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MATHEMATICA
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*Rural Welfare-to-Work
Strategies Demonstration
Evaluation*

**A Summary of the
Evaluation Design and
Demonstration Programs**

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A SUMMARY OF THE EVALUATION DESIGN AND DEMONSTRATION PROGRAMS

Phased in during a time of strong economic expansion, welfare reform and the Temporary Assistance for Needy Families (TANF) program have been associated with an unprecedented drop in the welfare rolls and commensurate increases in employment. While the nation's rural areas have shared in the benefits of economic prosperity and welfare reform, poverty continues to be more prevalent and persistent in rural areas than in nonrural ones. The Administration for Children and Families (ACF) is funding the Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation to learn how best to help TANF and other low-income rural families move from welfare to work. Under contract to ACF, Mathematica Policy Research, Inc. (MPR), along with Decision Information Resources, Inc. (DIR), is conducting the evaluation.

Economic and geographic conditions in rural areas make it especially difficult for welfare recipients and other low-income families to enter, maintain, and advance in employment and secure longer-term family well-being. Unemployment and underemployment rates are higher, and average earnings are lower, in rural labor markets than in urban ones. The lower population densities and greater geographic dispersion that characterize most rural areas result in severe transportation problems and limited employment options. Key services, such as education, training, child care, and other support services, are often unavailable or difficult to access.

Many evaluations have focused on rural populations and employment strategies, but few, if any, have been rigorous. The Rural WtW Evaluation will lead to increased information on well-conceived rural WtW programs. Distinctive, innovative programs in three states—Illinois, Nebraska, and Tennessee—were selected as evaluation sites. A rigorous evaluation of each will greatly contribute to knowledge about what rural strategies work best for different groups of welfare recipients and other low-income families. It also will highlight lessons about the operational challenges associated with these programs, provide recommendations for improving them, and guide future WtW programs and policies related to the rural poor. Overall, the evaluation will address five core research questions:

1. **Program Models.** What types of services or policy approaches do the evaluation sites provide, and how do they compare with existing services?
2. **Implementation.** What issues and challenges are associated with implementing and operating the WtW programs and policy approaches studied?
3. **Impacts.** What are the net impacts of the programs on individuals and their families? How effective are the programs in increasing employment and earnings and improving other measures of family well-being?
4. **Benefits and Costs.** What are the net costs of the programs, and do the programs' benefits outweigh the costs?

5. ***Policy Recommendations.*** What strategies should policymakers consider in designing approaches to improve the efficacy of WtW strategies in rural places?

THE RURAL WELFARE-TO-WORK PROGRAMS

The Rural WtW programs in Illinois, Nebraska, and Tennessee each offer innovative services designed to promote employment and economic independence among the rural poor. These states were selected as evaluation sites because they offer substantial, intensive program services on a scale large enough to support a rigorous experimental study of impacts. The key characteristics of the programs are contrasted below and highlighted in Table 1. In addition, a detailed profile report for each program follows (Attachments A, B, and C). These separate reports provide a descriptive overview of each program's services, structure, and context at the outset of the evaluation.¹ The profile reports are based on program background materials and information provided by program staff.

The three Rural WtW programs complement and enhance available services by using diverse approaches to address different types of employment barriers common to rural areas:

- The ***Illinois Future Steps*** program offers intensive, employment-focused case management to prepare participants for work and help them get and keep good jobs. This approach responds to economic problems common in rural areas, such as a weak economic base and lack of good jobs.
- The ***Building Nebraska Families*** program offers individualized, home-based education and mentoring to help participants develop life skills and overcome barriers, thus indirectly enhancing their employability. This approach recognizes that many individuals face multiple, serious personal barriers to employment and that specialized services to address these barriers are often limited and difficult to access in remote rural areas.
- The ***Tennessee First Wheels*** program provides no-interest car loans and offers individualized support to help participants maintain their vehicles and stay current in their loan payments. This approach addresses the lack of reliable, affordable transportation that can impede progress toward work and self-sufficiency.

The three Rural WtW programs all leverage resources in their target areas through partnerships with well-established, respected community-based organizations. In Illinois and Nebraska, a community college and university-based cooperative extension service, respectively, have primary responsibility for operating the programs, under contract to state welfare agencies. In Tennessee, a statewide economic development and resource management council operates the program in collaboration with the welfare agency. By taking the delivery of WtW program services out of the hands of the welfare agency, all three programs seek to promote the

¹As the evaluation progresses, the process and implementation study, described below, will assess each program's outstanding features and key challenges, draw lessons about service delivery, and make recommendations to guide future program and policy decisions. At this stage, this report provides a baseline description of the program models as they were intended to operate at the outset of the evaluation.

