The Employment Retention and Advancement Project

Early Results from Four Sites

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Overview

Millions of welfare recipients have entered the labor force in the past decade, but surveys show that many remain in unstable, low-paying jobs that offer few opportunities for advancement. This report presents early evidence on the effectiveness of four diverse programs designed to help current or former welfare recipients work more steadily and increase their earnings. The programs are part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs nationwide. The ERA project is being conducted by MDRC under a contract with the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.

Each ERA program is being evaluated using a random assignment research design whereby individuals are assigned, through a lotterylike process, to a program group that is eligible for ERA services or to a control group that is not. At this point, MDRC has followed the groups for one year, and this report presents early results from four of the sites:

- **Chicago, Illinois.** This program aims to help participants increase their earnings; it targets welfare recipients who are working steadily but earning too little to leave the rolls.
- **Riverside, California.** This program is testing two strategies for encouraging employed welfare recipients to use education or training as a route to advancement.
- **Pee Dee Region, South Carolina.** This program targets former welfare recipients in six rural counties and offers services to help participants work more steadily and move to higher-paying jobs.
- **Corpus Christi, Fort Worth, and Houston, Texas.** This program targets welfare recipients who are seeking work; it uses financial incentives and other services to help participants find jobs, stay employed, and increase their earnings.

Key Finding

- **The early effects on employment outcomes are mixed.** Among the four programs, the programs in Chicago and Corpus Christi appear to be helping some participants work more steadily or advance to higher-paying jobs. This early examination did not find positive impacts in the other programs. However, the positive findings in the Chicago and Corpus Christi programs at this early stage are encouraging, because past studies of retention- or advancement-oriented programs have not identified successful approaches.

The results in this report cover a short follow-up period, focus mainly on early program enrollees, and come from only 4 of the 15 ERA sites. Despite these cautionary notes, HHS and MDRC felt that it was important to publish results and begin stimulating discussion, rather than waiting for more definitive evidence. Beginning in 2005, MDRC will produce a series of reports providing additional evidence on the effects of all the ERA programs.

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The Authors

Executive Summary

This report presents early evidence on the effectiveness of four diverse programs that aim to help current or former welfare recipients maintain stable employment and increase their earnings. The four programs are part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs across the country. The ERA project was conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS) and is also supported by the U.S. Department of Labor (DOL). The project is being conducted by MDRC, a nonprofit, nonpartisan research organization, under contract to HHS.

The results described in this report are far from the final word on ERA. For the most part, results are presented for only one year after individuals entered the four programs — a short follow-up period for interventions focused on long-term employment goals. In addition, at this point, the analysis includes only a subset of the study participants — typically, those who entered the four programs during the early, formative months of operations. Finally, results are currently available for only 4 of the 15 ERA experiments. Starting in 2005, a series of additional reports by MDRC will present more definitive results for a larger number of ERA sites.

The Policy Challenge

There is great interest in finding effective strategies to help low-wage workers maintain employment and advance to better jobs. Broad economic trends have decreased the number of stable, well-paying jobs for workers without a college education. At the same time, welfare reforms have encouraged and required millions of single mothers with low skills to enter the labor market and have reduced the availability of long-term welfare support. For many former welfare recipients, stable employment and wage progression have become a matter of economic survival.

Yet, although a great deal is known about effective strategies to help welfare recipients and other disadvantaged groups *find* jobs, there are almost no proven approaches for helping them *keep* jobs or *advance* in the labor market. The most comprehensive test of programs providing postemployment case management services to welfare recipients who went to work — which was conducted in four sites in the 1990s — found that such services did not improve employment outcomes.

The ERA Project

The ERA project was designed to improve on past efforts by identifying and testing innovative models designed to promote employment stability and wage progression among welfare recipients or other low-income groups. The project began in 1998, when HHS issued planning grants to 13 states to develop new programs. The following year, MDRC was selected to conduct an evaluation of the ERA programs.

From 2000 to 2003, MDRC and its subcontractor, The Lewin Group, worked closely with the states that had received planning grants — and with several other states — to mount tests of ERA programs. MDRC, Lewin, and Cygnet Associates also provided extensive technical assistance to some of the states and program operators, since most were starting programs from scratch with no proven models on which to build.

