employment, with a particular focus on child care and transportation challenges. Chapter V analyzes the economic progress of GAPS participants. It examines the kinds of jobs participants held, their success at maintaining employment, their patterns of welfare receipt, their income levels and sources, and their progress toward obtaining better jobs. Finally, Chapter VI presents operational lessons that emerged from the experiences of the four GAPS service providers and their participants concerning the delivery of employment retention services.

## II

### THE GAPS PROGRAM MODEL

In the wake of welfare reform, many welfare agencies, private foundations, and nonprofit service providers have sought to develop and test new strategies for helping welfare recipients obtain employment and become self-sufficient. In Pittsburgh, The Pittsburgh Foundation and ACAO worked together to develop GAPS, a program designed to address previously unmet needs of low-income families making the transition from welfare to work. To implement the initiative, the Foundation contracted with four community-based agencies to deliver services. In this chapter, we provide a brief history of the program and describe both the agencies that delivered services and the participant population served.

#### A. DEVELOPMENT OF THE GAPS PROGRAM MODEL

In 1995, the Foundation, in conjunction with the University of Pittsburgh's School of Social Work, conducted a study to redefine its grant-making goals in the area of children, families, and youth. As a result of that study, the Foundation decided to focus on the needs of low-income families with children residing in Allegheny County who wanted to seek employment and move toward self-sufficiency. This decision coincided with Pennsylvania's implementation in early 1997 of TANF, which imposes work requirements on recipients after two years on cash assistance and places a five-year lifetime limit on receiving cash assistance. With this policy change in mind, the Foundation began to develop a program model for supporting welfare recipients in their efforts to achieve their employment goals. The Foundation worked closely with ACAO to design the program and developed its program model for providing employment retention services based on available research and recommendations from ACAO staff.<sup>1</sup>

The Foundation's program design for GAPS is based on the premise that individualized case management services are the best way to support welfare recipients in their efforts to maintain employment and achieve self-sufficiency. The Foundation envisioned a program in which case managers would conduct comprehensive assessments of participants' needs, then work with them to remove potential obstacles to maintaining employment. In particular, the Foundation expected case managers to help participants with child care (including care during nonstandard working hours and sick care), transportation, work clothing, health insurance, literacy, problems in personal relationships, and interpersonal skills that could affect job performance. According to Foundation staff, GAPS services were ultimately intended to promote self-sufficiency among participants by helping them develop their own support networks and teaching them how to find help on their own when they needed it.

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<sup>1</sup>For a more detailed description of the program's development, see "Helping TANF Recipients Stay Employed: Early Evidence from the GAPS Initiative" (Wood and Paulsell 1999). The report can be found on the Internet at [[www.mathematica-mpr.com/gapsreport.pdf](http://www.mathematica-mpr.com/gapsreport.pdf)].

## **B. THE FOUR GAPS SERVICE PROVIDERS**

After the Foundation and ACAO developed the GAPS model, they needed to identify and fund appropriate service providers to implement the initiative. The Foundation sought service providers that were knowledgeable about the challenges faced by TANF recipients and experienced at serving similar populations.

In summer 1997, the Foundation initiated a competitive application process to select and fund four community-based organizations to provide GAPS services. The Foundation assembled a GAPS advisory committee of ACAO staff, Foundation board members, and community representatives to evaluate more than 40 proposals received from community agencies and service providers in Allegheny County. The advisory committee evaluated each proposal based on criteria developed by the Foundation. These criteria included (1) the agency's knowledge of the challenges TANF recipients face in maintaining employment, (2) the agency's understanding of the world of work and employer needs, (3) the agency's record in providing services to similar populations, (4) the extent to which agency staff respected and reflected the racial and cultural groups to be served, (5) the agency's proposed strategy for providing employment retention services, (6) the financial viability of the proposed strategy, and (7) the likelihood that DPW would continue the program beyond the Foundation's funding period. Based on recommendations from this advisory committee, the Foundation awarded two-year grants to provide GAPS services to four Pittsburgh-area community organizations: Hill House Association, Neighborhood Centers Association, Rankin Christian Center, and the Urban League of Pittsburgh.

### **1. Support Provided to Grantees**

After the four GAPS agencies had been selected, the Foundation provided them with significant financial support and technical assistance. Foundation staff worked closely with each grantee to provide orientation about the program model and to identify the types of support that the grantees would need during the initiative's start-up phase. They then continued to provide a high level of support to grantees throughout the three-year program period.

**Financial Support.** The Foundation provided a series of grants totaling more than \$740,000 to the four GAPS grantees to operate the program for three years (Table II.1). The organizations received initial grants totaling about \$370,000 to provide GAPS services to an estimated 605 participants over a two-year grant period. Proposed per-client funding varied considerably, depending in part on the extent to which grantees could rely on other agency and community resources. Because the number of referrals at two of the four GAPS grantees (Hill House and the Urban League) was higher than initially expected, the Foundation increased the overall enrollment target to 725 and provided just over \$110,000 to fund the hiring of an additional case manager at each of these two agencies. Once GAPS was under way, the Foundation decided to extend its financial support of the program for another year and made additional awards totaling more than \$260,000 to the four agencies to fund a third year of GAPS services (Table II.1).

**Technical Assistance.** Monthly "learning community" meetings convened by the Foundation provided grantees with technical assistance, as well as a forum in which case managers could share experiences, challenges, and promising strategies. These meetings

TABLE II.1  
FINANCIAL SUPPORT FOR THE GAPS INITIATIVE, BY AGENCY

	Hill House Association	Neighborhood Centers Association	Rankin Christian Center	Urban League of Pittsburgh	Total
<b>Program Funding</b>					
Initial foundation grant	\$98,251	\$69,054	\$107,640	\$94,696	\$369,641
Supplemental foundation grant to hire a second case manager	\$56,330	\$0	\$0	\$54,300	\$110,630
Supplemental foundation grant to fund a third year of GAPS services	\$94,285	\$38,553	\$60,820	\$68,313	\$261,971
<b>Total foundation funding</b>	<b>\$248,866</b>	<b>\$107,607</b>	<b>\$168,460</b>	<b>\$217,309</b>	<b>\$742,242</b>
Other funding sources	\$26,000	\$282,170	\$202,412	\$0	\$510,582
In-kind contributions	\$29,442	\$4,510	\$0	\$0	\$33,952
<b>Total funding from all sources</b>	<b>\$304,308</b>	<b>\$394,287</b>	<b>\$370,872</b>	<b>\$217,309</b>	<b>\$1,286,776</b>
<b>Enrollment</b>					
Initial enrollment projection	100	125	300	80	605
Revised enrollment projection <sup>a</sup>	150	125	300	150	725
Actual enrollment through May 1999	161	100	150	176	587
<b>Funding Per Participant<sup>b</sup></b>					
Foundation funds	\$1,546	\$1,076	\$1,123	\$1,235	\$1,264
All funds	\$1,890	\$3,943	\$2,472	\$1,235	\$2,192

SOURCE: The Pittsburgh Foundation.

<sup>a</sup>Because Hill House and the Urban League received more referrals than anticipated, the Foundation granted these agencies additional funds for hiring a second case manager and increased each agency's enrollment projection to 150 participants.

<sup>b</sup>Figures are based on actual, rather than projected, enrollment.

were attended by the GAPS case managers, Foundation staff, and often staff from ACAO. Initial meetings focused on program recruitment, enrollment issues, and TANF rules. Most subsequent meetings, however, centered on providing grantees with information about community resources and on sharing promising ideas and strategies. In a typical meeting, outside experts would present information on topics that the case managers suggested. For example, the Allegheny County Port Authority provided information on changes in bus routes and schedules, and the local housing authority and other housing service providers participated in a session on housing problems and resources. According to case managers, the most helpful sessions were those on Child Care Works (Pennsylvania's child care subsidy program) and on programs available to help low-income working families purchase cars.

Most meetings also included time for grantees, Foundation staff, and ACAO staff to discuss problems, issues, and promising strategies encountered or discovered during the previous month. Foundation staff believe that these meetings provided an essential forum for cross-fertilization of ideas among grantees and for reflecting as a group on what they were learning about providing employment retention services to former TANF recipients. Case managers reported that they enjoyed the opportunity to interact with staff from the other agencies, learn that others had faced similar challenges, and share ideas about strategies each agency had tried. Staff at one agency reported that the meetings had fostered more collaboration among the agencies than would have otherwise occurred.

## **2. The GAPS Grantees**

The four GAPS programs delivered a common set of services. However, they had varied strengths and experiences, and they followed slightly different service delivery strategies (Table II.2). The common elements across the four programs were case management, supportive counseling, and referrals to other service providers. The service areas of the GAPS programs varied according to the traditional service areas of each sponsoring agency. Neighborhood Centers and Rankin, both neighborhood-based, provided services primarily to residents of the communities near their offices. Hill House and the Urban League, however, from the outset served GAPS participants who live throughout Allegheny County. All the agencies had experience serving TANF recipients, although only two (Hill House and the Urban League) had provided employment services.

Each grantee operated a broad range of services and programs for community members, and GAPS participants generally had access to most of the services each agency provided in house. These services varied by agency, but included job placement and other employment services, emergency housing assistance, help with buying a residence, child care referrals and advice, mental health counseling, help with household budgeting and taxes, and family support services. To varying degrees, grantees incorporated these services into their GAPS programs.

The following summaries provide an overview of each grantee's background and mission:

- # ***Hill House Association.*** This multiservice community organization is located in the heart of Pittsburgh's Hill District, a mostly African American neighborhood whose residents are among the poorest in the city. Hill House offers a wide range of services and programs, including senior services,

TABLE II.2

## KEY FEATURES OF THE FOUR GAPS PROGRAMS

Key GAPS Services	Staffing
<b>Hill House Association</b>	
Case management and supportive counseling	- Two case managers
Help with money management and budgeting	- AmeriCorps volunteer
Emergency financial assistance and bus tickets	
Access to Hill House's computer lab	
Resume-writing and job search assistance	
Literacy tutoring	
Group sessions on topics such as housing, consumer credit, interviewing techniques	
Job fairs	
Referrals to other service providers	
Flexible office hours	
<b>Neighborhood Centers Association</b>	
Case management and supportive counseling	- Three case managers (50 percent)
Life skills coaching	- Life skills specialist (25 percent)
Help with budgeting and time management	
Food vouchers and referrals to food banks	
Nutrition counseling	
Bus tickets and energy assistance	
Job search advice	
Referrals to other service providers	
Home visits, including evening and weekend visits (rather than office visits)	
<b>Rankin Christian Center</b>	
Case management and supportive counseling	- Two case managers
Help arranging child care, including sick care	- AmeriCorps volunteer
Access to family support workers, registered nurses, and mental health counseling	- 24-hour answering service
Bus tickets and energy assistance	
In-kind material assistance (furniture, clothing, diapers)	
Home safety inspections and equipment	
Job search assistance	
Access to Rankin's peer support groups and field trips	
Referrals to other service providers	
Flexible office hours and home visits	
<b>Urban League of Pittsburgh</b>	
Case management and supportive counseling	- Two case managers
Job search and job placement assistance; help with resumes	
Job fairs	
Access to the Urban League's housing program and education department	
In-kind material assistance (clothing, toys, personal items)	
Emergency financial assistance and bus tickets	
Mentoring	
Referrals to other service providers	
Flexible office hours	

community development initiatives, a family self-sufficiency program, programs for young mothers and fathers, and child care and after-school programs. The agency also provides space at its main offices to other agencies that offer services to low-income community members, including a dental clinic operated by the health department; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Duquesne University's law clinic; an outpatient clinic affiliated with Mercy Hospital; and the local housing authority's central relocation agency.

- # ***Neighborhood Centers Association.*** Serving residents of Pittsburgh's Northside district for more than a century, Neighborhood Centers provides a range of services to the largely low-income African American community where it is located. The agency provides senior services; a variety of programs for families, such as abuse and neglect prevention, parenting education, and crisis intervention; an after-school program; a summer youth employment program; and a program to help low-income families pay utility bills. In addition, Neighborhood Centers operates the Family Services Program, which provides support services (life skills education, referrals, supportive counseling) to low-income families, most of whom receive public assistance. Although the program does not have an employment focus, its services are similar to those provided through GAPS.
- # ***Rankin Christian Center.*** This 94-year-old community organization began as a settlement house for Eastern European immigrants. It now serves three small, mostly African American communities (with populations of about 2,000 to 7,000) located just outside of Pittsburgh--Rankin, Braddock, and Turtle Creek. These communities have among the highest rates of poverty and infant mortality in Allegheny County. For the past decade, Rankin has worked in partnership with Children's Hospital of Pittsburgh to operate a family support center called the Family Care Connection (FCC). This collaboration provides a wide range of family support, health, and educational programs for families, as well as emergency food assistance, after-school tutoring, literacy, recreation, a summer day camp, and a Head Start program. Many GAPS participants live near Rankin's offices, some even within walking distance.
- # ***Urban League of Pittsburgh.*** The Urban League of Pittsburgh is an 80-year-old community organization whose mission is to improve the quality of life for African Americans in the Greater Pittsburgh area. The Urban League, which is located in an office building in downtown Pittsburgh, offers a variety of services to all Allegheny County residents, regardless of race or ethnicity. For example, the agency offers housing counseling (including advice on how to budget, deal with landlords, and choose better housing), emergency shelter grants, and a home ownership program. The Urban League also maintains a job bank that employs job developers who find job openings. In addition, the agency has an education department that provides help finding and applying for education and training programs and help accessing financial aid.

### C. THE GAPS CASE MANAGERS

The case manager was the central element of the GAPS program model. After the first several months, each of the four GAPS agencies had at least two full-time case managers dedicated to the program.<sup>2</sup> Two agencies, Hill House Association and the Urban League of Pittsburgh, began their GAPS programs with only one case manager. However, because of a rapid influx of referrals to these two agencies, the Foundation in February 1998 provided additional funds to hire a second case manager. From the outset, Neighborhood Centers planned for their case managers to have small caseload sizes (40 to 50), while the other three agencies planned for caseload sizes of 80 to 100. Participant-staff ratios have varied over time according to the caseload of each agency and the pace of enrollment. As of June 1998, average caseloads were about 40 at Neighborhood Centers and 60 to 70 at the other three GAPS agencies.

**Staff Experience and Training.** All GAPS case managers had some experience providing social services, either as volunteers or as paid staff in fields such as mental health, drug and alcohol rehabilitation, HIV/AIDS counseling, and family support. Most also had experience working with low-income people or welfare recipients. In fact, several were themselves former welfare recipients who had firsthand knowledge about making the transition from welfare to work. The education levels of case managers ranged from high school diplomas to bachelor's degrees; however, almost all case managers had or were working toward an associate's or higher degree. As described previously, as part of the program, all case managers received training provided by the Foundation's "learning community" meetings. In addition, several GAPS agencies provided specialized training for case managers on such topics as the Earned Income Credit (EIC), reemployment services, and housing.

The GAPS agencies hired a mixture of preexisting staff and new employees to serve as case managers. Two agencies, Hill House and Neighborhood Centers, transferred staff from previous programs to GAPS, because they felt that the case managers' knowledge of the agency, the community, and the participant population would facilitate smooth implementation of the program. Rankin hired former Americorps volunteers to serve as case managers, and the Urban League hired new staff without agency experience.

**Staff Hours.** In general, all GAPS agencies attempted to structure their service delivery around the schedules of participants. Consequently, case managers at all four agencies worked nonstandard hours. For example, staff at all four agencies reported scheduling office or home visits during evenings and on weekends to accommodate participants' schedules. Similarly, case managers from all agencies said they regularly called participants from home in the evening. Hill House case managers reported that they often stopped by participants' homes after work. In addition, case managers at each agency made some provision for participants to reach them by telephone outside regular office hours. Staff at three of the GAPS programs carried beepers. One case manager gave participants her home telephone number. At Neighborhood Centers and Rankin, participants could call an emergency number

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<sup>2</sup>Several agencies employed additional staff or AmeriCorps volunteers who provided backup and support for the GAPS case managers. For more detailed information about program staffing at each agency and other descriptive information about the programs, see Appendix A of the first GAPS report (Wood and Paulsell 1999).

24 hours a day and be directed to staff who could provide assistance. Finally, case managers frequently performed work outside their offices. They conducted home visits and occasional workplace visits, accompanied participants on job interviews, took participants to appointments, and delivered information and material goods to participants' homes.

#### **D. RECRUITMENT OF GAPS PARTICIPANTS**

Allegheny County residents who were employed but had received TANF at some point since March 1997 were eligible for GAPS services. Both current and former TANF recipients were eligible. Because fewer support services are available to former TANF recipients and their families, however, both the Foundation and ACAO sought primarily to serve former TANF recipients who had left cash assistance for employment, although participants who returned to cash assistance after enrollment remained eligible for GAPS services. State administrative TANF records suggest that the Foundation and ACAO achieved their goal of serving mainly former recipients: when they entered GAPS, 62 percent of participants were no longer receiving TANF.<sup>3</sup>

Participation in GAPS was voluntary; none of the participants were required to enroll. ACAO conducted the initial recruitment for GAPS by sending letters to people who had received TANF at some point since March 1997 but had left TANF for employment. The letters invited recipients to enroll in the program, described the GAPS initiative, and included an application form to be completed and returned. From September 1997 through February 1998, ACAO sent out approximately 3,100 recruitment letters.<sup>4</sup> Because initial mailings did not yield sufficient applicants for two of the agencies (Neighborhood Centers and Rankin), ACAO sent out a few smaller recruitment mailings after February 1998. By May 1999, a total of 573 applications had been returned, a response rate of approximately 18 percent (Table II.3).

ACAO referred each of these applicants to one of the four GAPS grantees. Applicants who lived within the service area of Neighborhood Centers or Rankin were referred to those agencies, and applicants who lived in Pittsburgh's Hill District were referred to Hill House. Those who lived in other areas of Allegheny County were referred to either Hill House or the Urban League, depending on each agency's capacity to accept new referrals at that time. In addition, a small number of applicants who lived outside Neighborhood Centers' service area were referred to that agency in an effort to increase its enrollment. Approximately 80 percent of the applicants referred by ACAO to one of the four GAPS agencies eventually enrolled in the program. Some applicants did not enroll because GAPS staff could not locate them, while some others refused the offer of services.

Because the ACAO recruitment letters did not generate enough referrals to Neighborhood Centers and Rankin (the two GAPS agencies serving specific neighborhoods within Allegheny County), the Foundation permitted all the agencies to recruit participants

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<sup>3</sup>Chapter V provides a more detailed discussion of the patterns of TANF receipt among GAPS participants.

<sup>4</sup>See "Helping TANF Recipients Stay Employed: Early Evidence from the GAPS Initiative" (Wood and Paulsell 1999) for a detailed description of these recruitment mailings.

TABLE II.3  
GAPS REFERRALS AND ENROLLMENT

	Hill House Association	Neighborhood Centers Association	Rankin Christian Center	Urban League of Pittsburgh	All GAPS Agencies
Initial Enrollment Targets	150	125	300	150	725
Recruitment Letters from ACAO	--	--	--	--	3,100
Referrals from ACAO	175	159	27	212	573
Actual Enrollment					
From ACAO referrals	155	100	26	176	457
From agency recruitment	6	0	124	0	130
Total	161	100	150	176	587

ACAO = Allegheny County Assistance Office.

directly.<sup>5</sup> While two grantees (Neighborhood Centers and the Urban League) did not recruit any of their participants directly, Rankin recruited most of its participants (83 percent) in that manner.

As of May 1999, the four GAPS agencies had enrolled 587 participants, or 81 percent of their initial target of 725 (Table II.3). Hill House and the Urban League, the two agencies with countywide service areas, had enrolled slightly more participants than the 150 for which they had planned. In contrast, by May 1999, Neighborhood Centers had enrolled about 80 percent of the 125 participants it had expected to serve, while Rankin, which had planned to serve 300 participants, had enrolled only half that number.

## E. PARTICIPANT POPULATION

The four GAPS programs served a similar participant population. Across all agencies, participants shared the following characteristics:

- # *Upon entering GAPS, participants had limited work experience and extensive past welfare receipt.* On average, GAPS participants were employed for only 10 months in the three years before they entered GAPS (Table II.4). Hill House participants had particularly limited employment histories, with less than seven months of employment over the previous three years. On average, participants had spent about three-fourths of the time receiving cash assistance during the five years prior to entering GAPS.

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<sup>5</sup>When GAPS programs recruited participants directly, staff had to request eligibility verification from ACAO. To confirm eligibility, ACAO staff verified that applicants had received TANF in Allegheny County after March 1997. If the applicants were receiving TANF at the time they applied to GAPS, ACAO verified that they had reported their earnings to the welfare agency.

TABLE II.4  
SELECTED CHARACTERISTICS OF GAPS PARTICIPANTS, BY PROGRAM  
(Percentages)

	Hill House Association	Neighborhood Centers Association	Rankin Christian Center	Urban League of Pittsburgh	All GAPS Participants
<b>Age (in years)</b>					
Younger than 20	2	2	4	2	3
20 to 29	47	49	56	49	51
30 to 39	43	30	30	32	34
40 or older	9	19	10	17	13
(Average age)	(30.4)	(30.5)	(29.4)	(31.5)	(30.5)
<b>Highest Education Completed</b>					
Less than high school (no GED)	10	7	11	4	8
GED	26	26	13	21	21
High school diploma	50	55	61	63	58
Associate's or bachelor's degree	15	12	15	13	14
<b>Ethnicity<sup>a</sup></b>					
African American	76	63	81	70	73
White	22	34	15	27	24
Other	2	3	4	3	3
<b>Number of Children Under 18</b>					
None	3	4	6	2	3
1	41	36	36	46	40
2	32	33	24	27	29
3	17	21	19	17	19
4 or more	7	7	15	9	10
(Average number of children)	(1.9)	(2.0)	(2.1)	(1.9)	(2.0)
<b>Age of Youngest Child (in years)</b>					
Younger than 1	4	2	8	8	6
1	15	15	13	15	14
2 to 3	24	26	32	30	28
4 to 5	28	22	22	16	22
6 or older	30	34	25	31	30
(Average Age)	(5.5)	(5.8)	(4.7)	(5.1)	(5.2)
<b>AFDC/TANF Receipt in the Five Years Prior to GAPS Enrollment (in months)</b>					
Less than 12	9	9	6	6	7
12 to 23	12	6	12	11	11
24 to 35	7	12	16	11	11
36 to 47	12	11	13	19	14
48 to 59	40	42	28	40	37
60	20	21	26	13	20
(Average months of receipt)	(44.3)	(45.7)	(43.8)	(43.6)	(44.2)
<b>Employment in the Three Years Prior to GAPS Enrollment (in months)<sup>a</sup></b>					
0	6	4	4	0	3
1 to 2	18	10	12	15	14
3 to 5	38	26	18	25	26
6 to 11	23	29	31	28	28
12 to 23	9	21	17	20	16
24 or more	6	11	18	13	12
(Average months of employment)	(6.6)	(9.9)	(11.2)	(10.1)	(9.5)
<b>Sample Size</b>	<b>117</b>	<b>86</b>	<b>126</b>	<b>136</b>	<b>465</b>

SOURCE: Education and ethnicity from the second GAPS follow-up survey. AFDC/TANF receipt from state administrative records. All other information from GAPS application forms.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families.

<sup>a</sup> Differences across programs for this participant characteristic statistically significant at .10 level.

- # ***Most participants had high school degrees.*** Nearly three of four participants entered the program with a high school diploma or a higher degree. Most of those without diplomas had earned their general equivalency diplomas (GEDs).
- # ***Most participants were young African American women.*** Most participants were in their twenties or thirties, and nearly all (99 percent) were women. About three-fourths of GAPS participants were African American, and one-fourth were white.
- # ***Participants typically had one or two children, and many of these children were quite young.*** Most GAPS participants entered the program with one or two minor children living in their household, and about 30 percent of participants had three or more minor children when they enrolled. About 70 percent had at least one child under age six when they enrolled in the program; 20 percent had an infant under age two.
- # ***Many GAPS participants came from disadvantaged backgrounds.*** Over half (54 percent) of participants had their first child before they were 20, and more than a quarter (28 percent) had their first child before they were 18 (not shown). More than half (54 percent) reported that their families received welfare when they were children; one in five reported that their families had received welfare “most or all of the time.” Only 50 percent of participants lived in two-parent households when they were 14 years old; 10 percent lived with neither parent at that time.
- # ***Participants who were receiving TANF when they entered GAPS were more disadvantaged than those who left TANF prior to enrollment.*** Slightly more than one-third of participants were current TANF recipients when they enrolled in GAPS. These participants had a longer history of welfare receipt—47 months, on average, in the five years prior to enrollment, compared with 42 months among former recipients. Only 61 percent of current recipients had high school diplomas at enrollment, compared with 77 percent of former recipients. In addition, current recipients tended to be somewhat younger and to have more and younger children than those who were former TANF recipients at enrollment (Table II.5).

Based on simple demographic characteristics, GAPS participants were roughly similar to the general TANF caseload in Allegheny County. As of January 1999, for example, 71 percent of adults on TANF in the county had a high school diploma or a higher degree, compared to 72 percent among GAPS participants.<sup>6</sup> In addition, among all TANF recipients in the county at that time, 68 percent were African American, and 31 percent were white, compared with 73 and 24 percent, respectively, among GAPS participants. Despite these basic similarities, because GAPS was a voluntary program, those who chose to participate were not representative of all Allegheny County TANF recipients. They may have differed from other TANF recipients in their abilities, motivation, and other unmeasured characteristics.

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<sup>6</sup>However, Allegheny County TANF recipients appear to be somewhat different from TANF recipients throughout the rest of the state. Statewide, only 57 percent of adults on TANF had high school diplomas as of January 1999. Figures describing the general TANF caseload were provided by DPW.

TABLE II.5  
 SELECTED CHARACTERISTICS OF GAPS PARTICIPANTS,  
 BY TANF STATUS AT PROGRAM ENTRY  
 (Percentages)

	On TANF at Program Entry	Off TANF at Program Entry	All GAPS Participants
<b>Age (in years)<sup>a</sup></b>			
Younger than 20	4	2	3
20 to 29	53	49	51
30 to 39	34	34	34
40 or older	16	9	13
(Average age)	(29.8)	(30.9)	(30.5)
<b>Highest Education Completed<sup>a</sup></b>			
Less than high school (no GED)	11	6	8
GED	28	17	21
High school diploma	55	59	58
Associate's or bachelor's degree	6	18	14
<b>Ethnicity</b>			
African American	78	71	73
White	20	26	24
Other	2	3	3
<b>Number of Children Under 18<sup>a</sup></b>			
None	2	4	3
1	33	44	40
2	29	28	29
3	20	18	19
4 or more	16	6	10
(Average number of children)	(2.3)	(1.8)	(2.0)
<b>Age of Youngest Child (in years)<sup>a</sup></b>			
Younger than 1	8	5	6
1	13	15	14
2 to 3	31	26	28
4 to 5	22	22	22
6 or older	27	32	30
(Average age)	(4.6)	(5.6)	(5.2)
<b>AFDC/TANF Receipt in the Five Years Prior to GAPS Enrollment (in months)<sup>a</sup></b>			
Less than 12	6	8	7
12 to 23	7	13	11
24 to 35	10	12	11
36 to 47	12	15	14
48 to 59	23	46	37
60	42	6	20
(Average months of receipt)	(47.3)	(42.4)	(44.2)
<b>Employment in the Three Years Prior to GAPS Enrollment (in months)</b>			
0	8	1	3
1 to 2	24	8	14
3 to 5	21	30	26
6 to 11	19	33	28
12 to 23	16	17	16
24 or more	13	12	12
(Average months of employment)	(8.8)	(9.9)	(9.5)
<b>Sample Size</b>	<b>174</b>	<b>291</b>	<b>465</b>

SOURCE: Education and ethnicity from the second GAPS follow-up survey. AFDC/TANF receipt from state administrative records. All other information from GAPS application forms.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families.