TABLE 1

KEY CHARACTERISTICS OF THE RURAL WtW DEMONSTRATION PROGRAMS

Future Steps Illinois	Building Nebraska Families Nebraska	First Wheels Tennessee
Program Model and Key Services		
Employment-focused case management, with job placement assistance and postemployment support	Pre-employment life skills education, with individualized and home-based instruction and mentoring	Interest-free car loan, along with car and loan maintenance support
Partner Organizations		
Illinois Department of Human Services	Nebraska Health and Human Services System	Tennessee Department of Human Services
Shawnee Community College (SCC), Placement Center	University of Nebraska Cooperative Extension (UNCE)	Tennessee Resource Conservation and Development Council (RC&D)
Target Population		
TANF recipients and other low-income people who do or do not have children under age 18 (mainly food stamp or Medicaid recipients)	Hard-to-employ TANF recipients with multiple employment barriers who have unsuccessfully participated in other TANF program activities	TANF recipients and others who have children under age 18 and who receive food stamps or child care assistance
Coverage Area for Program and Evaluation		
5 rural counties in southern Illinois	About half of all rural counties statewide (40 of the state's 93 counties)	Statewide program—all rural counties included in the evaluation (91 of the state's 95 counties)
Key Staff and Caseload Size		
5 SCC career specialists (3.5 FTEs)	10 UNCE educators (full-time)	7 RC&D program managers (full-time)
35 to 40 active cases per career specialist	12 to 15 active cases per educator	About 105 cases per program manager by end of evaluation
Noteworthy Program Features		
\$500 in flexible supportive service funds are available per participant	Educators are master's-level professionals who use research-based curriculum	Participants required to take classes on household financial management and vehicle maintenance
Home visits are an option	Program services provided primarily through home visits	Individual guidance during loan application, vehicle purchase, and loan repayment processes
Projected Evaluation Sample Size		
600 total (300 program, 300 control)	600 total (330 program, 270 control)	2,200 total (1,320 program, 880 control)
		An estimated 725 program group members will be awarded a car loan
Sample Intake Period		
July 2001–December 2002 (18 months)	April 2002–March 2004 (24 months)	October 2002–March 2004 (18 months)

FTE = Full-time-equivalent staff member.

legitimacy of the services in the broader community and reduce any stigma that may be associated with participating in a public assistance program.

The three programs target different subsets of their states' low-income populations. While the Nebraska program defines its target group as the hardest-to-employ TANF recipients, the Illinois and Tennessee programs cast broader nets in recruiting individuals to their programs. Illinois' Future Steps and Tennessee's First Wheels serve current and transitional TANF recipients, but they also serve other low-income, public assistance clients who receive benefits such as food stamps, child care assistance, or Medicaid. Both programs reach beyond the TANF population in order to serve a higher fraction of needy individuals, prevent welfare dependence, and promote economic independence. Illinois' target population is the most broadly defined; it extends participation to low-income individuals who do not have dependent children, while Tennessee focuses only on low-income people with children. The programs' coverage areas also vary. Illinois focuses on five counties in the state's southernmost region, Nebraska operates in half of the state's rural counties, and Tennessee serves low-income people statewide.

EVALUATION DESIGN AND DATA COLLECTION PLANS

The evaluation aims to provide a comprehensive assessment of how effective each program is in promoting the employability and self-sufficiency of low-income people in rural areas. To do this, the evaluation plan includes three complementary, interconnected studies:

1. ***Impact Study.*** Rigorous studies using random-assignment designs are being conducted to determine what difference the WtW programs make in employment, family functioning, and well-being outcomes. Using random assignment, individuals eligible for scarce program slots are being assigned to either the WtW program group (who are offered WtW services) or a control group (who are not offered WtW services but who may use all other available services). The behaviors of these two groups will be compared over time to determine each program's net impacts. The impact study will use data from WtW program records, state welfare administrative records and other state systems, and surveys. Table 1 shows the evaluation sample size and intake period for each site.
2. ***Cost-Benefit Study.*** The evaluation will calculate estimates of net program cost-effectiveness based on data from the impact and implementation studies and published research. The distribution of benefits and costs will be analyzed from various perspectives—participant, government, taxpayer, and society at large.
3. ***In-Depth Process and Implementation Study.*** The process and implementation study will identify important implementation issues, draw lessons about service delivery challenges and innovations in rural areas, and provide details on how programs operate and achieve observed results. Data will come primarily from visits to the demonstration sites. The visits will include discussions with administrators and staff of WtW programs and related agencies, focus groups with participants and control group members, and program observation. Data from surveys, as well as program records, will be used to examine sample members' participation in program activities and use of services.

ATTACHMENT A

Site Profile—The Illinois Future Steps Program