<sup>a</sup> Differences between participants who were on TANF and off TANF at GAPS entry for this participant characteristic statistically significant at .10 level.

### III

## PARTICIPANTS' EXPERIENCES WITH GAPS

The Foundation designed the GAPS initiative to support welfare recipients moving from welfare to employment. To help participants in this transition, the four GAPS agencies provided a broad range of services tailored to the individual needs of each participant. As a result, participants' experiences with GAPS varied widely. For example, some participants maintained frequent contact with case managers, while others contacted the program only in times of crisis. Although most participants received primarily counseling and referrals, many received additional services, such as financial assistance or help in finding housing, child care, or a job.

To learn from participants' experiences with GAPS and derive lessons that may be useful to future employment retention programs, it is important to understand both how GAPS was implemented and what participants thought of the program. In this chapter, we use data from service use logs, the second follow-up survey, and site visits to explore the types of services GAPS provided and the frequency of contact between GAPS case managers and participants.<sup>1</sup> We then examine participants' opinions about the GAPS program and its usefulness in helping them maintain employment.

#### A. HOW WERE GAPS SERVICES PROVIDED?

The GAPS agencies implemented a case management approach to service delivery, in which case managers provided services as needed to help participants cope with problems that could jeopardize their employment. Instead of delivering a standard package of services, GAPS provided flexible services based on participants' individual needs.

##### *# Case managers provided most GAPS services during one-on-one discussions with participants.*

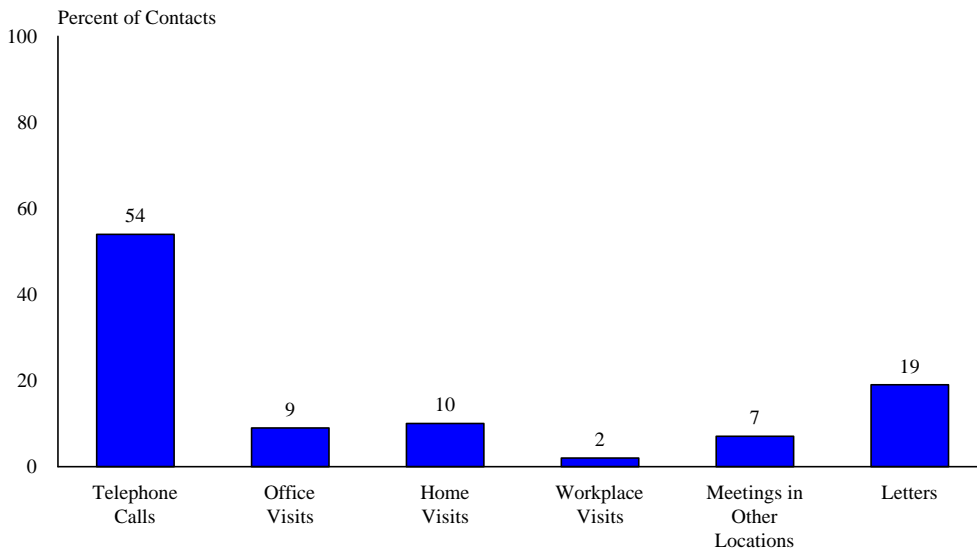
The GAPS case managers usually provided services during telephone calls or face-to-face meetings with participants (Figure III.1). More than half these discussions were by telephone, ranging from 41 percent at Rankin to 64 percent at Neighborhood Centers (Figure III.2). These calls averaged 14 minutes. Case managers called GAPS participants to check

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<sup>1</sup>When appropriate, we compare our results to those from the evaluation of the Postemployment Services Demonstration (PESD), one of the first major efforts to provide employment retention services to welfare recipients (Rangarajan and Novak 1999; Rangarajan 1998; Haimson and Hershey 1997; and Rangarajan 1996). PESD operated in four sites (Chicago, Illinois; Portland, Oregon; Riverside, California; and San Antonio, Texas) from mid-1994 to mid-1996. Like GAPS, PESD relied primarily on providing case management services to promote employment retention. However, unlike GAPS, the PESD programs were operated within the welfare department (and not by community-based organizations). In addition, welfare recipients were referred automatically to PESD when they became employed. In contrast, GAPS was voluntary; participants were recruited through mass mailings from the welfare department, as well as through direct recruitment from the service providers.

FIGURE III.1

METHODS USED FOR PROVIDING SERVICES TO GAPS PARTICIPANTS



Source: GAPS service use logs.

on their employment status, make and follow up on referrals, provide information and advice, and offer encouragement and support.

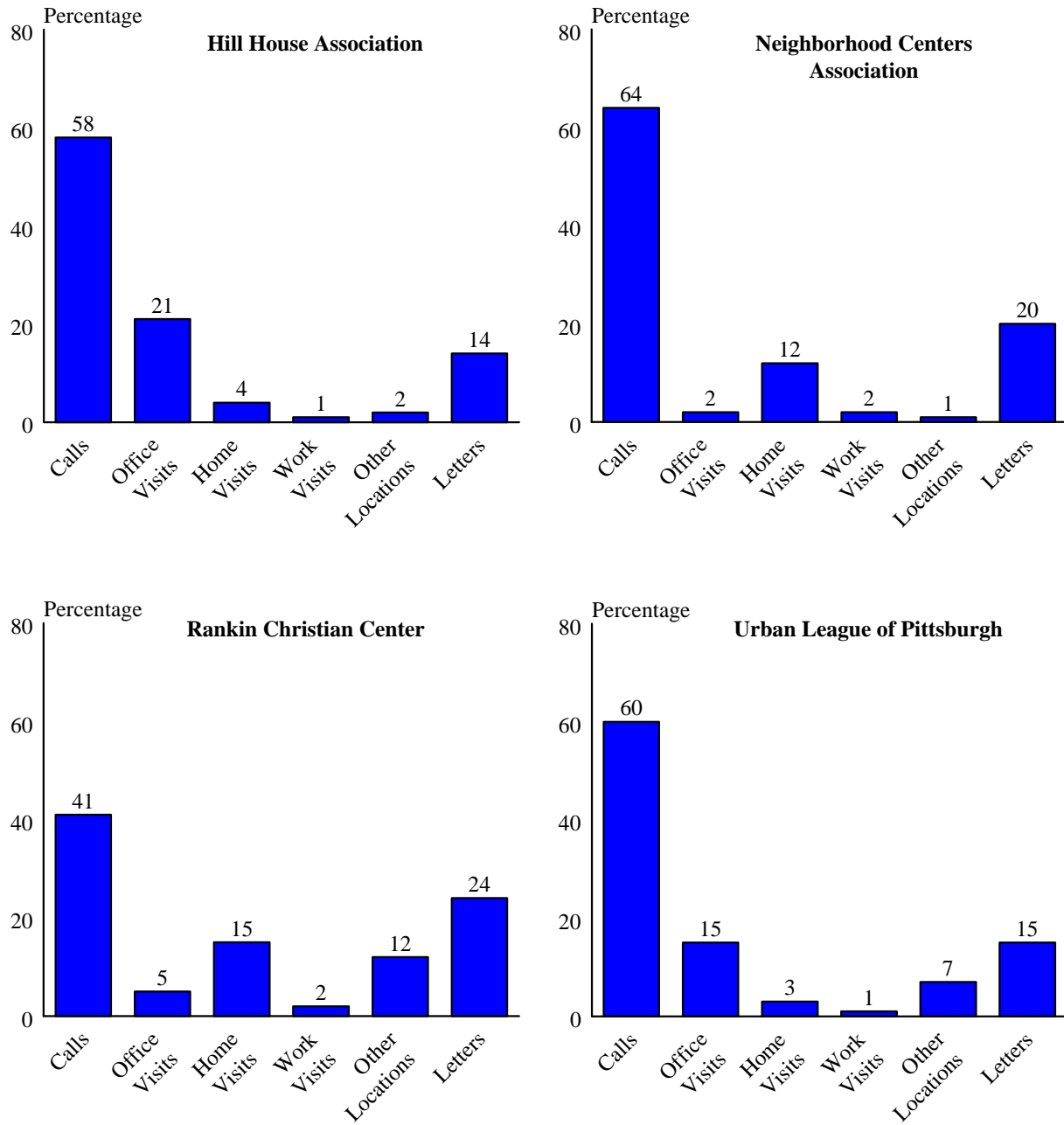
Just under 30 percent of contact occurred during face-to-face meetings held in participants' homes, GAPS program offices, or other locations (Figure III.1). About 9 in 10 participants had at least one face-to-face discussion with a GAPS case manager at some point during their enrollment in the program (not shown). These meetings usually lasted 30 to 40 minutes.

The mix of home and office visits differed across the four GAPS agencies. For example, case managers from Rankin and Neighborhood Centers conducted substantial proportions of their meetings (15 and 12 percent, respectively) in participants' homes and a small proportion (5 and 2 percent, respectively) in their offices (Figure III.2). Both these agencies are neighborhood-based; although Neighborhood Centers enrolled some GAPS participants who lived outside its traditional service area, most participants lived nearby. Case managers from both these agencies were familiar with the neighborhoods where most GAPS participants lived and could easily visit participants in their homes. In addition, both agencies sponsored other programs that used home-visiting models and preferred this approach to service delivery.

In contrast, Hill House and the Urban League conducted more meetings with participants in the GAPS offices (21 and 15 percent, respectively) and fewer during home visits. Both agencies accepted GAPS participants from throughout Allegheny County; because their caseloads were geographically widespread, case managers found it more difficult and time-consuming to meet with participants in their homes.

FIGURE III.2

METHODS USED FOR PROVIDING SERVICES TO GAPS PARTICIPANTS



Source: GAPS service use logs.

Although workplace visits were initially envisioned as a significant program activity, GAPS case managers rarely visited participants at their jobs (Figure III.1). Over time, case managers learned that most participants did not feel comfortable meeting at work, because they did not want supervisors and coworkers to know that they were enrolled in GAPS or that they had previously received TANF.<sup>2</sup> Instead of meeting with participants at work, some GAPS case managers met with them at nearby restaurants or other spots, either during participants' lunch breaks or just before or after their work shifts.

Almost a fifth of contacts between GAPS participants and case managers were made by letter (Figure III.1). This type of contact increased substantially between the first and second program year, as the frequency and intensity of participants' contact with the program declined (from about 600 total letters sent in the first year to more than 1,300 in the second year). On average, participants received four letters from GAPS during their first 18 months in the program, ranging from an average of two letters at Hill House to six letters at Neighborhood Centers and Rankin (not shown).

The GAPS agencies used letters for several purposes. For example, they sent job listings to participants who were looking for work. Often, case managers mailed out information to participants about other programs and services, such as education and training activities or programs that help former TANF recipients purchase cars. The GAPS agencies also used letters to invite participants to job fairs or other events. Finally, some agencies sent letters and cards to congratulate participants on promotions and other achievements and to provide encouragement during difficult periods.

## **B. WHAT TYPES OF SERVICES WERE PROVIDED?**

The GAPS case managers provided a variety of services to participants. For example, according to service use logs, most participants, at some point during their enrollment in GAPS, received supportive counseling, referrals to other services and benefits, and help looking for work. A smaller proportion of participants received material or financial assistance or participated in peer group sessions. The rest of this section describes these services in more detail.

### ***# Supportive counseling, the most frequently provided service, covered goal setting, workplace behavior, housing problems, and other topics.***

Welfare recipients attempting to make the transition from cash assistance to employment and self-sufficiency face complex challenges and stresses as they adjust to new changes and try to balance work and family responsibilities. Not surprisingly, the GAPS case managers indicated that nearly all participants needed support and encouragement, a sympathetic ear, and help in developing strategies for coping with their employment and personal problems.

In response to these needs, the GAPS case managers provided supportive counseling more often than any other service. In both rounds of site visits, GAPS case managers

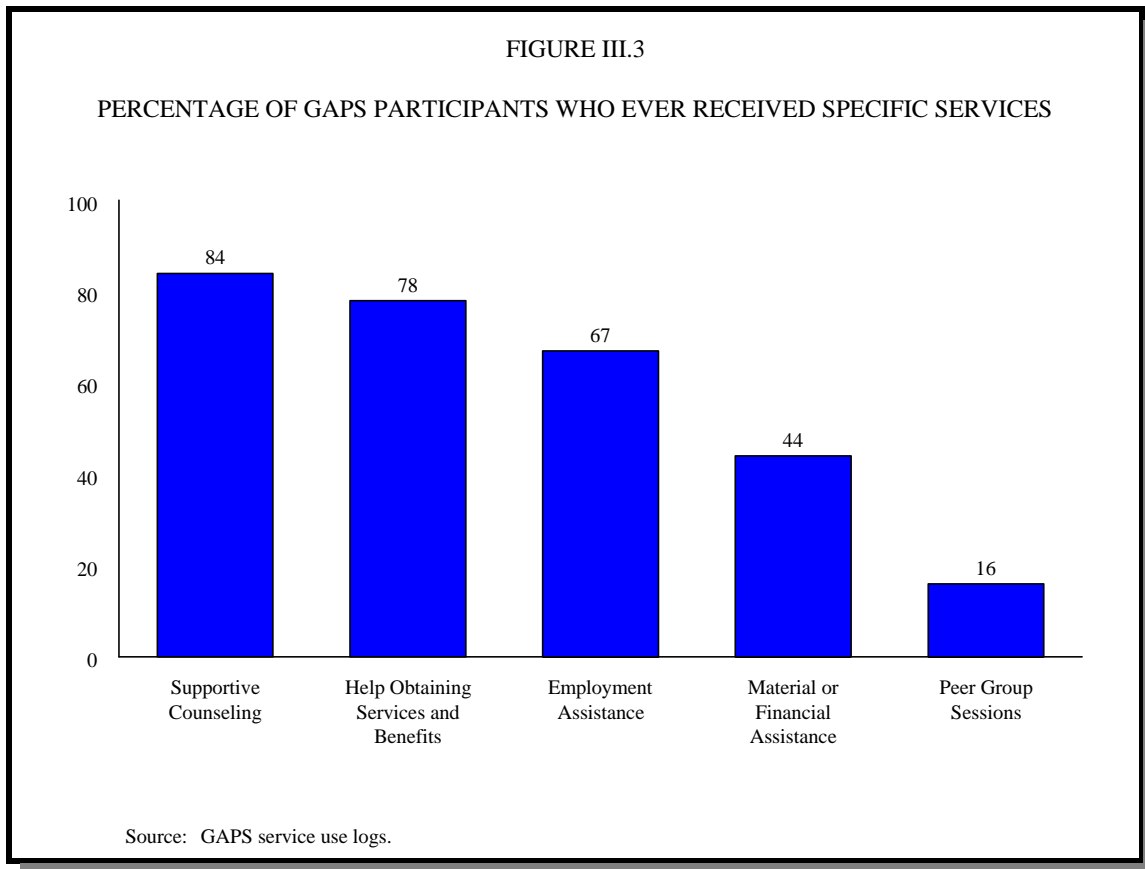
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<sup>2</sup>PESD case managers reported similar concerns among their program's participants (Haimson and Hershey 1997).

characterized supportive counseling as the most important service they provided.<sup>3</sup> According to service use logs, most participants (84 percent) received supportive counseling at some point during their enrollment in GAPS, ranging from 72 percent at the Urban League to 96 percent at Rankin (Figures III.3 and III.4). Moreover, the proportion of contacts between participants and case managers that included supportive counseling increased over time, from about 40 percent in the first program year to almost 50 percent in the second year.

The specific topics discussed during supportive counseling sessions ranged widely, from workplace behavior to parenting skills and other family issues. Nevertheless, several topics emerged as central themes for many participants. For example, half of GAPS participants discussed housing at some point during counseling sessions (Figure III.5).

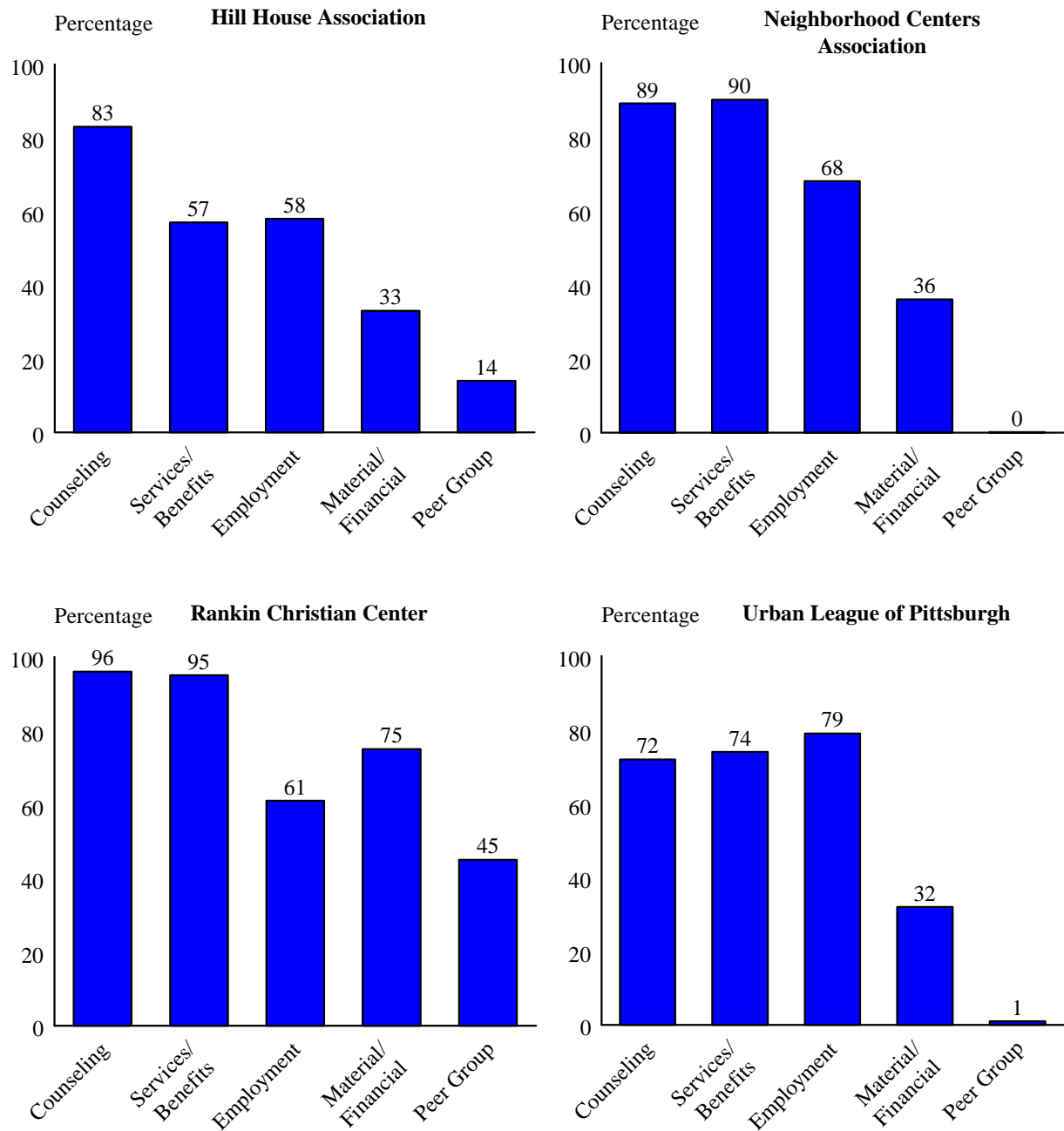
Several factors may account for the high proportion of participants who needed counseling on housing issues. Finding affordable, appropriate housing is generally difficult for low-income families. Some GAPS participants initially reported living in crowded or substandard housing. However, after they became employed and enrolled in GAPS, many of these participants began looking for better housing options. In addition, about one in five participants reported living in public housing at the time they enrolled in GAPS. Rent levels in public housing are typically set at 30 percent of a resident's total income, so when participants began earning a salary, their rent increased. According to case managers, some participants had difficulty adjusting to these increases, as "Jane's" story



<sup>3</sup>Similarly, in PESD, counseling was the most commonly provided service and the one that program staff considered the most important (Haimson and Hershey 1997).

FIGURE III.4

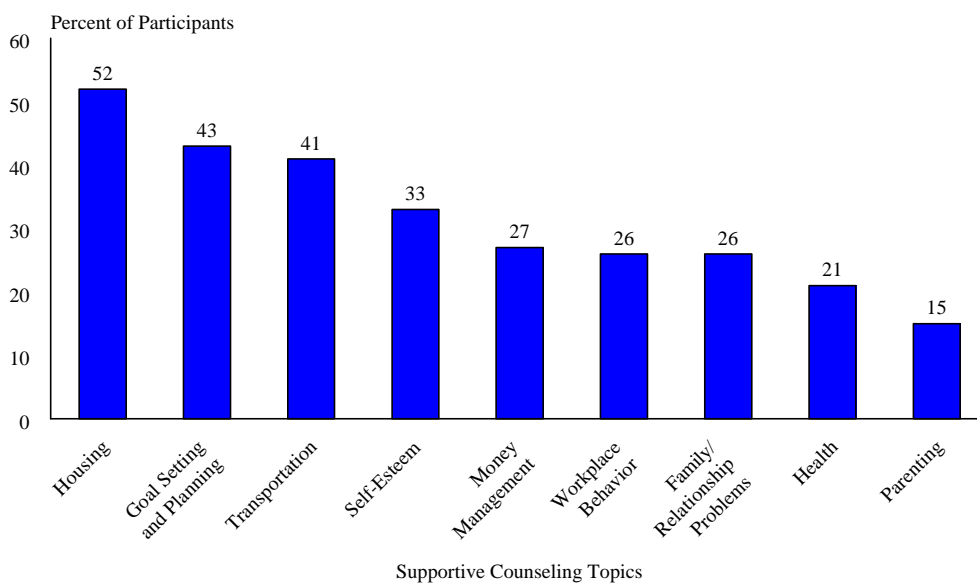
PERCENTAGE OF GAPS PARTICIPANTS WHO EVER RECEIVED SPECIFIC SERVICES



Source: GAPS service use logs.

FIGURE III.5

PERCENTAGE OF GAPS PARTICIPANTS WHO EVER DISCUSSED SPECIFIC TOPICS DURING COUNSELING SESSIONS



Source: GAPS service use logs.

illustrates (see text box). Moreover, rent increases motivated some participants to consider moving out of public housing and begin searching for new housing arrangements. Case managers reported that, while they usually referred participants to other agencies that specialize in housing assistance, they often worked with participants to develop a budget for determining how much they could afford to pay for housing. Some GAPS agencies also provided emergency financial assistance to participants who faced housing crises and occasionally helped pay security deposits when participants moved.

Family, relationship, parenting, and other personal issues also emerged as significant themes during supportive counseling sessions (Figure III.5). According to GAPS case managers, some participants struggled with their children’s behavior problems, which caused disruptions in child care or school and made participants miss time from work. Others faced family or relationship problems that adversely affected their self-esteem and added pressure to their already stressed lives. For example, one participant who lived with her brother sought help from GAPS for his drug problem. In the second follow-up survey, about 40 percent of participants reported that they discussed parenting or family issues with their GAPS case manager. One in four participants discussed a personal problem, and 15 percent discussed a drug, alcohol, or mental health problem (not shown).

Almost 80 percent of GAPS participants received help from case managers in obtaining financial or in-kind benefits and services, ranging from 57 percent at Hill House to 95 percent at Rankin (Figures III.3 and III.4). GAPS case managers provided this help through referrals to service providers and by helping participants resolve problems with TANF, child care subsidies, and other benefits.

## **JANE: HOUSING PROBLEMS COMPLICATED A MOVE FROM WELFARE TO WORK**

The story of one GAPS participant illustrates the housing problems newly employed welfare recipients can face. “Jane” worked in customer service at a large downtown bank making \$6.88 an hour. When Jane began working at the bank, she lived in public housing in an outlying region of Allegheny County. When she began earning a salary, the rent for her public housing unit increased. She fell behind in her rent and was eventually evicted. Her case manager reported that Jane had difficulty managing money and initially could not budget her limited income to make these new rent payments. The case manager also said that the eviction could have been avoided if Jane had sought help from GAPS earlier, because the agency could have provided money management counseling and perhaps some emergency financial assistance. However, according to her case manager, Jane was ashamed of failure and slow to seek help when she needed it.

After the eviction, Jane and her three children moved in with her aunt. During the next few months, Jane had a great deal of contact with her GAPS case manager as they worked to resolve her housing problems. The agency’s housing department helped Jane look for an affordable apartment in a neighborhood closer to her work. Within a few months, Jane found one, an unsubsidized apartment large enough for her and her three children. Throughout her housing crisis, Jane managed to sustain her employment.

### ***# GAPS staff referred participants to outside agencies for clothing, food, and furniture and for help with child care, housing, or job training.***

On the second follow-up survey, 28 percent of participants reported receiving at least one referral from GAPS for a specific service (Figure III.6). Case managers provided referrals to agencies that provide clothing and furniture, the YWCA’s Child Care Partnership (for help in finding and paying for child care), housing assistance agencies, food banks, education and training programs, legal services, and psychological and drug counseling. Moreover, most participants who reported receiving referrals said that they used the services to which they were referred.

The GAPS staff also referred participants to other programs housed within their own agencies. For example, Rankin has a mental health counselor on staff who is available for referrals. Rankin case managers also referred unemployed participants to the agency’s network of family child care homes, which provided child care during job interviews. The Urban League referred its participants to its housing assistance program for housing counseling, emergency shelter grants, and a home ownership program. (The other three GAPS agencies also referred their participants to the Urban League’s housing services.) Neighborhood Centers referred some GAPS participants to an in-house GED preparation course.

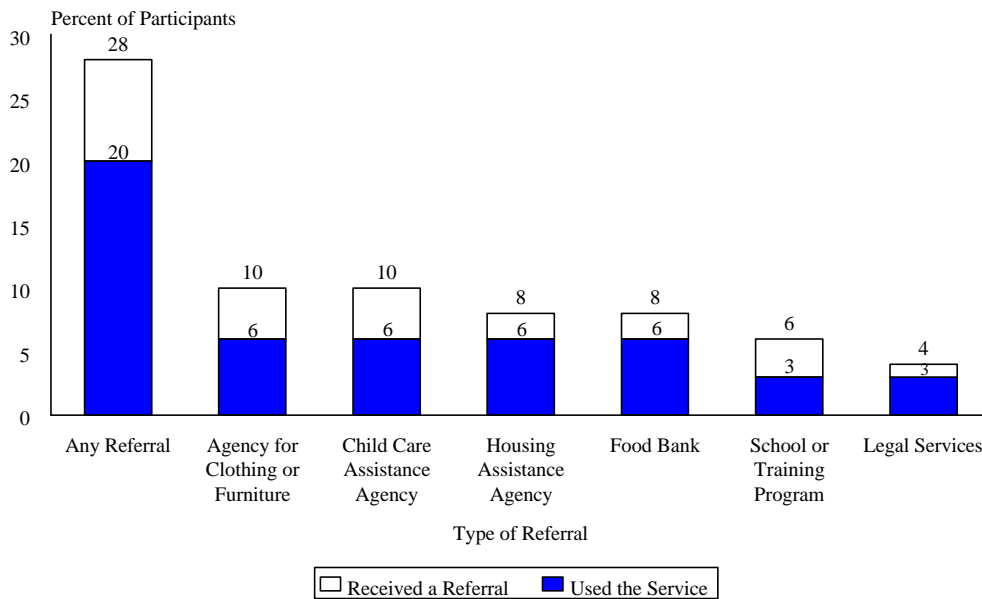
In addition to making referrals, GAPS case managers helped participants resolve problems with benefits. For example, 17 percent of participants reported receiving help from GAPS to straighten out problems with welfare benefits.<sup>4</sup> Almost half of participants (48

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<sup>4</sup>GAPS participants received substantially less assistance with straightening out welfare benefit problems than did PESD participants. The proportion of PESD participants who received help straightening out (continued...)

FIGURE III.6

PERCENTAGE OF GAPS PARTICIPANTS WHO RECEIVED AND USED REFERRALS FOR SPECIFIC SERVICES



Source: Second GAPS follow-up survey.

percent) said they discussed ways of obtaining help to pay for child care with a GAPS case manager. In addition, one in four participants reported talking with a GAPS case manager about how to apply for the EIC.

**# Most GAPS participants received employment services--usually job search advice.**

All four GAPS agencies helped participants find jobs. For example, most GAPS case managers helped participants prepare and send out resumes and cover letters. To help participants find job leads, the GAPS agencies also provided area employment newspapers, job announcements and listings, and other publications that advertise job openings. They

<sup>4</sup>(...continued)

problems with benefits during their first six months in the program ranged from 24 to 65 percent across the four PESD programs, compared with 17 percent of GAPS participants during the two-year follow-up period (Haimson and Hershey 1997). There are two possible explanations for the more frequent help with welfare benefit problems among PESD participants. First, unlike in GAPS, PESD case managers worked within the welfare agency and thus may have been both more knowledgeable of welfare program rules and in a better position to resolve any benefit problems that arose. Second, PESD participants were referred to the program immediately upon obtaining employment, while many GAPS participants had worked several months before being referred to the program. Many problems with welfare benefits occur during the early weeks of employment, as cash assistance benefits get adjusted for new earnings and as transitional benefits begin. Since most GAPS participants had been working for some time when they entered the program, the most pressing need for this type of assistance may have passed.

encouraged participants to attend job fairs, including those offered by Hill House and the Urban League, and sometimes accompanied participants to the fairs. Some agencies helped clients find clothing for interviews, held practice interview sessions, and worked with participants on how to discuss difficult issues (such as criminal records or prior job losses) with potential employers.

According to service logs, two-thirds of GAPS participants received employment services at some point during their enrollment in GAPS, ranging from 58 percent at Hill House to 79 percent at the Urban League (Figures III.7 and III.8). Most often, GAPS case managers provided advice on how to look for a job (received by 44 percent of participants) or on how to advance in a current job or find a better one (received by 36 percent). One in four participants also received direct job placement help.

The Urban League, in particular, placed a strong emphasis on providing employment services. According to service logs, 79 percent of Urban League participants received employment services, and 50 percent got direct job placement help (Figure III.8), compared with 67 and 23 percent at all four GAPS agencies combined (Figure III.7). The Urban League offers a variety of employment services that were not specifically targeted to GAPS participants, but for which GAPS participants were eligible. For example, the agency sponsors two-hour “hiring seminars” where large local employers, such as Federal Express, United Parcel Service, and USAirways, describe the job opportunities available at their companies and do preliminary interviewing of job candidates. In addition, the Urban League has partnerships with two large downtown hotels for which it handles the initial screening of job candidates. The agency placed a few GAPS participants in jobs through this process.

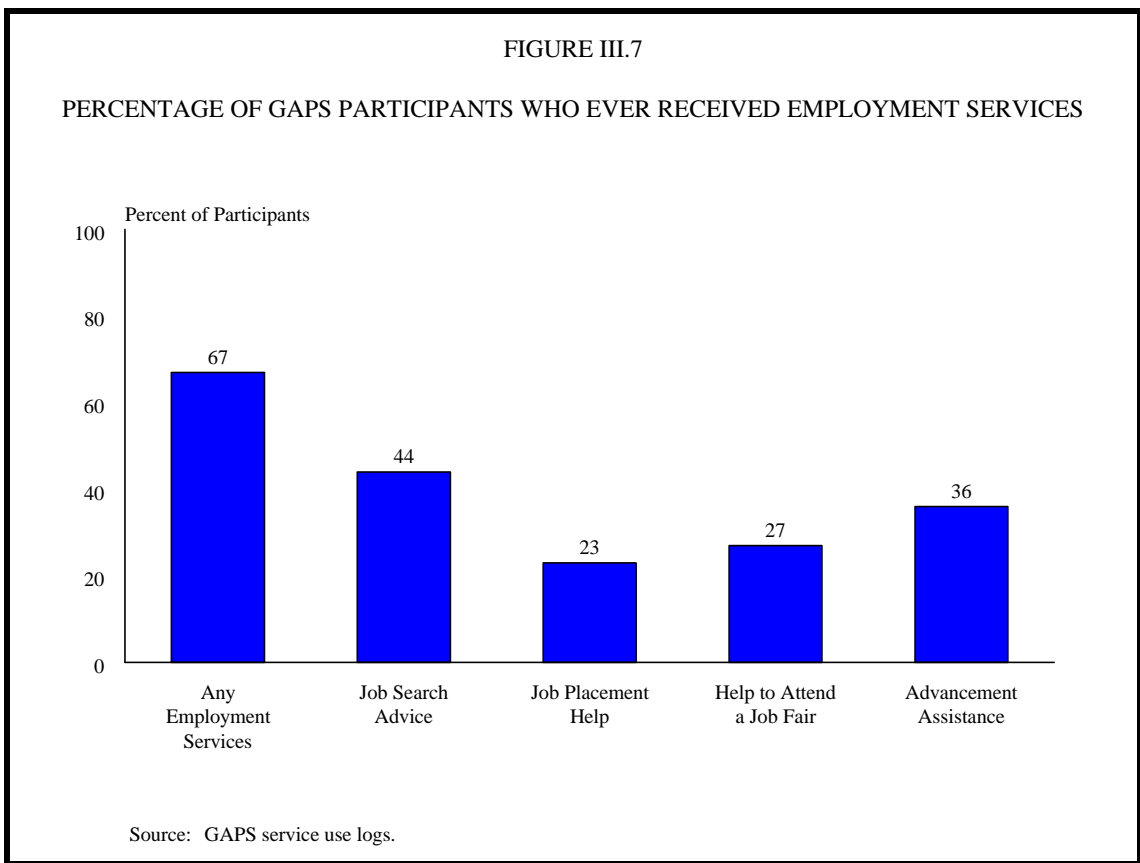
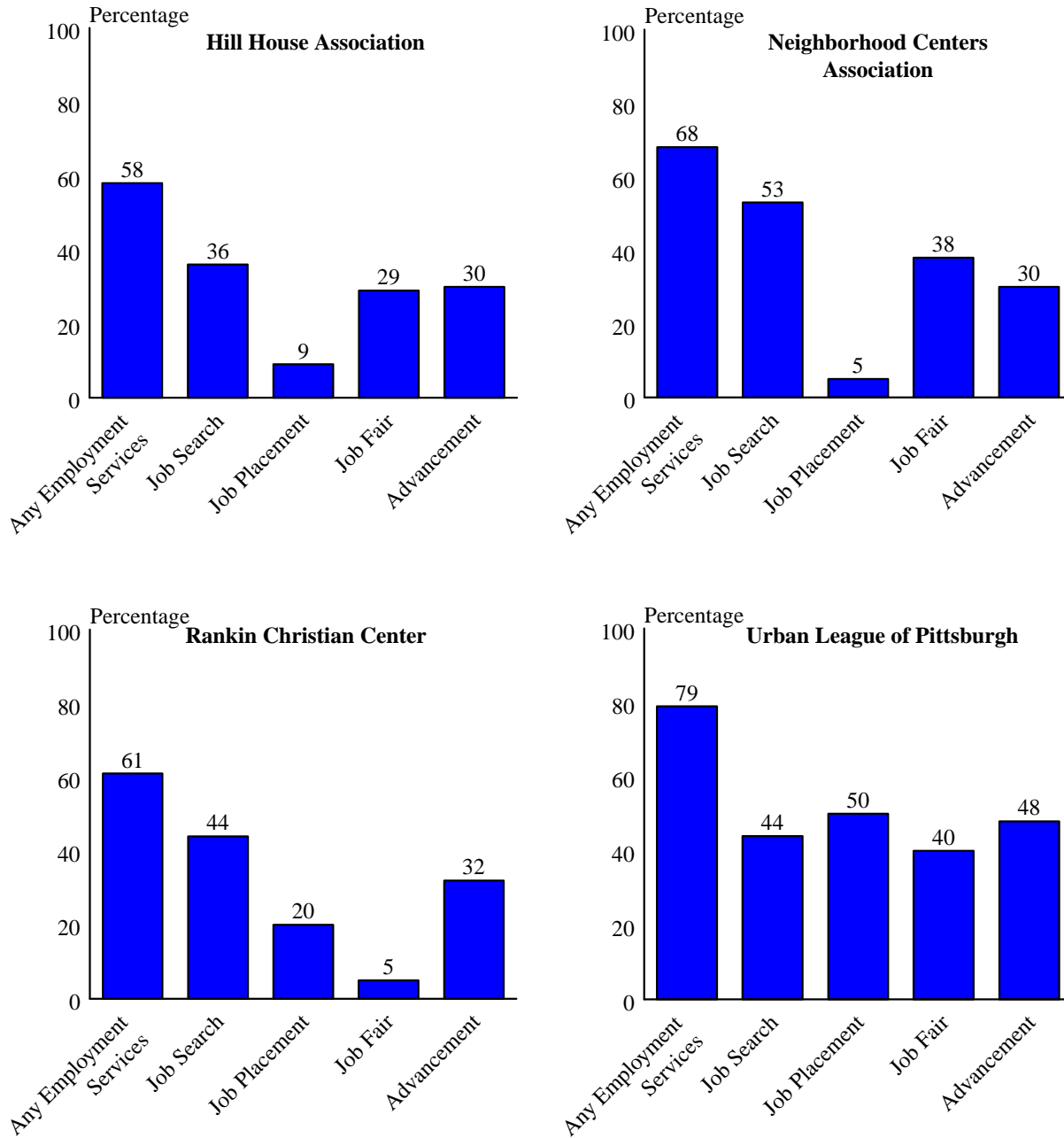


FIGURE III.8

PERCENTAGE OF GAPS PARTICIPANTS WHO EVER RECEIVED  
EMPLOYMENT SERVICES



Source: GAPS service use logs.

Over time, the GAPS agencies increased their emphasis on employment services. In the program's first year, GAPS staff completed 554 contacts with participants in which they provided employment services (11 percent of all contacts for the year). In the second year, GAPS staff completed 858 contacts that included employment services (17 percent of all contacts for the year).

There are several potential explanations for the increased emphasis on employment services. For example, according to GAPS case managers, participants who enrolled later in the program had more pressing needs for such services. Consistent with case managers' perceptions, evidence from surveys and state administrative data indicate that, in later months of program enrollment, new participants were more likely to be current (rather than former) TANF recipients and had weaker employment histories than earlier enrollees.<sup>5</sup> In addition, as the GAPS program progressed, more participants lost jobs or wanted to change jobs. GAPS case managers reported that, when participants became unemployed, most did not return to TANF but instead sought another job. According to case managers, it took less time for most participants to find a new job than to reapply for TANF benefits. As a result, GAPS participants may have been more likely to turn to GAPS case managers than welfare caseworkers or DPW-funded employment contractors for help in finding a job.

#### **TAMMY: GAPS STEPPED IN TO HELP DURING A TRANSPORTATION CRISIS**

"Tammy" worked as a bus driver for the Port Authority. She earned considerably more than most GAPS participants--almost \$13.50 an hour--and received generous fringe benefits, including health insurance, sick leave, and paid vacation. Several months after entering GAPS, she experienced a serious transportation problem when the Port Authority transferred her to a bus terminal far from her neighborhood. At that time, Tammy owned a car and drove to work. Soon after the transfer, however, her car broke down, and she was deprived of a reliable means of transportation.

In response, the GAPS program provided Tammy with emergency financial assistance to pay for rides to work for two weeks while they sought a longer-term solution. The GAPS case manager contacted Tammy's new supervisor to request that she be transferred to a bus terminal near her home. The Port Authority agreed to make the transfer. Tammy could now use public transportation to get to work. According to Tammy, the help GAPS gave her to resolve this transportation problem was the most helpful service she received from the program.

#### **# *Many participants received material goods or financial assistance from GAPS.***

During site visits, case managers reported that GAPS participants often needed specific material goods, such as appropriate clothing for work or job interviews, children's clothing,

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<sup>5</sup>Almost all early enrollees were referred to GAPS by ACAO, which recruited participants by sending letters to former TANF recipients whose cases were closed due to earnings from employment (see Chapter II). Consequently, most early enrollees were off TANF and working when they enrolled in GAPS. Later in the enrollment period, more participants entered the program through direct recruitment by the GAPS agencies (primarily Rankin).

household goods, or furniture. In addition, some faced crises when they could not afford car repairs or registration, utility bills, rent, security deposits, and other expenses. According to service logs, about 44 percent of participants received some in-kind or direct financial help from GAPS, such as material goods, food assistance, transportation to work, or emergency financial assistance, ranging from 32 percent at the Urban League to 75 percent at Rankin (Figures III.9 and III.10).

Twenty-nine percent of participants received in-kind goods (Figure III.9). Case managers referred participants to agencies such as Goodwill, the Salvation Army, and other organizations for goods such as clothing, furniture, children’s toys, and appliances. The GAPS agencies also provided some goods directly. For example, Rankin provided furniture, diapers, and home safety equipment. Across the four GAPS agencies, Rankin provided the most in-kind material assistance, with 70 percent of participants receiving material goods at some point (Figure III.10).

GAPS agencies also helped participants obtain food. Typically, GAPS agencies referred participants to area food banks, but the agencies sometimes provided food directly or provided food vouchers. For example, Neighborhood Centers gave participants in crisis situations food vouchers for area grocery stores. According to service use logs, 13 percent of participants across the four GAPS agencies received help with food, ranging from 4 percent at Hill House to 17 percent at Neighborhood Centers and Rankin (Figures III.9 and III.10).

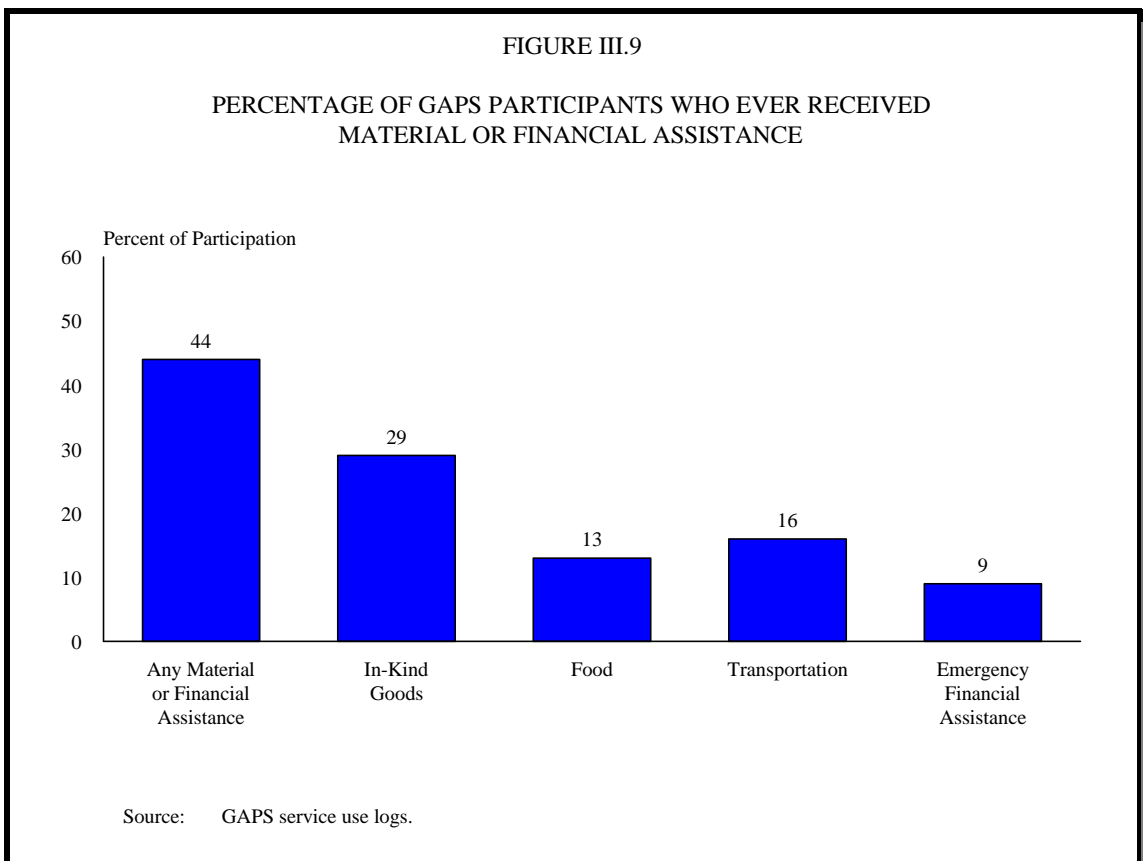
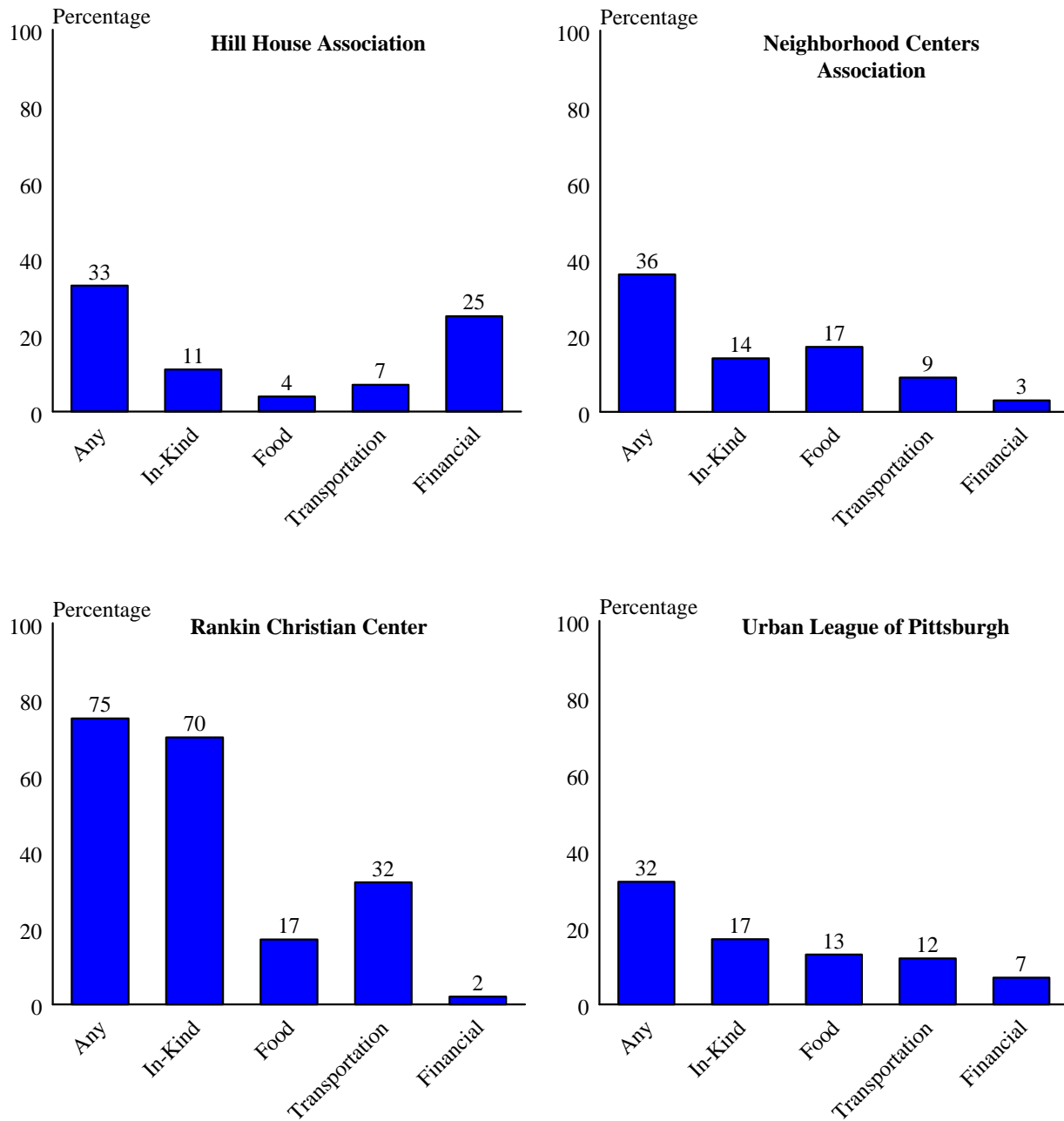


FIGURE III.10

PERCENTAGE OF GAPS PARTICIPANTS WHO EVER RECEIVED MATERIAL OR FINANCIAL ASSISTANCE



Source: GAPS service use logs.

Sixteen percent of GAPS participants received help with transportation (Figure III.9). Much of this assistance came in the form of bus tickets, which were typically provided in limited quantities when participants faced temporary transportation crises and could not get to work. In some crisis situations, GAPS agencies also paid for taxis or other forms of transportation. Case managers at some of the GAPS agencies drove participants to job interviews, medical appointments, and meetings.

Some participants also received emergency financial assistance from GAPS. In the second year of the program, the Foundation gave each of the GAPS service providers funds to provide this kind of assistance. The agencies were encouraged to provide this assistance to participants facing financial crises that could jeopardize employment. Nevertheless (perhaps because these additional funds were granted late in the service period covered by the service use logs), GAPS case managers reported providing emergency financial assistance to a fairly small number of participants. According to service use logs, nine percent of participants received emergency financial assistance from the program (Figure III.9).<sup>6</sup> However, at one GAPS agency (Hill House), one in four participants received emergency financial assistance (Figure III.10).

In contrast to the other three agencies, Hill House heavily emphasized emergency financial assistance from the outset of its GAPS program. Hill House used a portion of its initial grant from the Foundation to create a GAPS Critical Needs Fund totaling \$34,000. This fund provided participants with emergency assistance and financial help for a range of expenses, including rent and security deposits, utilities, moving expenses, driving school, driver's license fees, car registration and insurance, car repairs, transportation expenses, child care, and work clothes and tools. When a participant asked for financial assistance, Hill House case managers and participants typically developed a budget in which they each agreed to pay a portion of the expense. In addition, case managers reported that, when participants requested financial help, they frequently referred participants to consumer credit counseling services and sometimes helped them write letters to creditors requesting a revised payment schedule.

During site visits, Hill House case management staff reported that emergency financial help could make the difference between keeping and losing a job during a time of crisis. In addition, the case managers thought that the Critical Needs Fund helped engage participants in the program. According to case managers, participants were more likely to contact the program if they believed Hill House had resources to help them during a crisis. One case manager observed that, after participants received financial assistance from GAPS, they seemed to trust the program more and contacted case managers more frequently for help with other kinds of problems that affected their employment.

***# Some GAPS agencies offered opportunities to participate in peer group sessions, but participation was relatively low.***

In its Request for Proposals for the GAPS program, The Pittsburgh Foundation encouraged applicants to design programs that help participants learn how to obtain the resources they need for maintaining employment on their own. Foundation staff urged

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<sup>6</sup>On the second follow-up survey, participants reported receiving financial assistance to pay for child care, work supplies, rent or security deposits, utilities, car repairs, and car registration.

programs to help participants develop or strengthen natural support systems of family and friends. To foster the development of these support networks, all four GAPS agencies had initially planned to form peer support groups for participants and sponsor regular group events as part of their service delivery strategy. All the agencies found it difficult to organize the groups, however. According to case managers, finding a time when most participants were not working was a challenge. Participants also faced logistical barriers to attending group sessions, such as a lack of transportation or child care. Other participants were not interested in attending. Consequently, participation in peer group activities was low relative to other GAPS services. Only 16 percent of GAPS participants ever attended a peer group event (Figure III.3).

Most GAPS participants who had attended such events were served by Rankin, where 45 percent of participants had attended at least one group session (Figure III.4). The Rankin GAPS program did not sponsor peer group events targeted specifically at GAPS participants. It did, however, offer many peer group events, and the GAPS case managers encouraged participants to take advantage of them. Because many of Rankin's GAPS participants lived within walking distance of the agency's office, they could easily attend these sessions. For example, Rankin sponsored a women's leadership group, parenting groups, play groups for parents with young children, and exercise groups. In addition, the agency organized periodic field trips and other special events for its clients. The Rankin case managers felt that these events were key to helping participants establish their own support networks and for boosting the morale of those with low self-esteem.

Hill House also offered peer group sessions, but the percentage of participants attending (14 percent) was lower than at Rankin. At Hill House, the case managers organized several group sessions for GAPS participants that included information on such topics as the EIC, repairing bad credit, a loan program for low-income families, and housing services available from the Urban League.

***# During one in four contacts, GAPS case managers checked on participants' employment status but did not provide other services.***

GAPS case managers devoted considerable effort to checking in with participants about their employment status, especially during participants' early months in the program. Approximately 25 percent of contacts between GAPS case managers and participants consisted of brief checks, usually telephone calls of about 10 minutes, in which no other services were provided. During these calls, case managers usually inquired about participants' jobs and spoke with them informally about how they were doing. Case managers reported that these conversations enabled them to establish positive relationships with participants and helped participants become comfortable with requesting assistance from the program. In addition, during these calls, case managers reported that they were able to identify issues that might affect participants' ability to maintain employment in the future.

### **C. HOW FREQUENTLY DID PARTICIPANTS HAVE CONTACT WITH GAPS?**

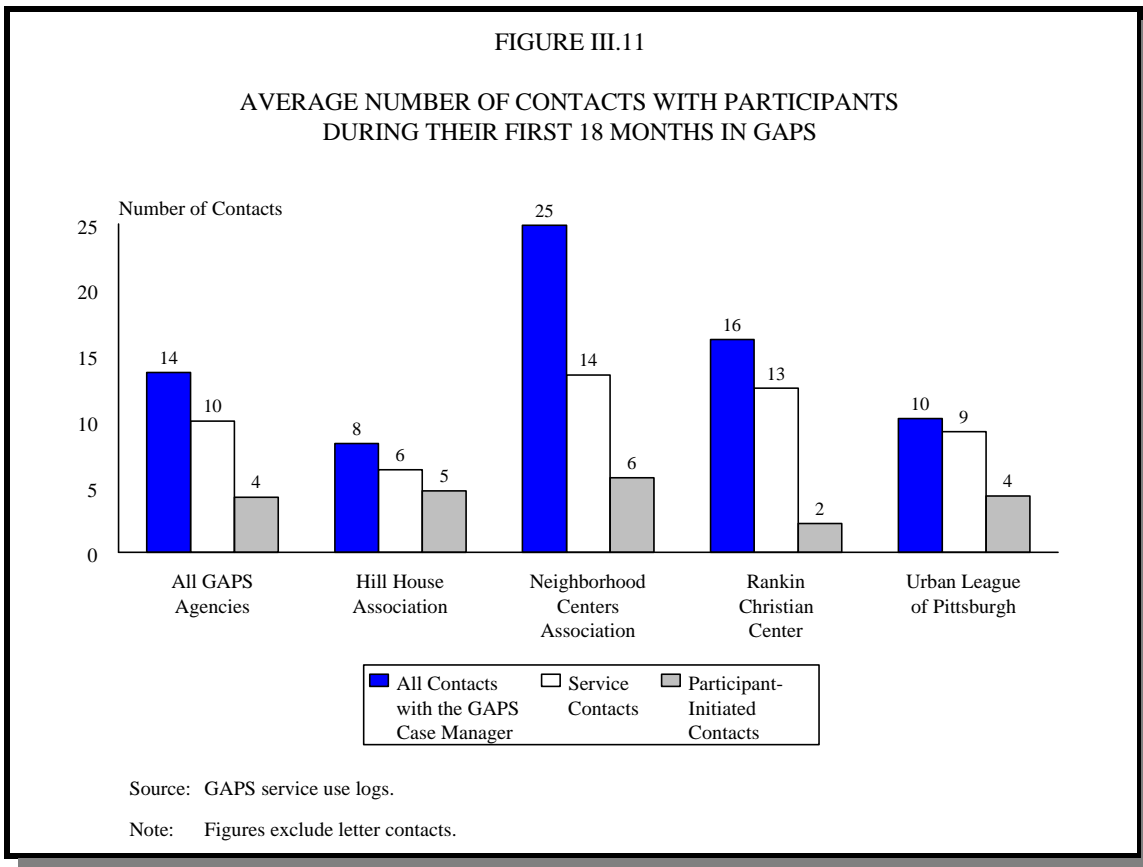
The frequency of participant-staff contact is a key measure of the level and intensity of GAPS services participants received. Likewise, change in contact frequency over time is a good index of how participants' level of involvement with the program evolved. In this

section, we examine the frequency of contact between GAPS case managers and participants, as well as changes in the level of contact over time.

**# During their first 18 months in GAPS, participants averaged just over one contact with the program every six weeks.**

Participants averaged about 14 contacts with GAPS case managers during their first 18 months in the program (Figure III.11). Almost all participants (98 percent) received at least one contact, and most received 10 or more contacts (Figure III.12). The frequency of contact, however, varied widely across the four GAPS agencies. GAPS staff at Neighborhood Centers were in contact with participants most frequently, completing, on average, about one contact every three weeks. In contrast, Hill House and the Urban League talked with participants about once every other month (Figure III.11).

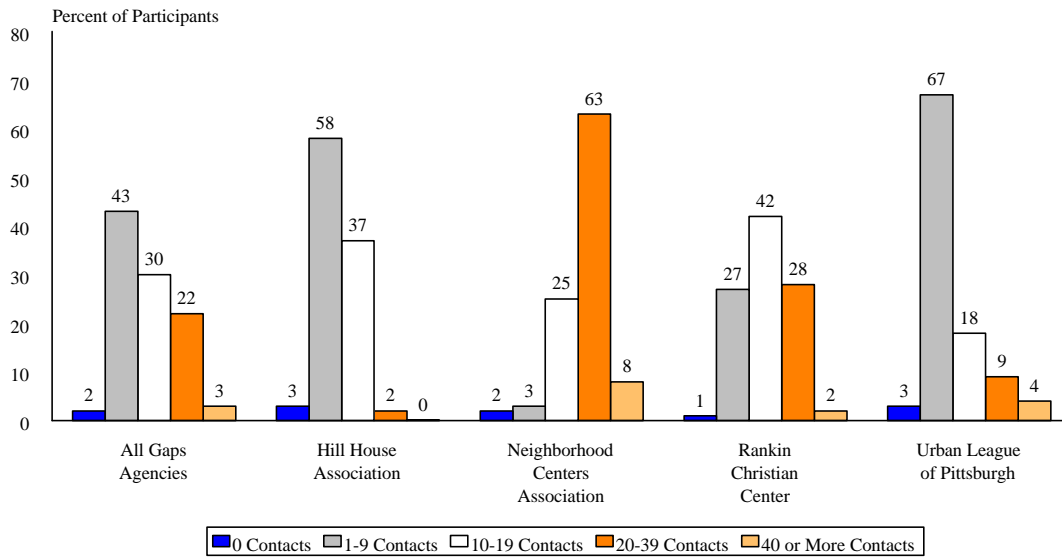
These differences in levels of contact across the four agencies can be attributed in part to differences in participant-staff ratios.<sup>7</sup> For example, Neighborhood Centers (which had the highest level of contact) had the smallest participant-staff ratio of the GAPS agencies, about 60 to 1 at the time of the May 1999 site visit. In contrast, the Urban League and Hill House, which had lower levels of contact with participants, had larger participant-staff ratios. After hiring additional case managers in February 1998, the Urban League had a participant-



<sup>7</sup>Staff included in the calculation of participant-staff ratios were case managers, AmeriCorps volunteers, and a part-time Life Skills specialist at Neighborhood Centers (see Table II.1).

FIGURE III.12

TOTAL NUMBER OF CONTACTS WITH PARTICIPANTS DURING THEIR FIRST 18 MONTHS IN GAPS



Source: GAPS service use logs.  
 Note: Figures exclude letter contracts.

staff ratio of almost 90 to 1, and Hill House had a ratio of about 70 to 1. By February 1999, however, one case manager at Hill House left the program and was not replaced until January 2000, which left a full-time case manager and a part-time AmeriCorps volunteer to serve a caseload of 160 participants for almost a year.

Differences in frequency of contact across the four agencies also reflect differences in each agency’s approach to service delivery.<sup>8</sup> For example, Neighborhood Centers (the agency with the lowest participant-staff ratio) continued attempting to contact participants at least monthly and succeeded in maintaining this level of contact with almost 80 percent of its caseload during their first 18 months in GAPS (not shown). At the Urban League (where the participant-staff ratio was higher), case managers for the most part stopped attempting to make “check-in” calls (brief telephone calls to ask how participants were doing) in the second year of the program. Perhaps because of its high participant-staff ratio, Urban League participants received only one check-in call, on average, during their first 18 months in GAPS. Similarly, at Hill House (the agency with the largest participant-staff ratio), participant-initiated contacts made up more than half of all contacts (Figure III.11). Because of the large number of participants per staff member, case managers at Hill House devoted more resources to responding to participants’ requests for help and made only occasional check-in calls to participants who had not requested assistance. All four GAPS agencies scaled back the number of check-in contacts they conducted as participants’ time in the program progressed. The programs conducted two check-in contacts with participants,

<sup>8</sup>These different approaches are, to some extent, functions of differing participant-staff ratios.

on average, during their first six months in GAPS, compared with less than one check-in contact, on average, during participants' third six-month period in GAPS (not shown).

***# Participants liked regular contact with their GAPS case managers, and many wanted even more contact with GAPS.***

Participants appeared to appreciate regular contact with the GAPS case managers. While most GAPS participants said they received the appropriate amount of contact with the program, nearly 40 percent said they would have liked more. In addition, two-thirds of participants who averaged at least one contact per month said they received the "right" amount of contact, whereas only about half of those who received less than one contact per month offered the same response. The proportion of participants who wanted more contact was highest at the Urban League (62 percent), where participants received a low level of contact overall and, later in the program, usually received contact from GAPS case managers only if they requested help. In contrast, participants at Neighborhood Centers, which provided the most frequent contact with participants, were least likely to want more contact with the program (27 percent), and, although Neighborhood Centers contacted its participants frequently, only 8 percent said they were contacted by their case manager too often.

***# Participants' overall level of contact with GAPS declined over time. Individual service use patterns varied, however, with some participants experiencing weeks or months of frequent contact with GAPS.***

In a program like GAPS, case managers and participants might be expected to have more frequent contact during the first months after enrollment, when case managers are conducting initial meetings with participants and attempting to address their immediate needs. However, once the program begins working to address these needs and participants gain more experience in the workplace, contact between case managers and participants may gradually decline. In fact, the lives of some participants may stabilize to the point that they no longer want to participate in the program. Conversely, participants who lose their jobs or experience other crises may need to increase their contact with case managers, at least temporarily.

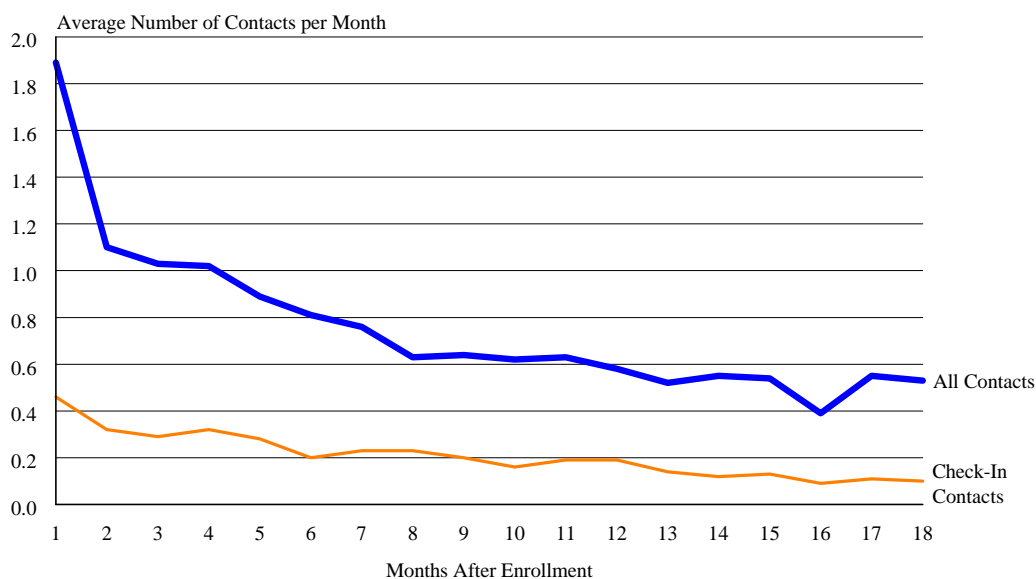
In fact, across all four GAPS agencies, participants' reliance on program services did decline over time, from an average of two contacts with GAPS during the first month after enrollment to an average of one contact every other month after 18 months in the program (Figure III.13).<sup>9</sup> During the second round of site visits, case managers reported that, after about a year in the program, many participants had achieved more stable work and living

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<sup>9</sup>GAPS and PESD achieved similar levels of contact between case managers and participants during their first six months after enrollment. In addition, both programs experienced similar rates of decline in the frequency of contact with participants over time. The average number of contacts with PESD participants during their first six months in the program was 6.4, compared with 6.8 in GAPS, excluding letter contacts (Haimson and Hershey 1997). Likewise, in PESD and GAPS, participants and case managers were in contact an average of 1.3 times per month in the first three months after enrollment. In Months 4 through 6, rates of contact declined to 0.8 contacts per month, on average, across the four PESD programs, and an average of 0.9 contacts per month across the four GAPS agencies.

FIGURE III.13

MONTHLY LEVEL OF PROGRAM CONTACT DURING PARTICIPANTS' FIRST 18 MONTHS IN GAPS



Source: GAPS service use logs.

Note: Figures exclude letter contacts.

situations and were, therefore, less in need of services. Case managers estimated that, by this time, only 5 to 25 percent of clients had pressing needs for program services. Consequently, case managers called participants to check on them less frequently (Figure III.13).

During site visits to the GAPS programs, several case managers suggested that some participants were ready to end their participation. However, because there were no formal guidelines for how long participants should receive services or for discharging participants, the agencies continued to keep all enrolled participants in the program and, in some cases, continued checking on them periodically. Most case managers felt that the program could operate more efficiently if participants were no longer considered active after a year in the program. Such an approach would also free up program resources to serve new participants. Participants could contact the program for help if they needed it, but case managers would no longer call to check on them.

The contact levels presented in Figure III.13 represent the average level of program contact with all participants. Service use patterns, however, vary among individuals and over time. Many GAPS participants experienced periods of weeks or months when they had relatively few contacts with case managers. At other times, when participants had problems at work or at home or when they lost jobs, they may have had frequent contact with case managers until the problem was resolved. For example, although no participants averaged

four or more contacts per month during their first 18 months in GAPS, 48 percent had at least one month in which they had four or more contacts with case managers.<sup>10</sup> These periods of more frequent contact may have been triggered by crises in participants' lives, as the story of "Sandra" illustrates (see text box).

#### **SANDRA: A CRISIS CAUSED A DRAMATIC INCREASE IN CONTACT WITH GAPS**

When "Sandra" entered GAPS, she worked as a housekeeper at a major hotel. She started at \$6.30 an hour, plus benefits. After a year in the job, her hourly wage increased to \$8.00. For about 18 months, Sandra's work situation was stable, and she talked with the GAPS case manager about once every six weeks. After Sandra had been on the job for almost a year and a half, her employer requested that she take a drug test. Sandra tested positive for marijuana and lost her job. She contacted GAPS, and her case manager tried to intervene with Sandra's supervisor at work. Although the hotel would not keep Sandra on staff, her supervisor did agree to let her resign voluntarily.

When Sandra lost her job, her use of GAPS services increased dramatically. Her case manager said she began speaking with Sandra three times a week. This case manager helped Sandra update her resume and look for a new job, provided counseling and emotional support, and referred her to a drug-abuse counseling program. According to Sandra, GAPS also helped her with parenting and family issues and other personal problems, and provided financial help to pay for transportation and utilities during this time. After several months of an unsuccessful job search, the GAPS agency hired Sandra temporarily to work in one of its other programs. Her hourly wage (about \$6.00) was lower than that at her previous job, and her commute to work increased from 15 minutes to about an hour each way. The agency, however, did offer a comparable package of benefits, including health insurance.

After about two months, the GAPS case manager contacted Sandra's former employer to describe her conduct as an agency employee and her participation in the drug-counseling program. The employer agreed to reinstate Sandra to her previous position as a housekeeper.

#### **D. WHAT WERE PARTICIPANTS' OPINIONS OF GAPS?**

One measure of the success of a program is the degree to which participants are satisfied with it and find its services useful. Because GAPS is a voluntary program (participation is not mandated by the welfare office or any other public agency), participants' level of satisfaction is especially important. Participants who are satisfied with the program may be more likely to use the services GAPS offers and to seek help from the program when they have a problem that could jeopardize their employment.

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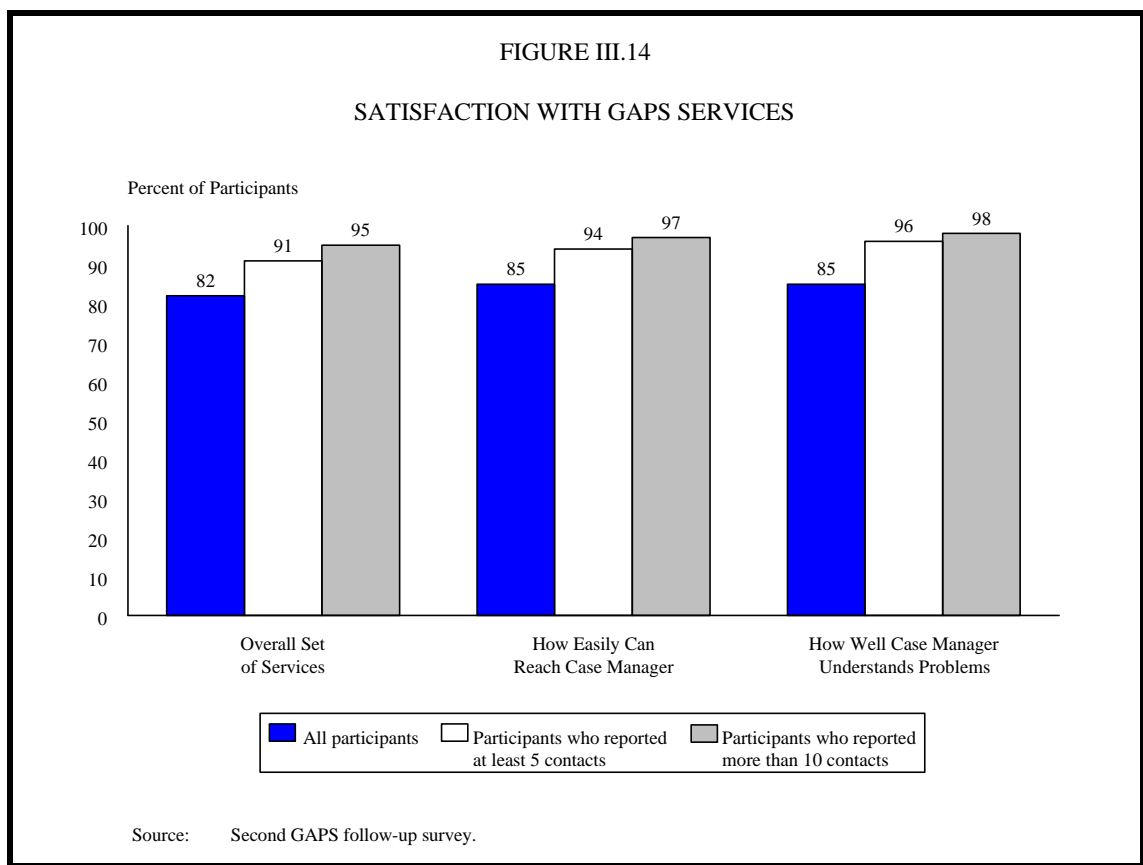
<sup>10</sup>Although some participants had periods of frequent contact after more than a year in the program, the proportion was small and declined over time. In Months 12 to 18 after enrollment, only 12 percent of participants had a month with at least four contacts.

**# Most participants, particularly those who had higher levels of contacts with case managers or received certain tangible services, expressed satisfaction with GAPS.**

In general, participants expressed a high level of satisfaction with the GAPS program. Specifically, GAPS participants appear to appreciate and enjoy the emotional support and supportive counseling they received from the case managers. In the second follow-up survey, 82 percent of participants said they were satisfied with the overall set of GAPS services (Figure III.14). A similar proportion (85 percent) were satisfied with the ease with which they could reach their GAPS case manager and with how well case managers understood their problems.

The proportion of participants who expressed satisfaction with GAPS was even higher among those who reported substantial contact with the program. For example, of those who reported having at least five contacts with their case managers, 91 percent expressed satisfaction with GAPS services (Figure III.14). Among participants who reported more than 10 program contacts, 95 percent said they were satisfied with the overall package of services. Two possible explanations exist for why satisfaction levels were higher among those who had more contact with GAPS: (1) more contact from GAPS caused participants to like the program better, or (2) those who liked the program better chose to have more contact with GAPS.

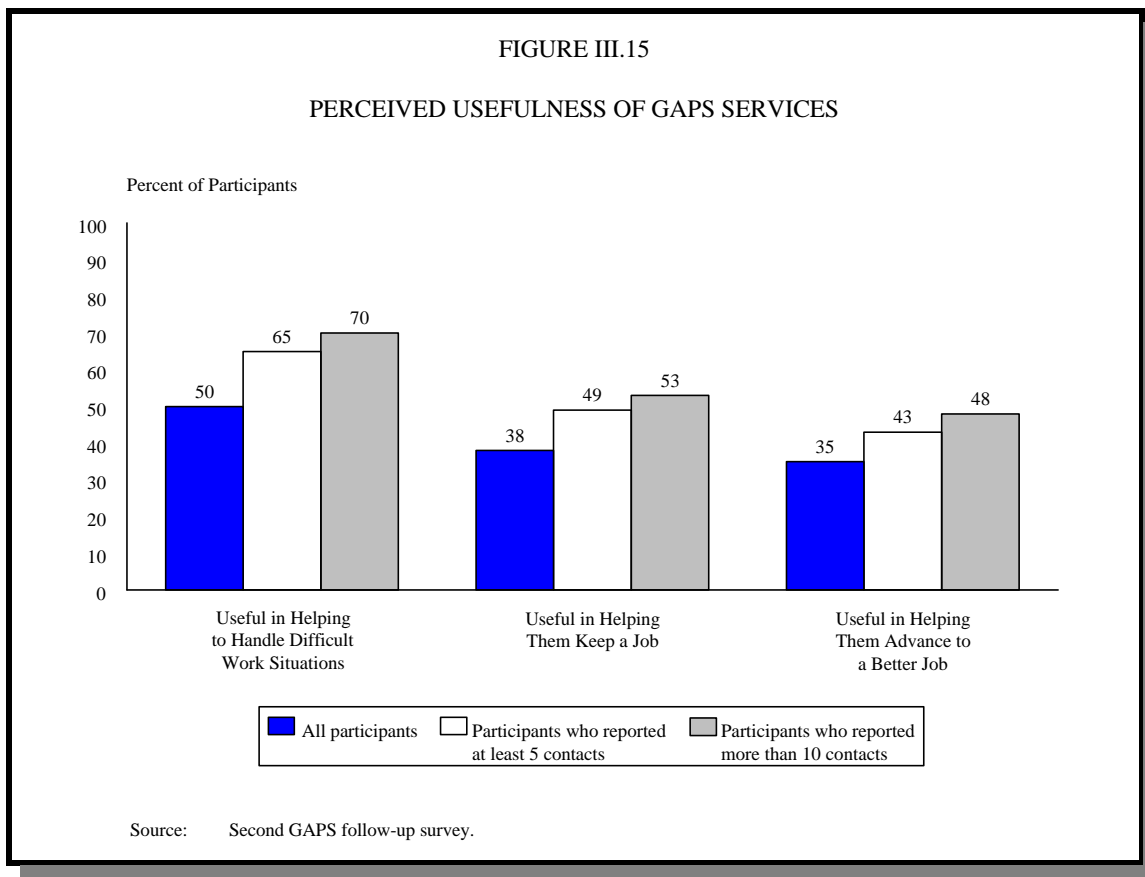
The proportion of participants who expressed satisfaction with the program was also higher among participants who received specific types of services. Participants who expressed the highest level of satisfaction tended to have received tangible services beyond



the supportive counseling that GAPS case managers frequently provided. For example, of those who received direct help from GAPS to make child care arrangements, 96 percent said they were satisfied with the program. Levels of satisfaction were also high for participants who received a referral from GAPS for a specific service (93 percent) or received direct financial assistance (92 percent). The higher levels of satisfaction among participants who received these services suggests that help finding child care, help gaining access to needed services, and direct financial assistance in a time of crisis are services particularly valued by those making the transition from welfare to work.<sup>11</sup> Therefore, future employment retention programs may want to consider providing such services.

**# Participants who had higher levels of contact with case managers or received services closely related to maintaining employment were more likely to find GAPS services useful.**

While many participants expressed overall satisfaction with program services, a smaller number considered the program useful in helping them maintain their employment or handling difficult situations at work. Only 38 percent of GAPS participants found the program useful for keeping a job, and about half found the program useful for handling difficult situations at work (Figure III.15). Likewise, only 35 percent of participants found the program useful for advancing to a better job. Because employment levels were high (as



<sup>11</sup>Alternatively, this pattern may suggest that those who need this kind of assistance may value and benefit most from a program like GAPS.

we will discuss in Chapter V), some participants may have assumed they would have done equally well without GAPS services.

As with levels of satisfaction, levels of perceived usefulness of GAPS in helping participants maintain employment were higher among participants who reported substantial contact with the program. For example, 70 percent of participants who reported more than 10 contacts found GAPS useful for handling difficult work situations, and 53 percent found the program useful for helping them keep a job (Figure III.15).<sup>12</sup>

Participants were also more likely to find the program useful if they had received specific tangible services closely related to maintaining employment. For example, among participants who received direct help making commuting or child care arrangements (two critical factors in participants' ability to keep their jobs), more than two-thirds thought the program was useful for maintaining employment, and more than 80 percent found it helpful for handling difficult work situations. Similarly, more than two-thirds of those who discussed work problems with their GAPS case manager found the program useful for handling difficult work situations. While the level of perceived usefulness was relatively low across all participants, among those who received services directly connected to employment success, many more considered GAPS useful.

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<sup>12</sup>As with satisfaction levels, those with more contact with GAPS may have found the program more useful for two reasons: (1) receiving more services caused them to perceive GAPS as more useful, or (2) those who found the program most useful chose to have more contact with GAPS.

## IV

### CHALLENGES TO SUSTAINED EMPLOYMENT

To improve services for newly employed welfare recipients, it is important to understand the difficulties they must cope with to keep their jobs and succeed in the labor market. GAPS participants faced a variety of challenges as they made the transition from welfare to work. Some had difficulty planning affordable and reliable child care and transportation arrangements, which at times made it hard for them to sustain employment. Others had limited work experience and had a hard time adjusting to the expectations of employers. Some struggled with their own or a family member's health problems.

We begin this chapter by examining the problems GAPS participants said affected their jobs, including their reasons for missing work and, for those no longer employed, why their jobs ended. We then examine the child care arrangements GAPS participants chose, focusing on the reliability and costs of these arrangements. We end the chapter with an examination of the commuting methods GAPS participants used.

#### A. WHAT MADE WORKING DIFFICULT FOR SOME PARTICIPANTS?

Developing appropriate support services for newly employed welfare recipients requires understanding of what can make working difficult for them. In this section, we examine this issue by looking at (1) problems that GAPS participants identified as interfering with their ability to keep their jobs, (2) the frequency and causes of absences from work, and (3) reasons unemployed participants gave for no longer working.

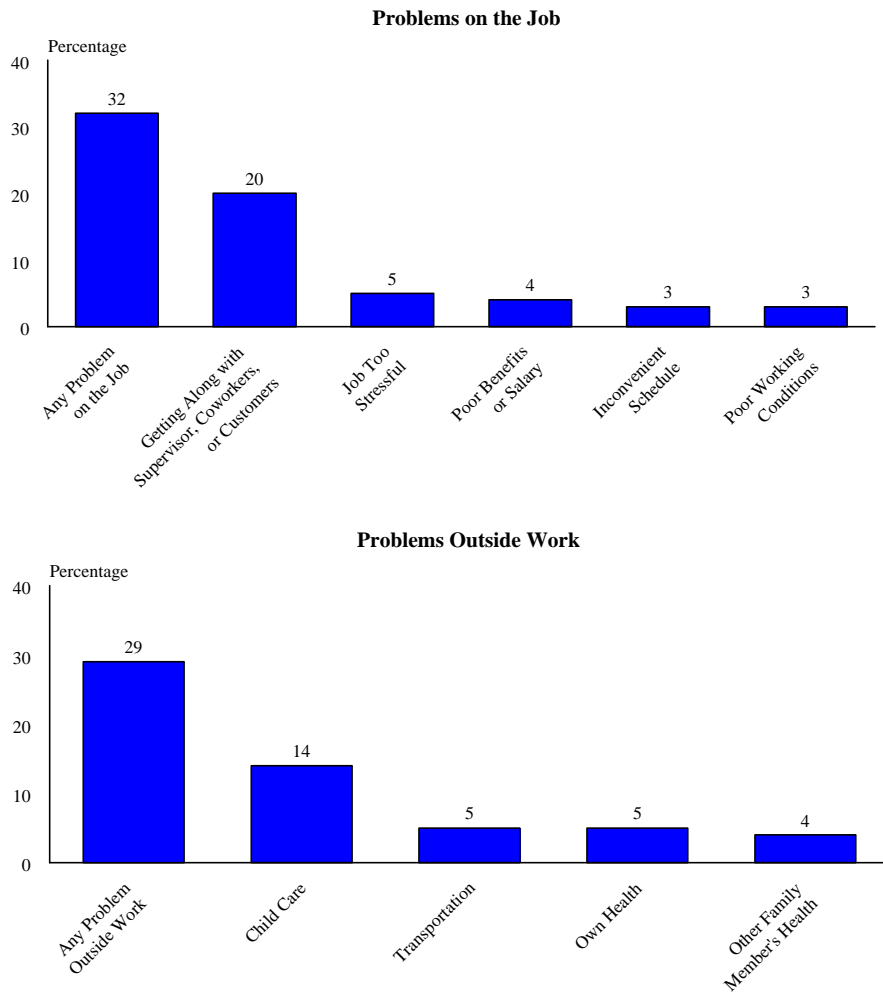
##### *# GAPS participants most often cited difficulty getting along with others and child care problems as challenges that made working difficult.*

In the second survey, employed GAPS participants were asked to identify problems on the job and outside work that “sometimes interfere with your ability to do your job or make it hard for you to keep working at your current employer.” About a third of participants reported a problem on the job that made working difficult (Figure IV.1). One in five reported conflicts with supervisors, coworkers, or customers that made it difficult to keep working at their jobs. Smaller proportions reported other problems with their jobs that made it hard to continue working, such as too much stress on the job, poor benefits or salary, inconvenient work schedule, or poor working conditions.

Consistent with these results, GAPS case managers reported during second-round site visits that getting along with others and dealing with conflicts at work remained significant challenges for some participants. Case managers indicated that these problems were among the most difficult for them to address, because they were often associated with serious personal problems, such as mental health, substance abuse issues, or family conflicts.

FIGURE IV.1

PROBLEMS THAT INTERFERED WITH WORK  
AMONG GAPS PARTICIPANTS



Source: Second GAPS follow-up survey.

Note: Figures include only participants who were working at the time of the survey.

About 3 in 10 GAPS participants indicated that problems outside work made it difficult for them to continue at their current jobs (Figure IV.1). Participants most often pointed to child care issues as the source of these problems, with 14 percent reporting that such problems made it hard for them to keep working. Smaller proportions reported that transportation problems, their own health problems, or the health problems of other family members interfered with their ability to stay employed.

## **KAREN: GETTING ALONG WITH COWORKERS WAS A CHALLENGE**

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For “Karen,” getting along with coworkers was a recurring theme during supportive counseling sessions with GAPS case managers. When she enrolled in GAPS, Karen had a temporary clerical support job that paid \$7.64 an hour. Tensions with coworkers arose, case managers reported, because Karen did not appropriately censor what she said to others at work. They described Karen as “strong-willed” and said that she “held nothing back.”

After her temporary job ended, Karen began a new job at a local restaurant, where she earned \$6.00 an hour, plus tips. Karen was pleased with many aspects of her new job. Her commute time was shorter, and she enjoyed better benefits. Nevertheless, she continued to have difficulty with coworkers. She became frustrated at work and on several occasions decided to quit. Each time, the GAPS case managers convinced her to return to the job and stick with it until she found something else. On one occasion, Karen sought advice from GAPS about how to stop a male coworker from harassing her at work. The case managers advised her to complain to her supervisor rather than leave the job. Karen spoke with her supervisor, and the situation improved. Karen continued to have difficult relationships with coworkers and described these as her biggest challenge to staying employed. In spite of these continued difficulties, however, and with the help of GAPS staff, Karen remained at her job.

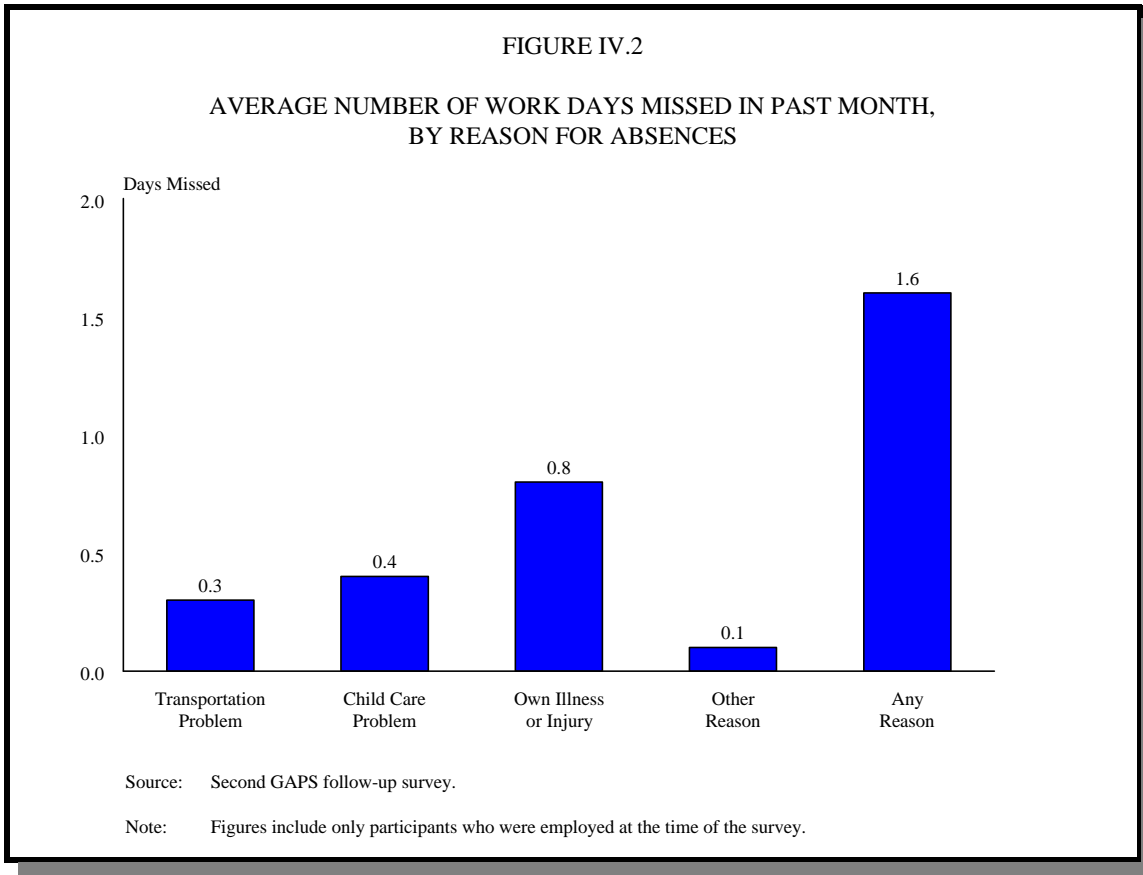
### ***# On average, GAPS participants missed a day and a half of work each month, almost three times as much as other working women.***

As part of the second survey, GAPS participants were asked about how often they missed work and the reasons for these absences. On average, employed participants reported about one and a half days of missed work time in the month prior to the survey (Figure IV.2). Half these absences (0.8 days in the past month, on average) were due to participants’ own illness or injury. Most other absences were due to transportation or child care problems. About half the child care-related absences resulted from participants having to stay home with a sick child (not shown).

Because of the additional challenges they faced, GAPS participants missed substantially more work than did working women in general. Participants averaged 1.6 days absent in the month prior to the survey (Figure IV.2). In contrast, in January 1999, among all women in the United States working full-time, the average for the month was 0.6 work days missed (not shown).<sup>1</sup> GAPS participants were twice as likely as other working women to miss work because of their own illness or injury (0.8 days per month among GAPS participants, versus 0.4 days among all working women), which suggests that they may have poorer health than working women overall. Participants were four times as likely as other working women to miss work for other reasons, such as transportation and child care problems (0.8 days per month, versus 0.2 days). This latter difference suggests that the specific transportation and

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<sup>1</sup>National figures for absenteeism among all full-time working women are from Table IV.6 of *Employment and Earnings January 2000* (U.S. Department of Labor 2000). Figures are converted to days missed per month by assuming a five-day workweek.



child care challenges GAPS participants faced might have been important causes of their above-average rates of absenteeism.<sup>2</sup>

Frequent absenteeism is a common cause of dismissal among low-income workers. Among the relatively small fraction of GAPS participants (8 percent) who had been fired from a job in the year prior to the survey, the most commonly reported reason for their dismissal (cited by 26 percent of those fired) was frequent absenteeism. Because missed work time can lead to job loss, programs designed to help newly employed welfare recipients remain employed may want to pay particular attention to the frequency and causes of absences from work. However, identifying the underlying causes may take considerable time and effort on the part of case managers, as “Cheryl’s” story illustrates (see text box).

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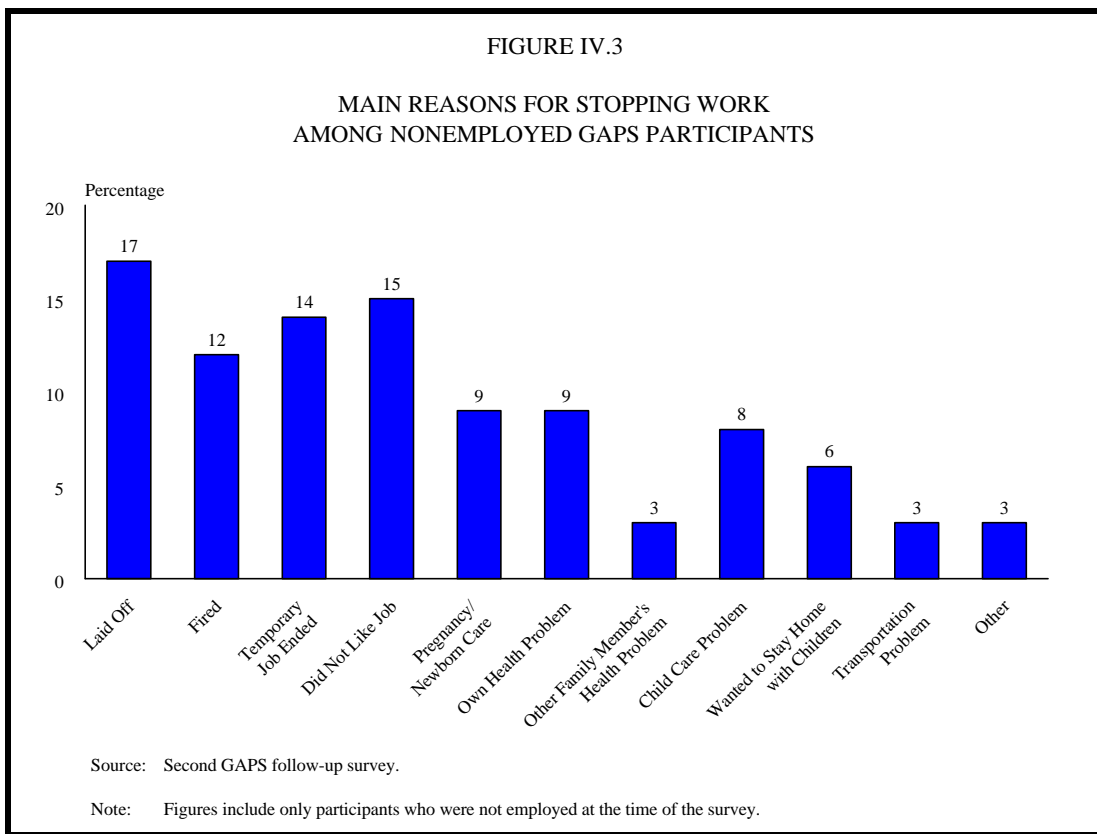
<sup>2</sup>The national figures on absenteeism reported here include all women working full-time, including those without children. Unfortunately, comparable national figures for working mothers only are not available.

## CHERYL: FREQUENT ABSENCES LED TO JOB LOSS

The underlying causes of frequent absenteeism may be complex. For example, “Cheryl” had transportation- and health-related work attendance problems that led to her being fired from a job at a fast-food restaurant after only two weeks. Cheryl was late three times and had to leave work early twice during her short time on the job because of transportation problems. She commuted by bus, which took an hour each way. She also had to take a taxi to or from work five times during this brief period, a considerable expense for someone making \$6.30 an hour. In addition, Cheryl missed work two days during this two-week period because of her own illness. Her GAPS case manager described Cheryl as a “job jumper” who had held six jobs in 18 months. Her case manager also indicated that Cheryl was struggling with substance abuse and mental health issues that often made it difficult for her to get out of bed in the morning. Therefore, these more complex personal problems may have been the underlying causes of the transportation and health problems that led to Cheryl’s absenteeism and job loss.

**# Those no longer working cited many reasons for their jobs ending, including being laid off or fired, quitting jobs they did not like, and child care and health problems.**

At the time of the second survey, about one in five GAPS participants was no longer working. The reasons most commonly cited for stopping work were being laid off (mentioned by 17 percent of those no longer working), being fired (12 percent), having their temporary or seasonal job end (14 percent), or simply quitting a job they did not like (15 percent) (Figure IV.3). Consistent with the substantial numbers of participants citing



temporary or seasonal jobs ending as the reason for stopping work, GAPS case managers reported that they initially observed many of their participants who were employed through temporary agencies experiencing periods of unemployment when their assignments ended. Based on this experience, case managers at one program recommended that other employment retention programs pay particular attention to participants employed through temporary agencies and work to move them quickly to regular employment, since temporary workers are at high risk of unemployment.

Somewhat smaller percentages of participants who were not working reported that they had stopped work because of pregnancy or newborn child care (nine percent), their own health problems (nine percent), child care problems (eight percent), or a desire to stay home with their children (six percent). Relatively few cited transportation problems (three percent) or the health problems of another family member (three percent) as the reason they stopped working.

## **B. WHAT CHILD CARE ARRANGEMENTS DID GAPS PARTICIPANTS MAKE?**

Most GAPS participants were single parents with young children. At the time of the second survey, 90 percent of participants had children under age 13, and more than half (53 percent) had children under age 6. Therefore, most GAPS participants needed child care for their young children while they were at work. Finding and maintaining acceptable child care arrangements can be a challenge for low-income, single parents who have limited resources to pay for care. As described earlier, 14 percent of employed participants reported that child care problems interfered with their ability to stay employed at their current job (Figure IV.1). In addition, child care problems were an important cause of missed work time, responsible for a fourth of absences among participants (Figure IV.2). Moreover, these problems could lead to job loss. Eight percent of participants who were no longer employed at the time of the survey indicated that a child care problem was the reason they stopped working (Figure IV.3). Because child care can pose such a significant challenge to stable employment for some participants, in this section we examine GAPS participants' child care arrangements in more detail.

### ***# Many GAPS participants relied on relatives, friends, and other home-based providers for child care, particularly for very young children. However, about half used center-based care, a proportion that increased over time.***

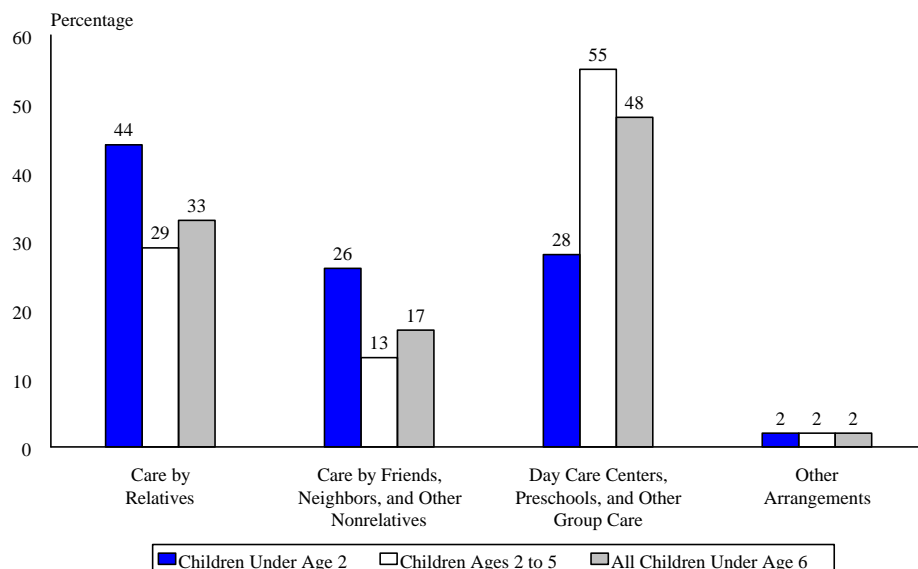
About half (48 percent) of GAPS participants with children under six years old used center-based child care arrangements, such as day care centers, preschools, and after-school programs (Figure IV.4). A third of participants relied on relatives to care for their children while they worked; most others (17 percent) used other home-based providers such as friends, neighbors, or other nonrelatives.<sup>3</sup> The use of home-based child care providers, such as relatives, friends, and neighbors, was particularly prevalent among participants with young children; 7 in 10 participants used this type of provider for their children under age two. The high proportion of GAPS families who used these arrangements for their infants and toddlers

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<sup>3</sup>We use the term "home-based" child care to refer to care provided in either the provider's home or the child's home. Home-based providers include a mix of unlicensed "kith and kin" providers (relatives, friends, and neighbors), as well as regulated family child care homes.

FIGURE IV.4

CHILD CARE ARRANGEMENTS FOR CHILDREN UNDER AGE 6  
AMONG GAPS PARTICIPANTS



Source: Second GAPS follow-up survey.

Note: Figures represent the main arrangement for the youngest child and include arrangements only for GAPS participants with children under age 6.

is consistent with other research findings. For example, researchers on the *Growing Up In Poverty* project, which examined women and children on welfare in three states, found that most mothers in their study relied on relatives, friends, and other home-based providers to care for their very young children (Fuller et al. 2000).

Several possible explanations exist for why most GAPS participants used home-based providers, often relatives or friends of the family, to care for their infants and toddlers. Many participants might have preferred to have relatives, friends, or neighbors care for their young children because they considered them more trustworthy or able to offer a more nurturing environment. Previous research indicates that, for many low-income parents, finding a provider they trust is the most important factor when choosing a child care arrangement for very young children (Larner and Phillips 1994; Phillips 1995; and Siegal and Loman 1991). The high priority placed on trust may have led many to choose providers they knew personally. Researchers have also found that parents of infants and toddlers often prefer arrangements that offer a homelike setting that will be similar to parental care (Larner and Phillips 1994). In addition, earlier research has found that the ethnic background of the provider and a desire to maintain cultural continuity between home and the child care setting are considerations that lead some parents to choose relatives or friends as child care providers (Mitchell et al. 1992; and Porter 1991).

Other GAPS participants who used home-based providers might have preferred a center-based arrangement but had difficulty accessing this kind of child care. For example, some participants might have faced a limited supply of center-based care in their communities. Previous research shows that many low-income parents have difficulty finding licensed or regulated child care for young children in their neighborhoods (Fuller and Liang

1996; and Fuller et al. 1997). In addition, GAPS case managers reported that participants had difficulty finding center-based child care arrangements during nonstandard work hours. About one in four GAPS participants worked an evening or night shift or a shift that varied through the week. Relatives, friends, and other home-based providers might have been more willing and able to provide care for participants who had these kinds of nonstandard work schedules.<sup>4</sup> Finally, although child care subsidies were available, some participants might have found center-based care too expensive and instead chose a relative or other home-based provider who provided care for free or at substantially lower cost.

Although many GAPS participants continued to rely on relatives and other home-based providers to care for their young children while they worked, the proportion relying on center-based arrangements, such as day care centers and preschools, increased during the participants' time in the program. For example, at the time of the first GAPS survey (conducted, on average, eight months after program entry), 35 percent of participants with children under age six used a center-based arrangement, compared with 48 percent at the time of the second survey (conducted, on average, 22 months after program entry). During second-round site visits, some GAPS case managers reported that they had begun to actively encourage participants who used unlicensed home-based arrangements to switch to center-based care. This may help explain the increase in its use by participants.

***# Participants who used home-based child care providers missed substantially more work time than those who relied on center-based arrangements.***

Dependable child care arrangements are essential for working parents, especially single mothers who must juggle work and child-rearing responsibilities. Unreliable child care arrangements can create stress and anxiety among parents and children and can lead to lost work time and, in some cases, lost jobs. While many parents prefer relatives and other home-based providers to center-based care, previous research suggests that these arrangements are more prone to break down and lead to lost work time than are center-based arrangements (Gilbert et al. 1992; Hofferth 1995; Presser and Cox 1997; Ross and Paulsell 1998; Siegal and Loman 1991; and Wood and Paulsell 1999). Home-based arrangements can break down temporarily (if the provider is sick or has other obligations on a particular day) or permanently (if the provider moves or takes another job).

Evidence from the second follow-up survey reinforces the finding from earlier studies that home-based child care arrangements are more likely to lead to lost work time. Among GAPS participants with children under age six, those who relied on relatives for child care averaged 0.8 days of missed work time due to child care problems during the previous month, while those who relied on friends, neighbors, and other home-based providers averaged 0.9 days absent (Figure IV.5). In contrast, those using center-based child care arrangements averaged only one-half a day absent due to child care problems.<sup>5</sup> Similarly, GAPS case managers reported observing that participants who used home-based child care

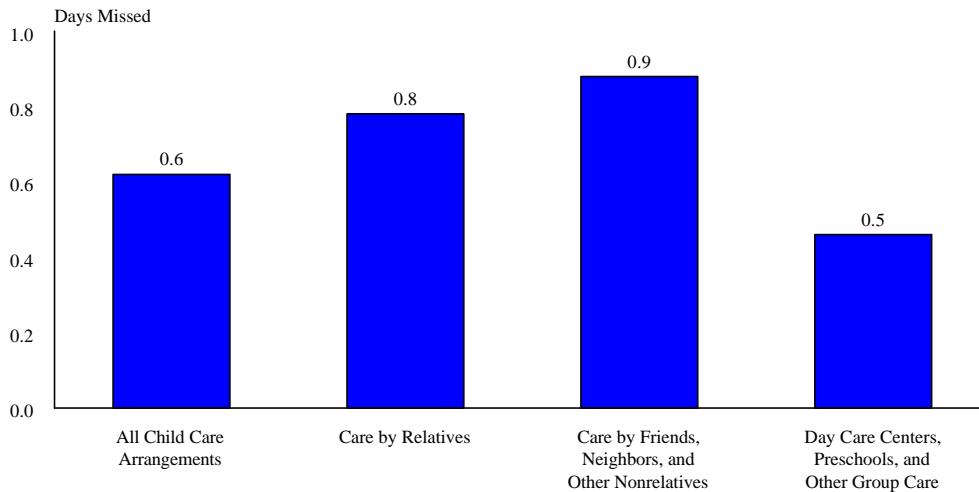
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<sup>4</sup>In fact, as discussed in Chapter V, some GAPS participants chose nonstandard work schedules to make it easier for relatives to care for their children.

<sup>5</sup>The difference in the average number of days missed between those using center-based and home-based child care arrangements is statistically significant at the .10 level.

FIGURE IV.5

AVERAGE NUMBER OF WORK DAYS MISSED IN PAST MONTH  
DUE TO CHILD CARE PROBLEMS,  
BY TYPE OF ARRANGEMENT



Source: Second GAPS follow-up survey.

Note: Figures include only participants with children under six years old. Figures include both participants who were employed and those who were not employed at the time of the survey. For nonemployed participants, figures represent days missed during the last month that they worked.

providers were more likely than those who used center-based arrangements to have problems with child care reliability.

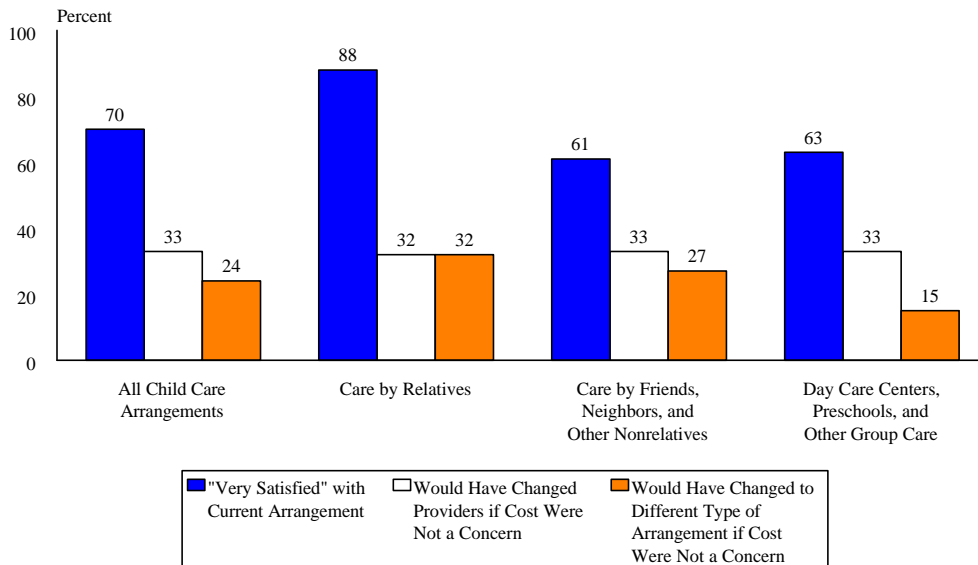
Even when relatives or other home-based providers typically provide a reliable source of child care, parents need back-up arrangements for days when providers are ill and for other emergencies. Nevertheless, case managers reported that many participants who relied on home-based child care providers lacked back-up arrangements and therefore had to miss work when their regular provider was not available or quit on short notice. Case managers said they routinely discussed the need for back-up arrangements with participants, but some did not have other friends or relatives who could take care of their children on short notice.

***# Satisfaction with child care arrangements was high, particularly among those using relative care. Even so, one in three would have changed providers if cost had not been a concern.***

Those participants who relied on relatives to care for their children might have been more likely to miss work than those who used center-based care, but they still reported very high levels of satisfaction with their child care arrangements. Indeed, they were more satisfied than those using other arrangements (Figure IV.6). For example, among participants who relied on family members to provide child care, 88 percent reported being “very satisfied” with this arrangement. In contrast, of those using day care centers, preschools, and other kinds of center-based care, only 63 percent said they were “very satisfied” with these arrangements. Satisfaction levels were also lower among those participants who used

FIGURE IV.6

SATISFACTION WITH CHILD CARE,  
BY TYPE OF ARRANGEMENT



Source: Second GAPS follow-up survey.

Note: Figures refer to arrangement for youngest child and include only participants with children under six years old.

friends, neighbors, and other home-based, nonrelative providers; only 61 percent reported that they were “very satisfied” with their arrangement (Figure IV.6).<sup>6</sup>

Despite the high levels of satisfaction with their child care arrangements and regardless of the type of arrangements they used, about a third of participants said they would have changed providers if cost had not been a concern (Figure IV.6). Across participants using all types of arrangements, the three most frequently cited reasons for wanting to change care providers were (1) a better learning environment, (2) better safety and supervision, and (3) a more convenient schedule or location (not shown). Relatively few pointed to enhanced reliability as the reason they would like to change providers.

Although similar percentages would have liked to change providers, participants using home-based providers were more likely than those using center-based care to say they would change to a different type of child care arrangement if cost were not a concern.<sup>7</sup> For example, 32 percent of those using relative care and 27 percent of those using other home-based providers would have switched to a different type of child care arrangement if they could have done so (Figure IV.6). In contrast, only 15 percent of those using center-based

<sup>6</sup>The difference in satisfaction levels between those using relative care and those using other arrangements is statistically significant at the .01 level.

<sup>7</sup>For this analysis, child care providers were placed into four categories: (1) relative care; (2) care by friends, neighbors, and other nonrelative home-based providers; (3) center-based care; and (4) other arrangements. Participants who wanted to switch from their current provider to a provider in one of the other three categories were classified as wanting to change to a different type of child care arrangement.

care would have changed to a different type of arrangement.<sup>8</sup> Therefore, based on these alternative measures of child care satisfaction, those using center-based care appeared to be at least as satisfied with their child care arrangements as those using relative care.

### **C. WHAT CHILD CARE COSTS DID GAPS PARTICIPANTS FACE?**

Child care can be a major expense for low-income workers, and one that uses a substantial portion of their limited incomes. Therefore, a careful look at child care costs is an important part of an examination of the challenges facing newly employed welfare recipients. The state of Pennsylvania provides child care subsidies for low-income working families, which many GAPS participants received. Of those not receiving subsidies, some paid nothing for child care because they worked when their children were in school or relatives watched their children for free. Others received no subsidies and faced substantial out-of-pocket child care costs. In this section, we examine the child care costs and subsidy use of GAPS participants.

#### ***# State policy concerning child care subsidies for families moving from welfare to work has undergone substantial changes in recent years.***

To reduce the burden of child care costs, Pennsylvania provides child care subsidies to low-income parents. Prior to February 1999 (during the period covered by the first GAPS report), low-income parents who left welfare for employment were eligible for Transitional Child Care benefits for up to one year. They then became eligible for the Subsidized Child Care Program, a state program for low-income working families administered in Allegheny County by the Child Care Partnership of the Young Women's Christian Association. The procedures and eligibility rules of these two programs differed. According to GAPS case managers, these differences confused some GAPS participants and sometimes led to child care disruptions when participants needed to move from one subsidy program to the other.<sup>9</sup>

Because of these and other difficulties experienced by low-income families receiving child care subsidies, in February 1999, the state launched a new child care subsidy program, Child Care Works. This initiative combined the two former subsidy programs into a single system.<sup>10</sup> Now, low-income parents who leave TANF for employment are eligible for assistance from a single subsidy program. These parents can begin receiving the subsidy as soon as they start working; they can continue to receive it as long as they maintain

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<sup>8</sup>The difference between those using center-based and home-based providers in the proportion wanting to change to a different type of child care arrangement is statistically significant at the .05 level. In addition, the reasons for wanting to change to a different type of arrangement differed for those using center-based and home-based care. Those using home-based providers were most likely to want to change to a different type of arrangement so that their children could have a better learning environment (not shown). In contrast, those using center-based care were most likely to want to change to find an arrangement that was more convenient for their work schedule or provided better safety and supervision for their children.

<sup>9</sup>The first GAPS report includes a more complete discussion of Transitional Child Care and the Subsidized Child Care Program, as well as GAPS participants' experiences under these programs (Wood and Paulsell 1999).

<sup>10</sup>For Allegheny County families not receiving TANF, the program is administered by the Child Care Partnership. For families in Allegheny County receiving TANF, Child Care Works is administered by ACAO.

employment and their income remains within eligibility limits. To receive assistance under Child Care Works, families who have left TANF must be working 25 hours a week.<sup>11</sup>

Like the former subsidy programs, Child Care Works provides subsidies based on a sliding scale. For example, a family of three with an annual income of \$10,000 or less has a copayment of \$20 a month, while a similar family with an income of \$20,000 has a \$120 monthly copayment. The subsidies are phased out completely at an income of 235 percent of the federal poverty guidelines, or just over \$33,000 for a family of three.

However, when Child Care Works was first implemented in February 1999 (and during the period covered by this report), copayments were higher than they are currently and higher than they were under the previous subsidy programs.<sup>12</sup> In addition, the income limit for entry into the subsidy program was reduced from 235 percent of the poverty level under the Subsidized Child Care Program to 185 percent of poverty under Child Care Works.<sup>13</sup> According to state officials, the goal of these policy changes was to reduce the size of subsidy waiting lists and focus child care resources on the neediest families. However, in April 2000 (after the period covered by this report), the state lowered copayment levels and increased initial income eligibility thresholds to 200 percent of poverty (about \$28,000 for a family of three).<sup>14</sup> The state made this change in response to concerns about increased out-of-pocket costs among low-income working families and the availability of sufficient funds to expand the program.

During the second round of GAPS site visits in June 1999, GAPS case managers reported that the switch to Child Care Works had eliminated many of the problems with subsidies that participants had experienced under the old system. However, some problems persisted. For example, GAPS case managers indicated that the substantial increase in copayments under Child Care Works (which was later reversed) was a hardship for many participants. In addition, Child Care Works guarantees immediate access to subsidies for families leaving TANF, whereas other low-income families receive funds on a first-come, first-served basis. When the program was first implemented, GAPS case managers reported that some participants who lost their jobs but did not go back on TANF had to wait several months to receive benefits again.<sup>15</sup> In these cases, when participants could not cover the cost of child care while they were on a waiting list, they sometimes had to switch to another

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<sup>11</sup>This requirement was set at 20 hours a week in February 1999 and was raised to 25 hours a week in August 1999. Families who leave TANF have a six-month transition period before they must comply with this minimum hours requirement. The Subsidized Child Care Program also had a work requirement of 20 hours per week.

<sup>12</sup>For example, under Child Care Works as it was initially implemented, a family of three with an annual income of \$10,000 or less had a copayment of \$40 a month, while a similar family with an income of \$20,000 had a monthly copayment of \$160.

<sup>13</sup>Once a family enrolled in Child Care Works, however, they remained eligible for the subsidy as long as their income did not exceed 235 percent of poverty.

<sup>14</sup>As was true under the initial rules of the program, enrolled families can continue receiving subsidies under Child Care Works until their income exceeds 235 percent of poverty.

<sup>15</sup>Case managers described similar problems for some GAPS participants prior to the implementation of Child Care Works in February 1999.

provider (often a relative or friend) until their subsidies resumed. However, according to state welfare officials, as of mid-2000, the state had enough funds to serve all eligible families who applied for Child Care Works. Consequently, waiting lists for child care subsidies should no longer exist.<sup>16</sup>

**# *Many GAPS participants received child care subsidies. Others did not but got free care from relatives; some received no subsidies and faced substantial costs.***

To understand child care expenses and subsidy use among GAPS participants, it is important to examine how out-of-pocket child care costs and subsidies interact. Participants with young children fell into three broad groups: (1) those who received government child care subsidies, (2) those who did not receive subsidies and did not pay for child care, and (3) those who did not receive subsidies and paid for child care on their own.

1. ***Participants Who Received Child Care Subsidies.*** At the time of the second survey, 40 percent of employed participants with children under 13 years old received a government subsidy to help with their child care expenses (Table IV.1). Participants' child care subsidies averaged \$490 a month, ranging from an average of \$292 a month for those with one child to \$705 a month for those with three or more children (not shown). Participants who paid for care and received government subsidies averaged \$31 in out-of-pocket child care expenses each week (\$134 each month). On average, their child care costs represented 10 percent of their pretax earnings (Table IV.1).<sup>17</sup>

The proportion of GAPS participants receiving child care subsidies declined somewhat over time. Among employed participants with children under age 13, 51 percent were receiving subsidies at the time of the first survey (conducted about a year earlier than the second survey). Several possible explanations for this decline exist. For example, as participants progressed toward higher-paying jobs, their use of government child care subsidies probably declined. In addition, the shift to lower income eligibility limits under Child Care Works may have disqualified some participants for assistance.

2. ***Participants Who Did Not Pay for Child Care.*** A substantial portion of employed participants with young children did not pay for child care. Among those who were working and had a child under age 13, 30 percent received no subsidy and paid nothing for child care (Table IV.1). About half of these participants relied on relatives, friends, or neighbors who provided care for free (not shown). Most others had older children and worked only (or mainly) when their children were in school, while a few took care of their children at work.

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<sup>16</sup>The state can take up to 30 days to determine a family's eligibility for Child Care Works. However, once families are determined to be eligible, they begin receiving the subsidy without delay.

<sup>17</sup>These cost figures were collected in late 1999. Under the recent change to Child Care Works (implemented in April 2000), which lowered child care copayments substantially, the proportion of earnings that those receiving subsidies must pay out of pocket for child care should decline.

TABLE IV.1  
CHILD CARE COSTS AMONG GAPS PARTICIPANTS

	Percentage of All Participants	Average Weekly Out-of-Pocket Child Care Costs (Dollars)	Average Weekly Family Earnings <sup>a</sup> (Dollars)	Average Proportion of Earnings Devoted to Child Care Costs
Those Who Received a Child Care Subsidy	40	31	310	10
Those Who Did Not Receive a Subsidy and Did Not Pay for Child Care	30	0	333	0
Those Who Did Not Receive a Subsidy and Paid for Child Care	30	66	367	22
<b>All Participants</b>	<b>100</b>	<b>32</b>	<b>332</b>	<b>11</b>

SOURCE: Second GAPS follow-up survey.

NOTE: Figures only include employed participants with children under age 13.

<sup>a</sup>Family earnings figures include earnings of participants and their spouses or partners.

3. *Participants Who Paid for Child Care on Their Own.* Other GAPS participants received no government subsidies and paid for child care on their own. At the time of the second survey, 30 percent of employed participants with children under age 13 were in this group (Table IV.1). On average, these participants paid \$66 a week (\$287 each month) for child care. Their child care costs averaged 22 percent of their pretax family earnings, a proportion more than twice as high as that paid by participants who received government subsidies (Table IV.1).<sup>18</sup>

Participants who paid for child care and did not receive subsidies differed in several other important ways from those who received subsidies. For example, they had higher weekly earnings, on average (\$367, versus \$310 for those receiving subsidies) (Table IV.1). This suggests that some did not receive subsidies because their incomes were too high. They also had fewer young children and used center-based providers less frequently than those who received government subsidies (not shown). These differences help explain why their average child care costs of \$263 a month were substantially lower than the average total cost of child care of \$624 a month (combining subsidies and out-of-pocket expenses) among those who received subsidies.

<sup>18</sup>This difference is statistically significant at the .01 level.

Why did GAPS participants who paid for child care not participate in Child Care Works? A lack of knowledge appears to be one explanation. Among participants who paid for care and did not receive child care subsidies, 34 percent reported that they were unaware that this type of government help was available (not shown). Among those who paid for care and were unaware of subsidies, average weekly child care costs were \$72, which represented 27 percent of their pretax earnings. GAPS program staff devoted substantial effort to explaining subsidies to participants, but obviously this message did not get through to all. Given the substantial burden of child care costs on those who are unaware of child care subsidies, welfare staff and others who work with TANF recipients may need to work harder to spread the word about the availability of these subsidies.

Other GAPS participants said they did not receive child care subsidies because their incomes were too high to be eligible (reported by 21 percent of those paying for care and receiving no subsidy), that participating was too much hassle (12 percent), or that they were on a waiting list for benefits (11 percent). Those who reported that their incomes were too high to receive a child care subsidy averaged \$61 in child care expenses each week, 13 percent of their earnings (not shown).

#### **KEESHA: A BETTER JOB REQUIRED A CHANGE IN CHILD CARE ARRANGEMENTS**

The story of one GAPS participant illustrates how income eligibility limits for child care subsidies and the type of child care providers participants chose could interact. “Keesha” had one child, a seven-year-old boy. When she entered GAPS, she had recently found a job as a data entry clerk in a downtown bank, where she made about \$8.00 an hour. While she worked at the bank, Keesha used an after-school program at her son’s school for child care. She received government child care subsidies that covered most of the cost of this care.

After holding the job at the bank for more than two years, she obtained a higher-paying job (making almost \$13.00 an hour) with benefits as a 911 emergency operator. With her substantial salary increase (after which she was making more than \$25,000 a year), Keesha no longer qualified for assistance through Child Care Works. Because she lost these benefits, she took her son out of the after-school program and relied on her sister to watch him. Keesha paid her sister \$150 a month to watch her son, substantially less than the cost of most after-school programs. On the most recent survey, Keesha reported that she would have preferred to use an after-school program if cost had not been a concern, because it would have been more reliable and would have fit her work schedule better. Even so, at the time of the second survey, she had not missed any work in the past month because of child care problems under this arrangement.

#### **D. WHAT TRANSPORTATION CHALLENGES DID GAPS PARTICIPANTS FACE?**

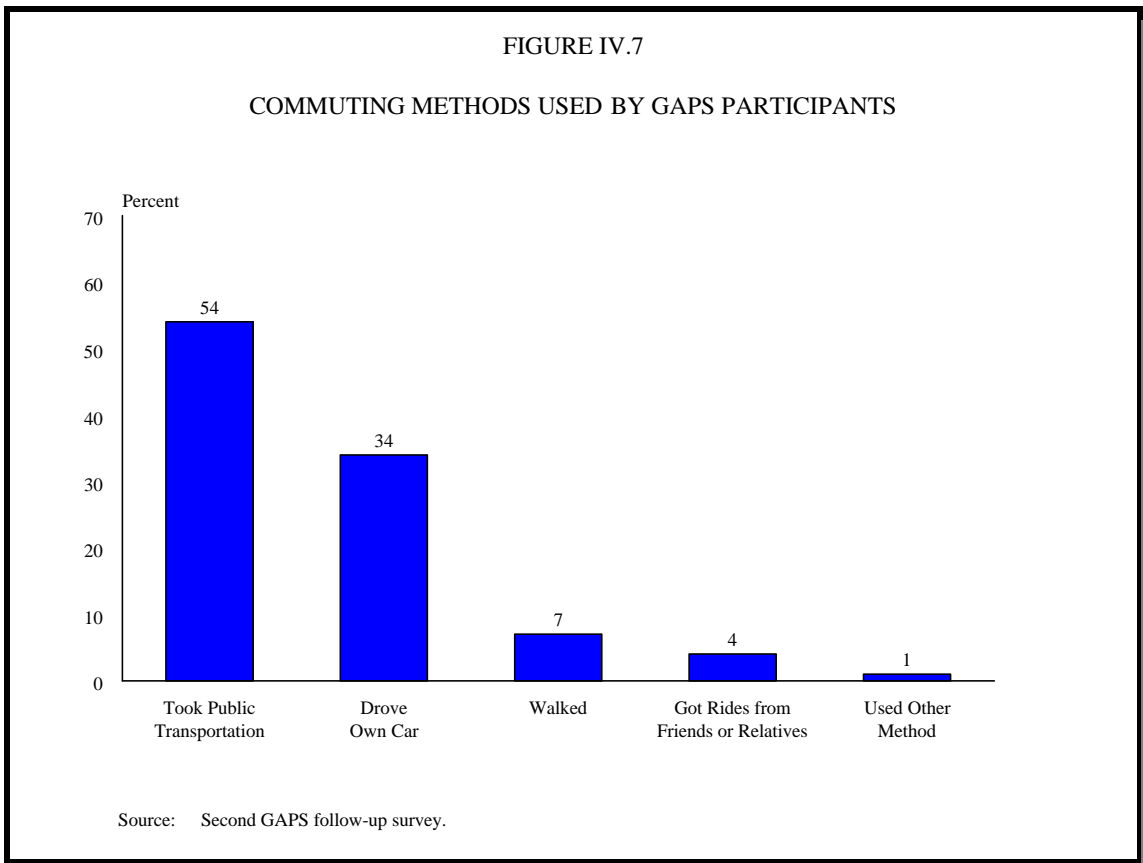
Commuting to and from work can pose challenges for newly employed welfare recipients. Commuting can be costly and can erode some of the financial benefits of work. In addition, unreliable commuting arrangements can lead to lost work time and, possibly, job loss. Among GAPS participants, transportation problems were responsible for about 20 percent of missed work time (Figure IV.2). On average, participants missed one full work day every three months because of transportation problems. In this section, we examine the transportation arrangements of GAPS participants in more detail.

**# Relatively few GAPS participants owned cars, so many relied on public transportation to get to work.**

At the time of the second survey, 38 percent of GAPS participants owned a car, and about half (53 percent) had a valid driver's license (not shown). Therefore, only about one in three (34 percent) participants used their own car to commute, while more than half (54 percent) relied on public transportation to get to work (Figure IV.7). Although the percentages remained relatively low, car ownership and car commuting among GAPS participants increased somewhat over time. At the time of the first GAPS survey, conducted about a year earlier, 27 percent of participants owned a car, and 22 percent drove to work (Wood and Paulsell 1999).

According to GAPS staff, transportation problems continued to be an issue for some participants. For example, many jobs, particularly those in suburban and outlying areas of the county, are not located on bus routes, which limits the number of jobs available to participants who do not own cars. Moreover, even when jobs are located on routes served by public transportation, work schedules and transportation schedules often do not coincide, particularly for people working evening, night, or weekend shifts. In addition, among the 4 in 10 participants who did own cars, some had difficulty paying for repairs on vehicles that were often unreliable. On the second survey, one in three participants who owned a car reported that it had broken down in the past month (not shown).

Several local initiatives attempted to address the transportation challenges facing GAPS participants and low-income workers generally. For example, the Foundation sponsored a project to identify and map both the Allegheny County neighborhoods where low-income



people reside and where entry-level jobs are located. The project’s goal was to increase the availability of public transportation between home and work for low-income residents. Since the project’s completion, the local port authority has added some bus routes and increased service on some existing routes. In addition, the GAPS initiative focused one of its monthly learning community meetings for GAPS staff on transportation resources. During this meeting, GAPS case managers learned about several programs that could help their participants purchase cars, including special car allowances available from ACAO and a small, state-funded program called “Wheels for Work.” During site visits, some case managers said this was the most helpful learning community meeting they had attended.

**# *Those who used public transportation were less satisfied with their commuting methods than those who drove, mainly because of longer commutes.***

Participants who took public transportation to work reported lower levels of satisfaction with their commuting methods than those who drove to work. About 1 in 4 of those who used public transportation reported being dissatisfied with their current commuting method, compared with fewer than 1 in 10 of those who drove to work (Table IV.2). About half of those who commuted using public transportation and were not satisfied with the arrangement indicated that the length of their commutes was the cause of their dissatisfaction (not shown). Participants who used public transportation to get to work did spend substantially more time

TABLE IV.2  
 COMMUTING RELIABILITY AND SATISFACTION AMONG GAPS PARTICIPANTS  
 (Percentages, Unless Otherwise Indicated)

	Those Who Commuted in Own Car	Those Who Commuted Using Public Transportation	All GAPS Participants
<b>Commuting Problems in Past Month</b>			
Had to Use Alternate Commuting Method	25	32	29
Missed Any Work Time Due to Transportation	12	18	15
Missed Full Work Day Due to Transportation	7	6	6
Average Number of Work Days Missed Due to Transportation	0.3	0.4	0.3
Average One-Way Commute Time (Minutes)	27	50*	38
Dissatisfied with Commuting Method	8	26*	19
<b>Sample Size</b>	<b>126</b>	<b>199</b>	<b>378</b>

SOURCE: Second GAPS follow-up survey.

NOTE: Figures include all GAPS participants, including those who were not employed at the time of the survey. For participants who were not employed at the time, figures represent commuting patterns during their most recent month of employment.

\*Differences between those who commute by car and those using public transportation statistically significant at the .10 level.

commuting than those who drove. Those using public transportation averaged 50-minute commutes each way (including time spent dropping off children at day care), compared with an average one-way commute time of 27 minutes for those who drove (Table IV.2). In other words, GAPS participants who used public transportation spent an additional 45 minutes each day getting to and from work, which reduced the time they could spend with their children, maintain their households, or work.

Those commuting to work via public transportation were also somewhat more likely than car commuters to have missed work time in the month prior to the survey because of transportation problems (18 percent, versus 12 percent) (Table IV.2).<sup>19</sup> However, a relatively small proportion (14 percent) of those who were not satisfied with commuting by public transportation reported a lack of reliability as the cause of their dissatisfaction (not shown). Participants who used buses or trains for commuting appeared to be much more frustrated with the length of their commutes than with the reliability of public transportation.

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<sup>19</sup>Because of small sample sizes, this difference is not statistically significant at standard levels. It is, however, statistically significant at the .15 level.

## V

### ECONOMIC PROGRESS OF GAPS PARTICIPANTS

The success of newly employed welfare recipients in their efforts to become self-sufficient depends on their ability to remain employed and reduce their dependence on welfare. At the same time, they must make enough money to support their families and maintain health insurance coverage. Moreover, to achieve a higher standard of living for themselves and their families, some newly employed welfare recipients may need to acquire better job skills in order to earn higher wages. In this chapter, we examine GAPS participants' progress in taking each of these steps toward self-sufficiency during their first 18 months in the program.

#### A. WHAT TYPES OF JOBS DID GAPS PARTICIPANTS HAVE?

For a better understanding of the economic progress of GAPS participants, it is useful to begin by examining the types of jobs they held. This can improve our understanding of their economic status while in GAPS, as well as their prospects for economic progress. In this section, we look at the nature of jobs held by GAPS participants at the time of the second follow-up survey.

*# GAPS participants worked in low-wage jobs that are typical for newly employed welfare recipients. Many worked in low-skill service jobs.*

GAPS participants worked for low wages. At the time of the second follow-up survey, 4 in 10 reported earning less than \$7.00 an hour at their current or most recent job, while only 16 percent reported earning \$10.00 an hour or more (Table V.1). Their average hourly wage was \$7.81.<sup>1</sup> Although this hourly wage may seem low, it is typical for newly employed welfare recipients. For example, a recent study in New Jersey of a representative, statewide sample of current and former TANF recipients covering a similar time period found that the average hourly wage among this population was \$7.31 (Rangarajan and Wood 1999). Similarly, a recent study of a nationally representative sample of welfare leavers found an average hourly wage of \$6.94 (Loprest 1999).<sup>2</sup>

Most GAPS participants worked full-time. At the time of the survey, 84 percent worked 30 hours per week or more at their current or most recent job, while 66 percent worked at least 40 hours per week (Table V.1). One in four described their jobs as seasonal or

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<sup>1</sup>The median hourly wage among GAPS participants was \$7.50. For comparison, the federal minimum wage during the period covered by this study was \$5.15 per hour.

<sup>2</sup>The data from the national study of welfare leavers was gathered in 1997. Therefore, we have adjusted this figure for inflation and reported the average hourly wage in 1999 dollars (the year the GAPS data were collected).

TABLE V.1  
 CHARACTERISTICS OF THE CURRENT OR MOST RECENT JOBS  
 OF GAPS PARTICIPANTS  
 (Percentages)

All GAPS Participants	
<b>Hourly Wage</b>	
Less than \$5.00	3
\$5.00 to \$5.99	12
\$6.00 to \$6.99	21
\$7.00 to \$7.99	19
\$8.00 to \$8.99	19
\$9.00 to \$9.99	9
\$10.00 to \$10.99	9
\$11.00 or more	7
(Average wage)	(\$7.81)
<b>Hours Worked per Week</b>	
1 to 19	4
20 to 29	11
30 to 39	18
40	54
More than 40	12
(Average hours)	(37)
<b>Time of Day Worked</b>	
Regular Day Shift	76
Evening or Night Shift	16
Variable Shift	8
<b>Temporary Employment</b>	
Temporary or Seasonal Job	25
Job Obtained Through a Temporary Agency	14
<b>Employer-Provided Health Insurance</b>	
Available to Participant	63
Participant Covered by Policy	38
<b>Other Fringe Benefits</b>	
Paid Vacation	66
Sick Leave	52
Retirement/Pension	52
Flexible Hours	54
<b>Occupation</b>	
Administrative Support/Clerical	33
Sales	10
Health Services	17
Food Services	8
Cleaning Services	8
Other Services	9
Manager/Professional/Technical	5
Transportation	3
Other	7
<b>Sample Size</b>	<b>378</b>

SOURCE: Second GAPS follow-up survey.

temporary; 14 percent reported that they had obtained their jobs through temporary agencies. About one in four participants worked a nonstandard time of day; 16 percent worked an evening or night shift, while 8 percent had a varied work schedule (Table V.1). Among those with a nonstandard work schedule, almost half (46 percent) said they worked this shift because the job they wanted required it (not shown). In addition, 29 percent said they chose to work this shift because it made their child care arrangements more convenient, most often because it made it easier for their relatives to provide child care. Others said they had nonstandard work schedules because they were in school (eight percent), because they could find work only at this time (seven percent), or because it allowed them to spend more time with their children (four percent).

Most GAPS participants worked in service jobs. At the time of the second survey, 33 percent reported having a clerical or administrative support job, such as secretary, receptionist, bookkeeper, or data entry clerk (Table V.1). Another 17 percent worked in health service occupations, typically as nurse's aides in hospitals and nursing homes. Eight percent worked in food service occupations, usually as waitresses or kitchen workers. The same percentage worked in cleaning service occupations, most as hotel maids or office building cleaners. One in 10 worked in sales occupations, mainly as cashiers.

Few GAPS participants (five percent) held managerial, professional, or technical jobs at the time of the survey. Not surprisingly, those who did have these kinds of jobs (such as teacher, nurse, or other health professional) were among the highest-paid GAPS participants, averaging \$10.44 an hour (not shown). In contrast, those participants working in food services and cleaning services were among the lowest paid, with average hourly wages of \$6.07 and \$6.65, respectively.

***# Most participants' jobs offered health insurance. However, many were not covered by their employer's plan.***

About half of all jobs that GAPS participants held offered paid sick leave, a retirement plan, or flexible work hours; about two-thirds offered paid vacation or health insurance benefits (Table V.1). However, only 60 percent of participants whose employers offered health insurance (38 percent of all participants) were actually covered by the policy. Those not covered by their employers' health insurance plan reported three main reasons for not participating. Four in 10 reported that their employers had a waiting period for benefits and they had not yet held their jobs long enough (not shown). An additional one in three said they did not participate because they were covered by another insurance policy, such as Medicaid. Most other nonparticipants reported the high cost of coverage as the reason for not participating.

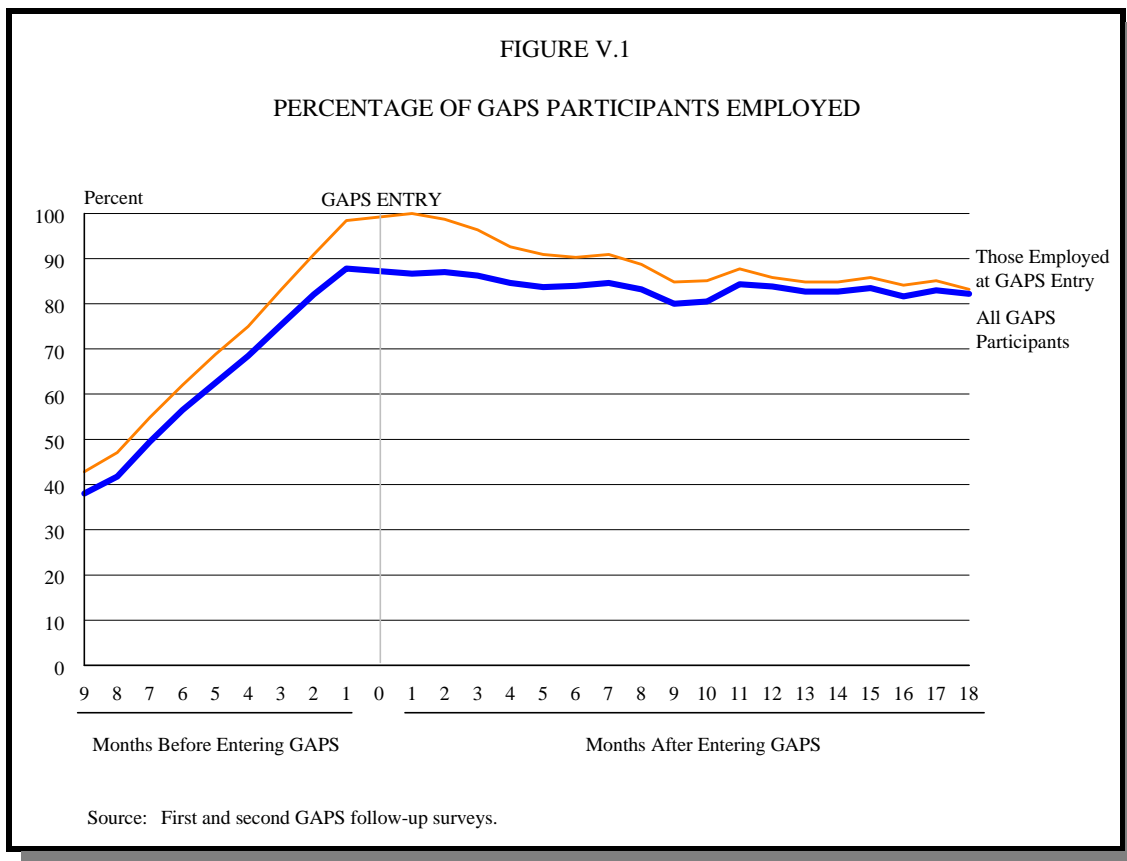
**B. HOW SUCCESSFUL WERE GAPS PARTICIPANTS AT STAYING EMPLOYED?**

The primary goal of the GAPS initiative was to promote sustained employment among participants. GAPS tried to promote employment retention through case management and other supportive services, in the hope that participants would be better able to achieve higher incomes and, eventually, self-sufficiency. In this section, we examine how successful GAPS participants were at maintaining their employment during their first 18 months in the program. We also examine how quickly participants who lost jobs became reemployed.

**# The employment levels of GAPS participants remained high during their first 18 months in the program.**

Employment levels among GAPS participants were high during participants' first 18 months in the program. During this period, participants spent 80 percent of their time employed, on average, and employment levels declined very little. During the first month after entering GAPS, 87 percent of participants were employed (Figure V.1).<sup>3</sup> A year and a half later, the proportion employed had dropped only slightly, to 82 percent.

Many GAPS participants maintained continuous employment. For example, 7 in 10 participants experienced no unemployment during their first six months in GAPS (Figure V.2).<sup>4</sup> Half maintained their employment continuously for 18 months.<sup>5</sup> Among participants who entered GAPS with a job, 85 percent were employed continuously during their first 6 months in the program, and 60 percent were employed continuously for 18 months (Figure V.2).



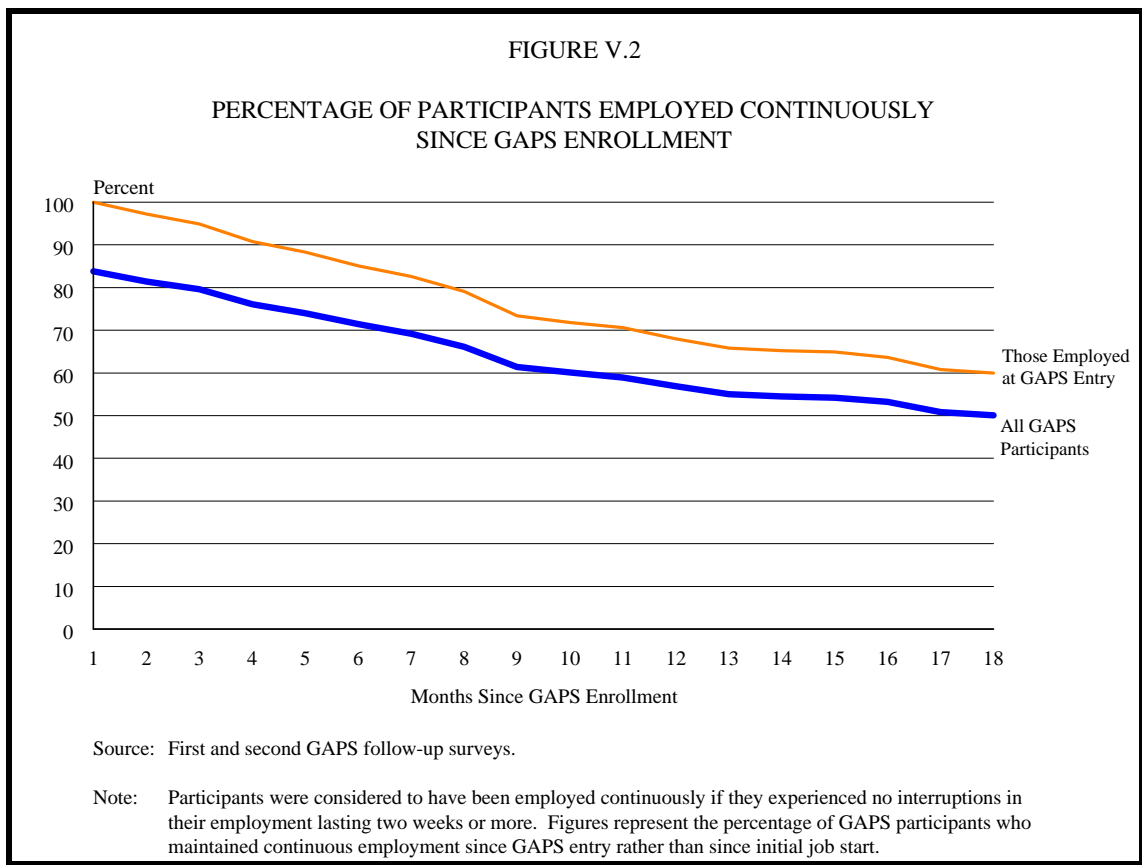
<sup>3</sup>Most GAPS participants were employed when they applied for the program. However, some applicants lost their jobs before the welfare department processed their applications and sent them on to one of the GAPS service providers. These unemployed applicants were allowed to enroll in the program.

<sup>4</sup>For all analyses presented in this chapter, participants are considered to have had an unemployment spell (and, therefore, considered to be no longer continuously employed) if they spent two consecutive weeks not working.

<sup>5</sup>Figures on continuous employment represent the percentage of participants who maintained employment continuously since GAPS entry rather than since their initial job start. Among the 84 percent of GAPS participants who were employed when they entered GAPS, the median length of time they had been working at the job they held at program entry was five months.

Among GAPS participants who did become unemployed, some were reemployed quickly.<sup>6</sup> For example, among those who were unemployed during their first year in GAPS, 20 percent were reemployed within one month and 39 percent were reemployed within three months (Figure V.3). Other participants took substantially longer to obtain another job; 15 percent remained unemployed for a year or more. The median length of time until reemployment was four months.

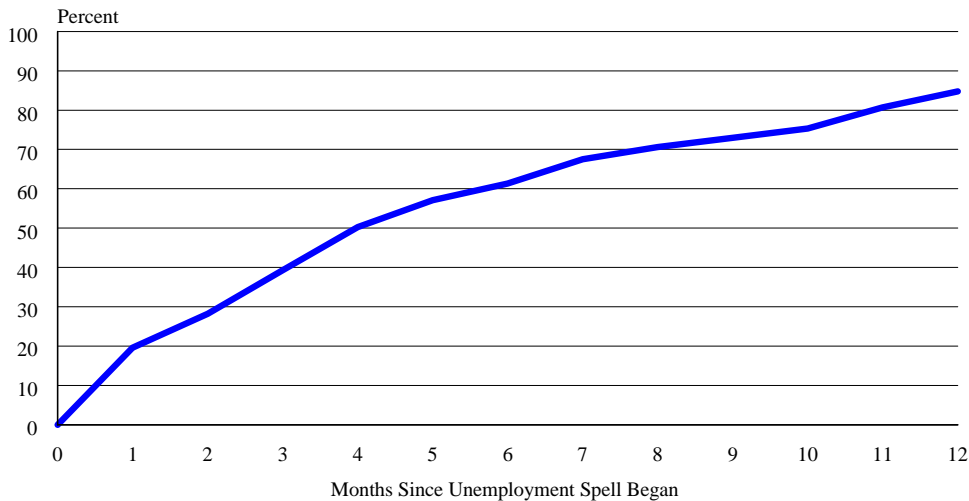
Among GAPS participants with extended periods of unemployment, almost half cited reasons related to their children when asked why they were not working. For example, among those who had not worked for three months or more, 14 percent indicated that a lack of affordable child care options was the main reason (not shown). Another 12 percent said they were not working because they were pregnant or taking care of a newborn. Six percent said they could not work because they were taking care of a sick child, while 14 percent said they simply wanted to stay home with their children. Other common reasons reported for not working were health problems (reported by 18 percent of those with an extended period of unemployment), inability to find a job (reported by 14 percent), being in school or training (reported by 8 percent), and transportation problems (reported by 4 percent).



<sup>6</sup>We refer to participants as being “unemployed” whether or not they were actively looking for work.

FIGURE V.3

PERCENTAGE OF GAPS PARTICIPANTS WHO WERE REEMPLOYED,  
BY MONTH SINCE THEIR UNEMPLOYMENT SPELL BEGAN



Source: First and second GAPS follow-up surveys.

Note: Figures include only participants who experienced an unemployment spell during their first 12 months after entering GAPS. Participants were considered to have experienced an unemployment spell if they had an interruption in their employment lasting two weeks or more.

Employment retention rates among GAPS participants were high relative to those of all newly employed welfare recipients. For example, Rangarajan et al. (1998) found, using nationally representative data from the 1980s and early 1990s, that more than 75 percent of welfare recipients who found jobs became unemployed within a year. In contrast, among the 84 percent of GAPS participants who entered the program with a job, only a third had an unemployment spell within a year of entering GAPS (Figure V.2).

Several possible explanations exist for the much lower rate of job loss among GAPS participants. First, GAPS participants were less disadvantaged than welfare recipients overall. For example, only seven percent of GAPS participants who entered the program with a job did not have a high school diploma or GED certificate at enrollment, compared with one-third of the national sample studied by Rangarajan and her colleagues. Second, many GAPS participants entered the program after several months of sustained employment and therefore may have been beyond the period of highest risk for job loss. For example, more than half the participants who entered GAPS with a job had been working for at least six consecutive months when they enrolled. Third, the economy in the Pittsburgh area, as in the rest of the nation, was very strong during the late 1990s, which no doubt helped some participants maintain employment. Fourth, the national results were taken from the pre-TANF era. In the new environment of work requirements and time limits, welfare recipients

may be more likely to maintain employment.<sup>7</sup> Finally, the GAPS program itself may have helped some participants avoid job loss through its counseling and referral services.

### **C. WHICH GAPS PARTICIPANTS WERE MOST LIKELY TO STAY EMPLOYED?**

Although many GAPS participants maintained their employment, others did not. To understand better why employment outcomes varied and who was at most risk of job loss, we conducted a multivariate analysis of participant characteristics associated with sustained employment.<sup>8</sup> This type of analysis allows us to measure differences in employment stability across specific participant characteristics (such as age, education, or employment history), while holding other characteristics constant. For example, we can measure the difference in the employment stability of older and younger GAPS participants, adjusting for differences in these two groups in age of children, education level, recent employment history, and other factors. For this analysis, we used the number of months employed during participants' first 18 months in the program as our measure of employment stability. Through this analysis, several characteristics emerged as strong predictors of employment stability. These results

#### **SUE: CYCLING IN AND OUT OF JOBS**

While she was enrolled in GAPS, "Sue" held three jobs in the space of a year, but quit each one within two months. When she began the program, Sue was employed full-time with a telemarketing company. However, this job was far from her home and difficult to reach by public transportation. In fact, no public transportation was available after her shift ended. Sue quit this job after about a month as a result. Six months later, Sue got another job but quit after six weeks. After another six months without working, Sue got a job as a shipping clerk. She had an evening shift and relied on a neighbor to watch her five children (ages two to nine) while she worked. This arrangement broke down often and she frequently missed time from work. She quit the job a month later because of child care problems and because she did not like the evening shift. Throughout this period, Sue remained on TANF.

GAPS staff went to great lengths to help Sue find a stable job. They drove her to job interviews and even stayed with her five children during some interviews. Case managers also counseled her to apply only for jobs that were nearby or on a bus route, to avoid the problems that had led to job loss in the past. However, after a year and a half in GAPS, Sue had still not found employment she could sustain.

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<sup>7</sup>Recent evidence from a study of New Jersey TANF recipients suggests that the strong economy, combined with TANF work requirements and time limits, improved employment retention among newly employed welfare recipients. Data from that study, which were collected from 1997 to 2000 (after TANF was implemented), indicate that 45 percent of New Jersey TANF recipients who got a job became unemployed within a year of obtaining employment (Rangarajan and Wood 2000). This figure is substantially lower than the proportion from the earlier (pre-TANF) national study of employment retention, which found that more than 75 percent of AFDC recipients became unemployed within a year of getting a job.

<sup>8</sup>We restricted this analysis to the 84 percent of GAPS participants who were employed when they entered the program.

can help policymakers who are designing employment retention programs, as well as program staff who are operating them, identify newly employed welfare recipients who are least likely to sustain their employment.

***# Participants who had been working for only a short time when they entered GAPS or had below-average wages were less successful at sustaining employment.***

GAPS participants who had been working for only a short time when they entered the program had particularly low employment levels after program entry. Participants who had been working for less than three months at enrollment averaged 14.1 months of employment during their first 18 months in GAPS (Table V.2).<sup>9</sup> In contrast, similar participants who had been working for six or more consecutive months when they entered the program averaged 16.1 months of employment during their first year and a half in GAPS.<sup>10</sup> This difference suggests that programs serving newly employed welfare recipients should focus their resources on the most recently employed participants, since they are at the highest risk of job loss. In addition, these programs may want to make a special effort to reach welfare recipients as soon as possible after they start working, since the early months of employment are a time when many welfare recipients lose their jobs.

GAPS participants who began the program with below-average wages were less likely than other participants to sustain their employment. For example, a typical participant who began GAPS with a job that paid less than \$7.00 an hour averaged 14.8 months of employment during the first 18 months in the program, compared with 16.4 months for similar participants who began GAPS with a job that paid \$7.00 an hour or more (Table V.2). The finding that welfare recipients who find better jobs are more likely to maintain employment is consistent with earlier research that used a nationally representative sample (Rangarajan et al. 1998). It is unclear from this evidence, however, whether finding better jobs causes welfare recipients to maintain their employment longer. It is also possible that certain welfare recipients possess certain characteristics that make them more likely to both obtain and retain better jobs.<sup>11</sup> In any case, programs providing employment retention services may want to focus particular attention on participants who enter the program with low wages, since these participants are at higher risk of job loss.

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<sup>9</sup>The figures reported in Table V.2 were calculated using the results of a linear regression model in which the months of employment during the first 18 months in GAPS is the dependent variable and the descriptive characteristics listed in the table are explanatory variables. The figures in the table represent the expected number of months of employment during the first 18 months in GAPS for a participant who has the particular characteristic in the table, but who otherwise has the average characteristics of all participants.

<sup>10</sup>This difference is consistent with earlier research that finds that newly employed welfare recipients are at particularly high risk of job loss in their first few months of employment (Rangarajan et al. 1998).

<sup>11</sup>In this analysis, we adjusted for observed participant characteristics, such as education and work history. However, other “unobserved” differences (in ability or motivation, for example) may exist between participants who entered GAPS with above-average or below-average wages, and these unobserved differences might account for the differences in employment stability.

***# GAPS participants with young children and those with poor health were more likely to experience employment disruptions.***

The small proportion of participants (eight percent) who had a baby during their first year in the program were less successful at sustaining their employment than those who did not. These participants averaged 14.0 months of employment during their first year and a half in GAPS, compared with 15.6 months for similar participants who did not have a baby (Table V.2). This employment difference is consistent with new mothers taking six weeks off after the birth of their child. Participants who entered the program with a child under six years old were also somewhat less likely to sustain their employment than participants with older children, which perhaps reflects the additional child care challenges that single mothers with young children face. In addition, participants who rated their health as “fair” or “poor” had lower employment levels during their first 18 months in GAPS than similar participants who did not (14.6 months employed, on average, versus 15.6 months).

Somewhat surprisingly, the small proportion of participants (seven percent) who entered GAPS without a high school diploma or GED had particularly high employment levels after they entered the program. These participants averaged 16.7 months of employment during their first year and a half in GAPS. In contrast, similar participants with a GED and no additional education averaged only 15.0 months of employment during this period, while similar high school graduates averaged 15.5 months of employment.<sup>12</sup> However, as we discuss later in the chapter, although participants who entered GAPS without a high school diploma or GED were more likely than those with higher levels of education to sustain their employment during their first 18 months in the program, they had substantially lower wage growth than more educated participants over this period.

***# GAPS participants served by Hill House were more successful at sustaining their employment, perhaps because of its emphasis on emergency financial assistance and its strategy of focusing on those who actively sought help.***

Finally, participants at the Hill House Association GAPS program were more successful than other participants at sustaining their employment. Typical participants at Hill House averaged 16.4 months of employment during their first 18 months in GAPS. In contrast, similar participants at the other three programs averaged 14.7 to 15.6 months employed during this period.

There are two possible explanations for this difference. First, participants were not randomly assigned to the four GAPS programs but instead were assigned to programs based on several factors, including where they lived, which program they preferred, and which one had spaces available. Therefore, participants at the four programs could have had initial differences in their job skills, motivation, or other factors that may have affected their

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<sup>12</sup>The differences across education categories in the average number of months employed are smaller when we do not adjust for differences across participants in wages, employment histories, and the other characteristics listed in Table V.2. The unadjusted averages are 16.0 months employed for those without a high school diploma or GED, 14.9 months employed for those with only a GED, and 15.6 months employed for those with a high school diploma or higher degree.

TABLE V.2

NUMBER OF MONTHS EMPLOYED DURING FIRST 18 MONTHS IN GAPS,  
BY INDIVIDUAL AND JOB CHARACTERISTICS  
(Those Employed at GAPS Entry Only)

	Percentage with Characteristic	Average Months of Employment During First 18 Months in GAPS
Overall	100	15.5
Age at Enrollment (years)		
Younger than 30	51	15.5
30 or older	49	15.4
Race/Ethnicity		
African American	75	15.6
White or other	25	15.2
Education at Enrollment		
Had high school diploma	71	15.5 <sup>a</sup>
Had GED only	22	15.0
Had neither high school diploma nor GED	7	16.7
Continuous Months of Employment at Enrollment		
Less than three	27	14.1 <sup>b</sup>
At least three, but not six	18	15.4
Six or more	54	16.1
Had Child Under Age Six at Enrollment		
Yes	67	15.2 <sup>c</sup>
No	33	16.1
Gave Birth During First Year in GAPS		
Yes	8	14.0 <sup>c</sup>
No	92	15.6
Hourly Wage at Enrollment		
Less than \$7.00	59	14.8 <sup>c</sup>
\$7.00 or more	41	16.4
Employer at Enrollment Provided Health Insurance		
Yes	24	15.9
No	67	15.2
Don't know	9	15.9
Commuting Method at Enrollment		
Drove in own car	25	16.1
Other method	75	15.3

TABLE V.2 (continued)

	Percentage with Characteristic	Average Months of Employment During First 18 Months in GAPS
Rated Health as "Fair" or "Poor"		
Yes	17	14.6 <sup>c</sup>
No	83	15.6
GAPS Program		
Hill House Association	25	16.4 <sup>d</sup>
Neighborhood Centers Association	19	15.6
Rankin Christian Center	27	14.7
Urban League of Pittsburgh	29	15.3

**Sample Size = 316**

SOURCE: Data from GAPS application forms and first and second GAPS follow-up surveys.

NOTE: Only GAPS participants who were employed at program entry are included in this analysis. Average months of employment are based on a multivariate analysis using a linear regression model. Unless indicated by a footnote, differences between categories in average number of months employed are not statistically significant.

<sup>a</sup>The difference in the average number of months employed between participants with a GED only at program entry and those with neither a high school diploma nor a GED is statistically significant at the .10 level. Other differences between education categories are not statistically significant.

<sup>b</sup>The difference in the average number of months employed between participants with less than three continuous months of employment at program entry and those with six or more months is statistically significant at the .10 level. The difference between those with less than three continuous months of employment and those with three to six months is also statistically significant at the .10 level.

<sup>c</sup>The difference in the average number of months employed between the two categories is statistically significant at the .10 level.

<sup>d</sup>The differences in the average number of months employed between participants at Hill House and those at Rankin Christian Center and the Urban League are statistically significant at the .10 level. Other differences between GAPS service providers are not statistically significant.

GED = general equivalency diploma.

likelihood of maintaining employment. Although the multivariate analysis presented in Table V.2 adjusts for some of these initial differences, other unmeasured differences in participants' initial characteristics (for example, in skills or motivation) could exist across the four programs and could explain the difference in employment outcomes.

Second, the particular GAPS program model implemented at Hill House may have been more effective at promoting employment than those implemented by the other three agencies. Examination of the service use data and discussions with program staff suggest that Hill House, more than the other agencies, focused its efforts less on routine check-ins with all participants and more on providing services to participants who actively sought help

from the program. Although the average number of contacts per participant at Hill House was below that of other agencies, these contacts were longer than average and more likely to be initiated by participants. In addition, as described in Chapter III, Hill House, more than the other GAPS agencies, provided emergency financial assistance to participants, to help them pay for such things as bus tickets, car repair, back rent, security deposits, and utility bills.

The fact that Hill House participants were more likely to sustain their employment may suggest, therefore, that a strategy that focuses more resources on providing emergency financial assistance and other services to certain participants and less on routine check-ins with all participants may be more effective at promoting employment. As mentioned earlier, however, participants were not randomly assigned to the four programs; consequently, unmeasured differences could exist between participants served by the four agencies. Therefore, this result does not provide definitive evidence that adopting this service delivery approach would improve participant outcomes.

#### **D. HOW HEAVILY DID GAPS PARTICIPANTS RELY ON WELFARE?**

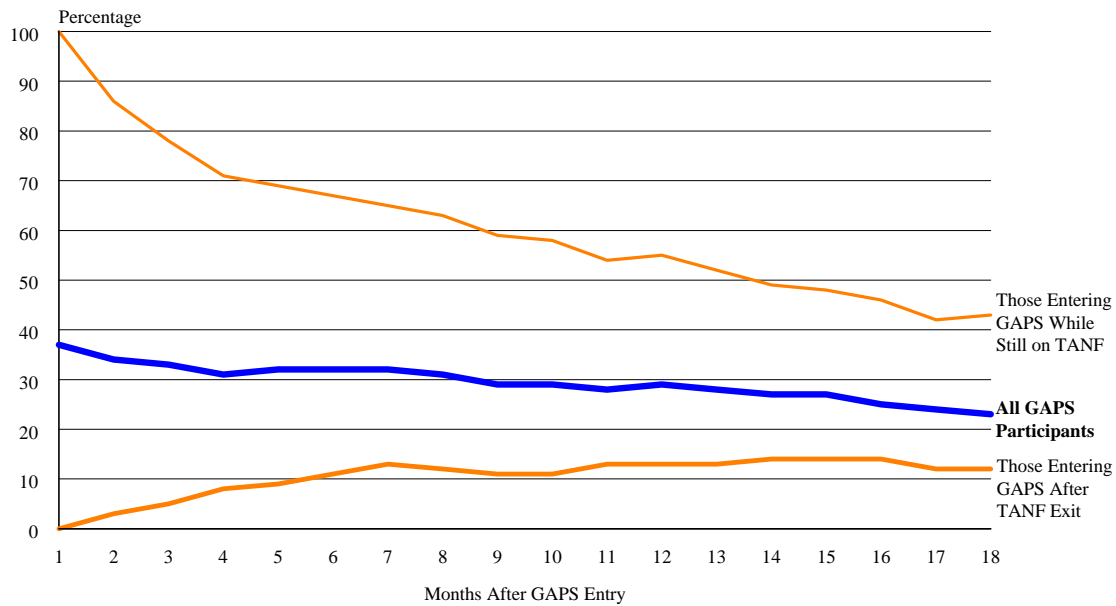
An important goal of GAPS was to help former TANF recipients stay off welfare and to help those still on TANF exit welfare through improved employment outcomes. All participants were current or former TANF recipients when they entered the program. Since fewer support services were available to low-income families who had left welfare when the program was implemented, the Foundation and ACAO explicitly directed GAPS services toward former TANF recipients. Those who were still receiving TANF were also eligible for program services, however, so many current TANF recipients also enrolled. For a better understanding of the kinds of participants served by GAPS and how successful these participants were at leaving and staying off welfare, we examine in this section their use of welfare before and after they entered the program.

***# Many participants were long-term welfare recipients when they entered GAPS. More than one-third were current TANF recipients.***

Many GAPS participants were long-term welfare recipients when they entered the program. For example, on average, during the five years prior to program entry, participants received cash assistance for 44 months, or about three-quarters of the time (not shown). At program entry, half of GAPS participants had spent less than six months off cash assistance in the past five years. More than a third (38 percent) of participants were receiving TANF when they entered GAPS (Figure V.4). Most others had received TANF shortly before they started the program. More than 9 in 10 participants had received TANF sometime during the six months prior to entering GAPS (not shown).

FIGURE V.4

PERCENTAGE OF GAPS PARTICIPANTS RECEIVING TANF,  
BY MONTH AFTER PROGRAM ENTRY



Source: State administrative records data.

***# Among GAPS participants who were former TANF recipients when they enrolled, most did not return to cash assistance. Among those who were current TANF recipients, many left cash assistance fairly quickly.***

Most participants who entered GAPS after exiting TANF did not return to cash assistance. Among the 62 percent of participants who enrolled in GAPS after leaving TANF, only 3 in 10 began receiving TANF again during their first 18 months in the program (not shown).<sup>13</sup> During the period 6 to 18 months after GAPS entry, just over 10 percent of these participants were receiving TANF in any given month (Figure V.4). Among participants who entered GAPS while still receiving TANF, welfare receipt declined fairly rapidly. Six months after program entry, 67 percent of these participants were receiving TANF (Figure V.4). By 18 months after program entry, this proportion had dropped to 43 percent.

On average, GAPS participants spent five months, or 28 percent of the time, receiving TANF during their first year and a half in the program (not shown). Not surprisingly, the level of TANF receipt varied, depending on whether or not participants entered the program as TANF recipients. The participants who entered GAPS while they were still on TANF

<sup>13</sup>Combined with the 38 percent of participants who were receiving TANF when they entered GAPS, these TANF “returners” bring the total proportion of participants who received TANF sometime during this period to 56 percent.

received TANF for an average of 12 months during their first 18 months in the program, or about two-thirds of the time. Participants who enrolled in GAPS after leaving TANF averaged less than two months of TANF receipt during this period, or about 10 percent of the time (not shown).

## **E. WHAT WERE GAPS PARTICIPANTS' INCOME LEVELS AND SOURCES?**

Beyond simply promoting employment and discouraging welfare dependency, another important goal of the GAPS initiative was to improve the economic self-sufficiency and well-being of its participants. To assess participants' overall economic well-being, we examine their income in this section, focusing on their total income level, their sources of income, and whether this income lifted them above the poverty threshold.

### ***# Although participants' income levels remained fairly low, their average income increased over time.***

As one might expect among recent welfare recipients, GAPS participants had low income levels. At the time of the second follow-up survey (conducted, on average, 22 months after program entry), the average monthly income among participants was \$1,663, equivalent to an annual income of \$19,956 (Table V.3). This income level represents a 13 percent increase over the income levels participants reported on the first follow-up survey (conducted approximately one year earlier than the second survey).<sup>14</sup>

Including income from food stamps and child care subsidies, 33 percent of participants reported monthly income that put them below the 1999 federal poverty level for their family size (Figure V.5).<sup>15</sup> Some participants had relatively high incomes, with 15 percent reporting incomes that were more than twice the poverty level. Others had extremely low incomes; eight percent had incomes that were less than 50 percent of the poverty level. Excluding food stamps and child care subsidies, which are often omitted from calculations of poverty rates, 45 percent of GAPS participants had incomes below the poverty level, while 55 percent had incomes above it (Figure V.5).

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<sup>14</sup>Income figures in Table V.3 include both income from odd jobs (which averages \$12 per month among all participants, including the 88 percent with no income from odd jobs, and is combined with own earnings in the table) and spouses' and partners' earnings. However, information from these two income sources was not collected on the first follow-up survey. Therefore, to compare income from the two surveys, we first subtracted the income from these two sources, which yielded an average monthly income of \$1,549 at the time of the second follow-up survey. This adjusted income figure is 13 percent greater than the average total income of \$1,370 reported by participants at the time of the first GAPS survey.

<sup>15</sup>The federal poverty guidelines for 1999 classify families of three as living below the poverty level if their income is less than \$13,880.

TABLE V.3

AVERAGE MONTHLY INCOME AND INCOME SOURCES AMONG GAPS PARTICIPANTS

	Average Income from Source Among All Participants (in Dollars)	Average Proportion of Total Income from Source	Percent Receiving Income from Source	Average Income from Source Among Those with Income from Source (in Dollars)
<b>Own Earnings</b>	<b>1,067</b>	<b>61</b>	<b>88</b>	<b>1,219</b>
<b>Public Assistance</b>	<b>372</b>	<b>25</b>	<b>70</b>	<b>529</b>
TANF	46	4	15	320
Food Stamps	118	10	52	226
SSI	45	3	10	472
Child Care Subsidy	155	8	31	492
Other Public Assistance	8	0	3	244
<b>Other Unearned Income</b>	<b>223</b>	<b>13</b>	<b>46</b>	<b>485</b>
Child Support	56	4	28	199
Spouse's or Partner's Earnings	102	4	8	1,246
Unemployment Insurance	19	2	4	500
Friends/Relatives	24	2	13	175
Other Sources	23	1	4	550
<b>All Sources</b>	<b>1,663</b>	<b>100</b>	<b>--</b>	<b>--</b>

**Sample Size = 378**

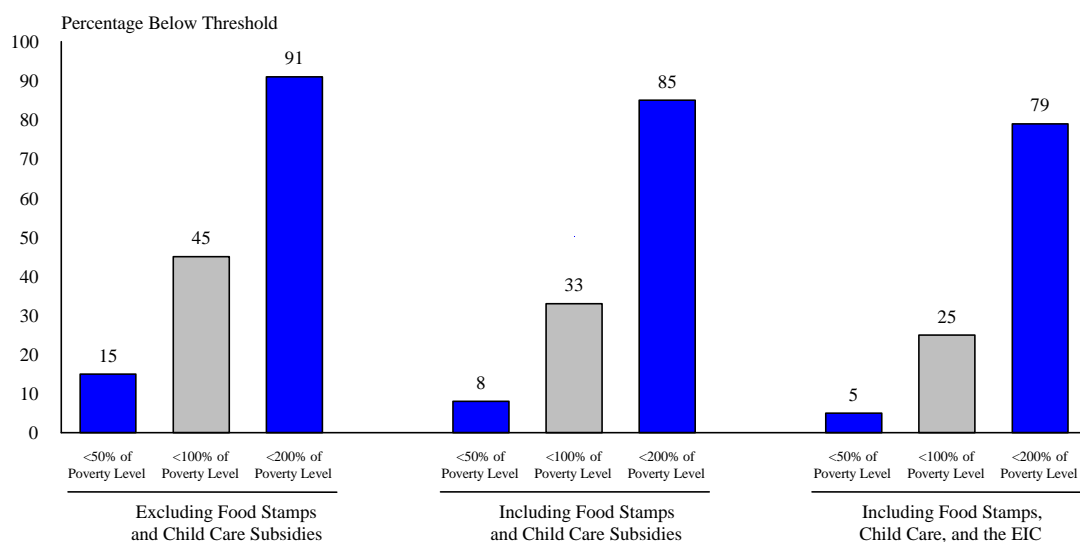
SOURCE: Second GAPS follow-up survey.

NOTE: Income figures refer to month prior to survey.

SSI = Social Security Income; TANF = Temporary Assistance for Needy Families.

FIGURE V.5

GAPS PARTICIPANTS' INCOME RELATIVE TO THE FEDERAL POVERTY LEVEL



Source: Second GAPS follow-up survey.

Note: The EIC was estimated based on monthly income, family size, and whether participants appeared to be EIC recipients (see text). All other income sources were measured for the month prior to the survey and transformed to an annual income figure by multiplying by 12.

**# *Most of the income for GAPS participants came from their earnings, but food stamps and child care subsidies were also important sources of support.***

At the time of the second follow-up survey, most GAPS participants were working and not receiving TANF. Therefore, earnings from their jobs were by far their most significant income source. The large majority (88 percent) reported having earnings from paid work (including income from odd jobs) during the month prior to the survey (Table V.3). Their earnings in that previous month averaged \$1,067 (\$1,219 among those with earnings). On average, earnings from paid work made up 61 percent of participants' income (Table V.3).

On average, 25 percent of GAPS participants' income came from public assistance, such as TANF, food stamps, and government child care subsidies (Table V.3). Since only 15 percent of participants were currently receiving TANF at the time of the second follow-up survey, TANF benefits made up a very small part (four percent) of participants' total income, on average. Other types of public assistance, such as food stamps and child care subsidies, represented a more substantial portion. Half of participants had received food stamps during the previous month, and one in three had received child care subsidies (Table V.3). On average, these income sources each accounted for 8 to 10 percent of the total.

Child support payments accounted for four percent of participants' total income, on average. Just over a fourth of participants were receiving child support at the time of the survey (Table V.3). Among those receiving child support, monthly payments averaged about \$200. The earnings of spouses or partners also made up a small part (four percent) of the total income of participants, on average, because few (eight percent) had income from this source (Table V.3).<sup>16</sup> However, participants who did have a spouse or partner with earnings gained a substantial contribution to their total income. The average monthly earnings of these employed spouses or partners were \$1,246 (Table V.3).

## **F. DID GAPS PARTICIPANTS USE THE EIC?**

The EIC is an important potential source of additional income for low-income working families.<sup>17</sup> This refundable tax credit available from the federal government can be worth almost \$4,000 a year to a low-income worker with two or more children and can, therefore, make a sizable contribution to the limited incomes of newly employed welfare recipients and their families. Most GAPS case managers reported that they strongly urged participants to use the EIC. On follow-up surveys, one in four participants reported that their GAPS case managers provided them with information on how to apply for the tax credit. In this section, we examine the patterns of EIC participation among GAPS participants.

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<sup>16</sup>Most of this income came from spouses' (rather than partners') earnings. Five percent of GAPS participants had income from a spouse's earnings in the previous month, while three percent had income from a partner's earnings.

<sup>17</sup>The EIC is not included in the income figures reported in Table V.3.

**# *About 6 in 10 GAPS participants reported receiving the EIC in the past year. However, actual EIC participation rates may be closer to 80 percent.***

At the time of the second follow-up survey, 62 percent of GAPS participants reported that they had received the EIC during the previous year.<sup>18</sup> However, examining survey responses from those who said they did not receive the credit suggests that actual EIC participation rates may be substantially higher. For example, most GAPS participants (83 percent) who filed federal income tax returns for 1998 had someone else prepare their return. Tax professionals may request the credit on behalf of participants without clearly explaining it to them. Therefore, participants who did not prepare their own tax returns may have received the EIC as part of a tax refund without realizing it. In addition, many participants who said they did not receive the EIC (or were unsure whether they did) were eligible for substantial tax credits and received large federal tax refunds. These findings suggest that the proportion of GAPS participants who reported receiving the EIC may understate the actual proportion of participants who received the credit.

To get a sense of how much EIC receipt may have been underreported by GAPS participants, we defined a set of likely EIC recipients from among those participants who said they did not receive the credit. We defined “likely EIC recipients” as those who (1) were eligible for an EIC credit of more than \$500 based on their income and family size, (2) had someone else prepare their taxes, and (3) received a tax refund of more than \$500. Under this definition, almost half (44 percent) of those who said they did not receive the tax credit appeared to be likely EIC recipients. Adding these likely recipients to those who said they received the credit increases the EIC participation rate from 62 to 79 percent. This “adjusted” participation rate for GAPS participants is similar to the EIC participation rate found in previous research among all eligible low-income workers (Scholz 1994).

Why do some GAPS participants not receive the EIC? One reason appears to be lack of knowledge. Among the 21 percent of participants who appeared definitely not to be receiving the EIC, one-fourth were eligible but said that they were unaware of the tax credit. Others said they did not participate because they had very little or no earnings during the previous tax year, because they did not want to deal with the hassle of applying, or because they did not want to file an income tax return. During a site visit, one GAPS case manager told the story of one participant who would not apply for the EIC. When the case manager asked why, the participant responded, “No more paperwork. Period.”

**# *Nearly all of those participating in the EIC received it as a tax refund. Many GAPS participants were unaware of the EIC advanced payment option.***

Among GAPS participants who reported receiving the EIC in the past year, nearly all (95 percent) received it in the form of a tax refund. Conversely, few (five percent) took advantage of the EIC advanced payment option and received the refundable credit as an addition to their paycheck. During site visits, GAPS case managers reported that most participants would much prefer a large tax refund at the end of the year to a slightly larger paycheck each month. Participants like this method, according to case managers, because receiving the credit as one large payment results in a form of forced savings that enables them to make major purchases, such as household furnishings or a car. Similarly, on follow-

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<sup>18</sup>EIC receipt has increased among GAPS participants since the time of the first follow-up survey, when only 52 percent of participants reported receiving the EIC in the past year.

up surveys, more than 80 percent of GAPS participants who were aware of the EIC advanced payment option but did not use it said they preferred to get the credit as one large payment. According to survey responses, many GAPS participants who received large tax refunds because of the EIC used this money to pay bills and rent and to buy furniture, appliances, and things for their children.

However, another (and possibly more) important reason for the low use of the advanced payment option appears to be a lack of knowledge about this option among GAPS participants. Nearly 70 percent of participants who did not use the advanced payment option reported that they were unaware that they could receive the EIC in advance through an addition to their paycheck.

***# The EIC provided a substantial supplement to the incomes of many GAPS participants and moved some out of poverty.***

To understand the effect that the EIC has on income and poverty levels, we estimated the tax credits received by GAPS participants, based on their incomes and family sizes. We find that, on average, for the 1998 tax year, those participating in the EIC received refundable tax credits of \$2,373, which was equivalent to six weeks of income for a typical GAPS participant. Moreover, including the EIC in total income increases the income levels of those who received the credit by 12 percent.<sup>19</sup> This additional income was enough to raise some GAPS participants out of poverty. When the estimated EIC amount was added to total income, the proportion of participants with incomes below the poverty level dropped from 33 percent to 25 percent (Figure V.5).

**G. DID GAPS PARTICIPANTS MAINTAIN HEALTH INSURANCE COVERAGE?**

An important component of a successful welfare-to-work transition for GAPS participants and their families is the retention of health insurance coverage. This can be a challenge for some newly employed welfare recipients, because they often leave welfare for jobs that do not offer insurance benefits. However, to help those leaving welfare for work maintain coverage during this transition, programs such as transitional Medicaid (which, in Pennsylvania, offers 12 months of post-TANF coverage) and Pennsylvania's Children's Health Insurance Program are available. In this section, we examine the insurance coverage of GAPS participants at the time of the second follow-up survey, which was conducted, on average, 22 months after program enrollment.

***# About two years after entering GAPS, most participants and their children had health insurance, primarily through government programs.***

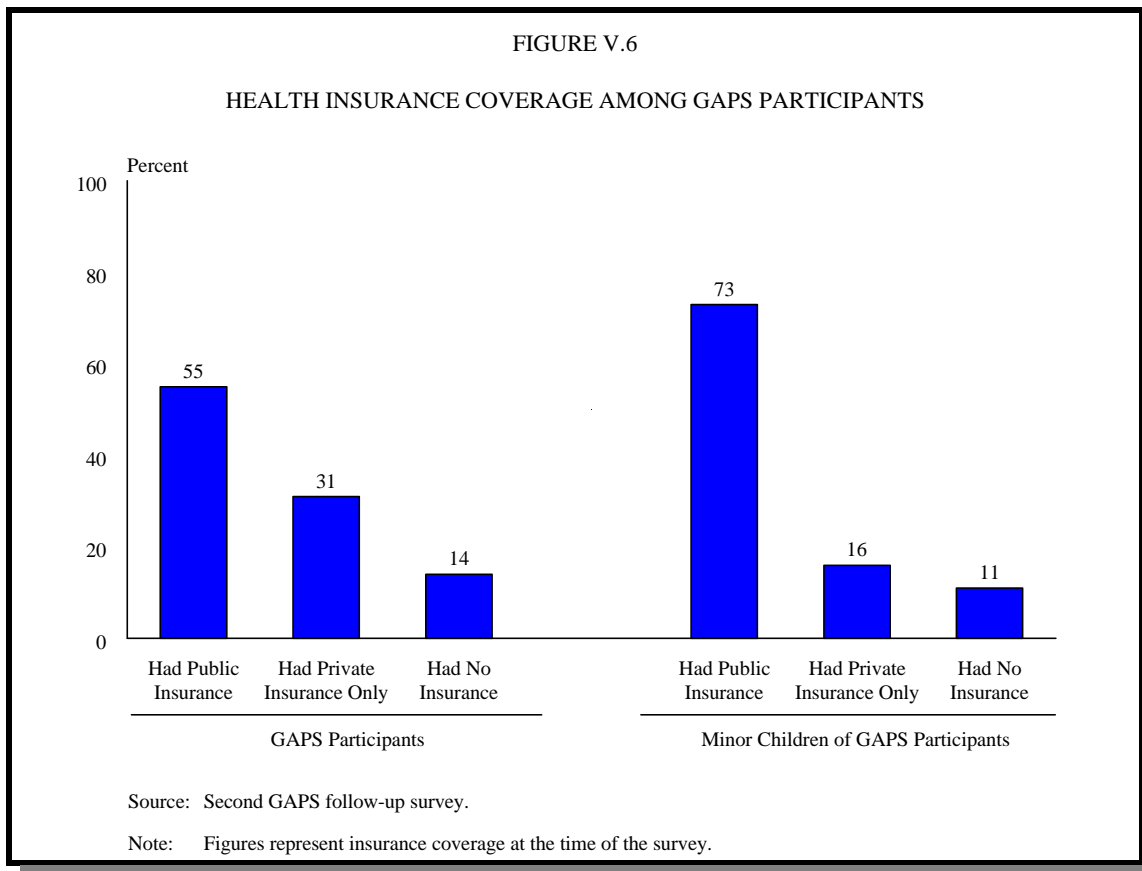
The majority of GAPS participants and their children had health insurance coverage at the time of the second follow-up survey, typically through Medicaid or another public

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<sup>19</sup>The 79 percent of GAPS participants who appeared to be likely EIC recipients had average monthly incomes of \$1,671 at the time of the second follow-up survey. When we divided their estimated tax credits by 12 and added the credit to their monthly incomes, it yielded an average monthly income figure (including the EIC) of \$1,869, which is 12 percent greater than \$1,671. Of course, as described earlier, most participants receive the EIC annually as one large lump sum payment as part of their tax refund, not as regular advanced payments through their paychecks.

insurance program. More than half of participants, and almost three-quarters of their children, were covered by public health insurance (Figure V.6).<sup>20</sup> In contrast, only 31 percent of participants and 16 percent of their children had private health insurance coverage only.<sup>21</sup> However, the proportion of GAPS participants covered by private insurance increased somewhat over time. At the time of the first survey (conducted about a year earlier than the second survey), only 20 percent of participants were covered by private health insurance only (not shown).

Some GAPS participants and their children had no health insurance. At the time of the second follow-up survey, 14 percent of participants and 11 percent of their children were not covered by either a public or a private insurance program (Figure V.6). Three in 10 participants reported that they or their children had been uninsured at some time during the past year (not shown). One in 10 reported that they had not gotten needed medical help for themselves or their children during the past year because of a lack of insurance.



<sup>20</sup> The large majority of children with publicly provided insurance coverage were covered by Medicaid. Among GAPS participants who had a child covered by a public insurance program, 90 percent had a child covered by Medicaid, while only 7 percent had a child covered by CHIP and 2 percent had a child covered by Medicare.

<sup>21</sup> A small proportion of participants had both public and private insurance.

**# *The percentage of GAPS participants and their children who were uninsured increased somewhat over time.***

The proportion of participants who were uninsured increased somewhat over time. At the time of the first follow-up survey, only 11 percent of participants and 8 percent of their children were uninsured (not shown). During site visits, GAPS case managers also reported that they were encountering more participants who lacked health insurance. They attributed this increase to several factors. Some participants had used up their 12 months of transitional Medicaid eligibility without obtaining a job that offered insurance coverage. Some could not afford to pay the employee contribution for health insurance through their work, which in some cases represented the full cost of coverage. Others failed to go back and request insurance benefits from their employers once they had been working at the job long enough to qualify for benefits.

## **H. DID GAPS PARTICIPANTS PROGRESS TO BETTER JOBS?**

Typical of newly employed welfare recipients, most GAPS participants began the program working for low wages. However, it was hoped that, with experience in the labor market and support from the program, participants would move to higher-paying jobs over time. In this section, we examine the extent of wage growth that GAPS participants experienced during their time in the program. We also analyze which participants experienced the largest wage gains. Finally, we examine their efforts to advance to better jobs by searching for new positions and seeking training.

**# *GAPS participants experienced substantial wage growth during their first two years in the program.***

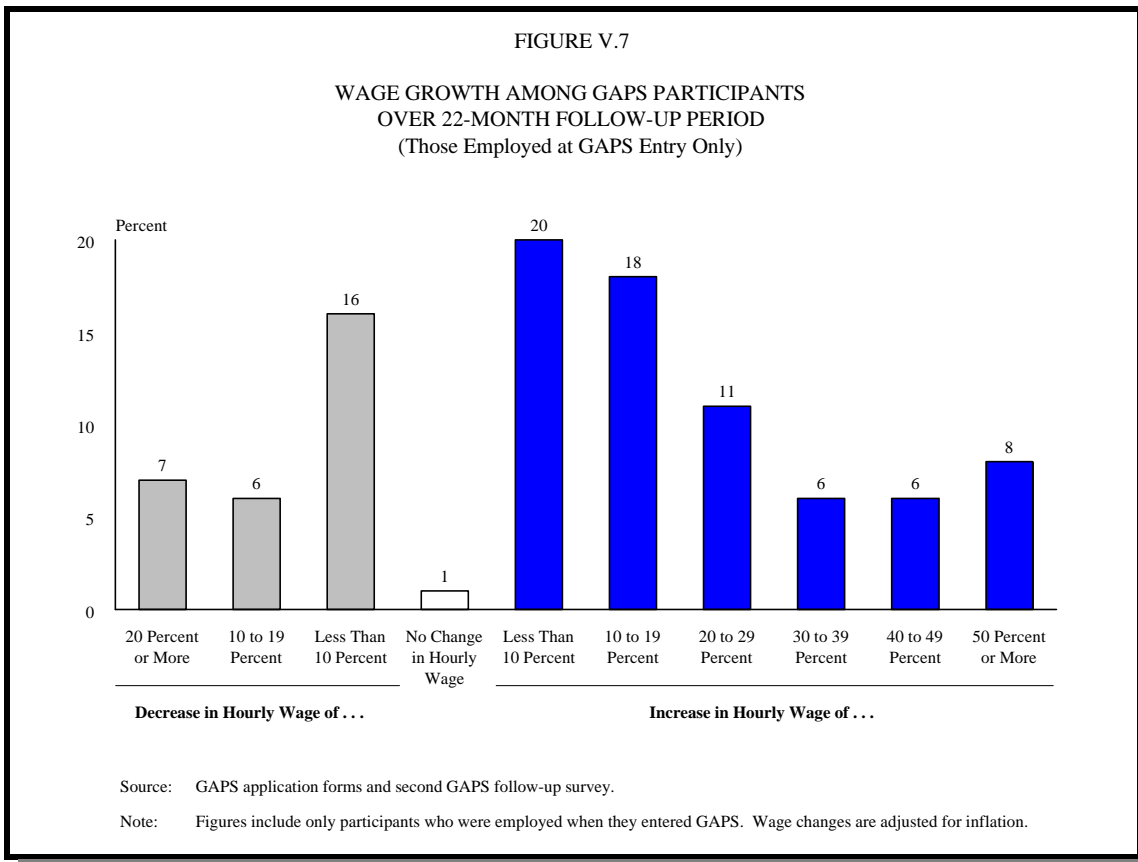
The average wage of GAPS participants increased over time. On average, participants who began the program with a job had an hourly wage of \$7.10.<sup>22</sup> Over the follow-up period (which averaged 22 months), their hourly wage increased to an average of \$7.87. The average increase in hourly wages among these participants (after adjusting for inflation) was 14 percent, while the median increase was 9 percent.<sup>23</sup> Wage changes varied substantially among participants. For example, about 3 in 10 participants (32 percent) experienced a wage increase of 20 percent or more over the period, while a similar proportion (29 percent) experienced a decline in their hourly wages after adjusting for inflation (Figure V.7).<sup>24</sup>

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<sup>22</sup>For this analysis, all wages have been adjusted for inflation and are expressed in December 1999 dollars.

<sup>23</sup>On the second survey, GAPS participants were explicitly asked to include tips and bonuses when reporting their earnings. However, on the GAPS application form (where information on wages at program entry was gathered) participants were not explicitly asked to include tips and bonuses. If we do not include tips and bonuses, the average hourly wage at the time of the second follow-up survey becomes \$7.77 (rather than \$7.87), and the average increase over the GAPS entry wage becomes 12 percent (rather than 14 percent).

<sup>24</sup>If we do not adjust for inflation, 18 percent of participants experienced a decline in their hourly wage over the follow-up period.



The wage growth experienced by GAPS participants is similar to that found in other recent studies of welfare recipients. For example, GAPS participants' hourly wages increased at the rate of seven percent a year over the 22-month follow-up period, after adjustment for inflation. Similarly, a recent study in New Jersey found that, on average, the hourly wages of newly employed TANF recipients in that state increased at the rate of nine percent a year over a 28-month follow-up period (Rangarajan and Wood 2000).

However, studies that examined earlier time periods found much lower rates of wage growth among welfare recipients. For example, the study by Rangarajan et al. (1998), which used national data from the 1980s and early 1990s, found that the hourly wages of newly employed AFDC recipients increased at the rate of only two percent a year over a four-year period. It appears, therefore, that in the strong economy and tight labor markets of the late 1990s, newly employed welfare recipients experienced substantially more wage growth than they did in earlier years.

***# Participants with lower starting wages, higher levels of education, and continuous full-time employment had particularly large wage gains.***

To gain a better understanding of which participants were most likely to experience wage gains, we examined the wage growth of GAPS participants using a multivariate analysis. As with the multivariate analysis of employment stability presented earlier in this chapter, this type of analysis of wage growth allows us to measure differences associated with specific participant characteristics (such as their starting wage, education level, or

