Ultimately, a total of 15 ERA experiments (also called "tests") were implemented in eight states. Almost all the programs target current or former recipients of Temporary Assistance for Needy Families (TANF), the cash welfare program that mainly serves single mothers and their children, but the program models are extremely diverse. One group of programs targets low-wage workers and focuses strongly on advancement. At the other end of the spectrum, another group of programs targets individuals who are considered "hard to employ" and aims primarily to place them in stable jobs. Finally, a third group of programs has mixed goals and targets a diverse set of populations, including former welfare recipients, welfare applicants, and low-wage workers in particular firms. Some of these programs initiate services before individuals go to work, while others begin services after employment.

The evaluation design is similar in most of the sites. Individuals who meet the ERA eligibility criteria (which vary from site to site) are assigned, at random, to a program group (also called "the ERA group") or a control group. Members of the program group are recruited for — and, in some sites, required to participate in — the ERA program, while those in the control group are not eligible for ERA services. The extent and nature of services and supports available to the control group vary from site to site, but it is important to note that, in most sites, the ERA program is not being compared with a "no services" control group.

To track both groups over time, MDRC is using surveys and administrative records (data on welfare and food stamp payments and quarterly earnings in jobs covered by unemployment insurance). The random assignment process ensures that the two groups were comparable at the start; thus, any differences that emerge between them over time (for example, in employment rates or average earnings) are attributable to the ERA program.

The Sites Discussed in This Report

This report presents early results from four of the earliest-starting ERA sites:

- **Illinois.** Operating in Chicago and St. Clair County, the Illinois ERA program targets a group that appeared to be "stuck" in low-wage jobs: TANF recipients who reported full-time employment to the welfare agency for at least six consecutive months and yet continued to qualify for cash assistance. Operated by contracted service providers, the program provides a range of services designed to help participants increase their earnings in their current job or, more typically, to find a higher-paying job. The control group is not referred to an ERA service provider but may receive services from welfare office staff.

- **Riverside County, California.** The Riverside program targets newly employed TANF recipients and aims to promote advancement by testing two alternative models designed to encourage and assist participants to enroll in education and training activities. One model is operated by the welfare agency and requires recipients to continue working at least 20 hours a week while participating in education or training. The other model is operated by the workforce development agency and allows participants to reduce their work hours or stop working to participate in education or training. Recipients also may be randomly assigned to a third group, similar to a control group, that receives some postemployment follow-up but no strong encouragement to participate in education or training.

- **South Carolina.** Operating in six rural counties that make up the Pee Dee Region, the South Carolina ERA project targets former TANF recipients who have been off welfare for a long period. The program reaches out to these individuals and seeks to help improve their labor market outcomes. Depending on the client's circumstances, the program might provide job placement help, employment retention services, or advancement-focused activities. There is no outreach to the control group.

- **Texas.** Operating in Corpus Christi, Fort Worth, and Houston, the Texas ERA program targets TANF applicants and recipients, most of whom are not employed. Using financial incentives (a stipend of $200 per month for individuals who leave welfare and work full time) along with team-based case management and other services, the program seeks to move participants into jobs, stabilize their employment, and help them advance. The control group is subject to the state's regular welfare-to-work program, which includes ex-

tensive preemployment activities but only limited postemployment services and no stipend.

Early Results

Two aspects of the research design are critical to interpreting the early ERA results and comparing them with the results from earlier studies. First, the states participating in ERA — like almost all states — have implemented aggressive measures to promote employment among welfare recipients. Such measures have profoundly shaped the outcomes for both the program group and the control group and have created high benchmarks for the ERA programs to overcome. In other words, any effects produced by ERA must be over and above the already substantial effects of state welfare reform efforts.

Second, none of the ERA projects targets motivated volunteers. All are reaching out to individuals who, based on their characteristics, were seen as potential beneficiaries of retention and advancement services. Moreover, unlike most preemployment welfare reform strategies tested in the past, ERA programs generally do not have the means to mandate participation in postemployment services. Yet, because of the random assignment research design, all *potential* participants are part of the program group, and the analysis of program effects includes both participants and nonparticipants.

- **The four programs discussed in this report, like virtually all the other ERA programs, have faced a substantial challenge in increasing participation in retention and advancement services.**

In order to achieve their ultimate goal of improving employment stability and earnings, it is assumed that the ERA programs must first ensure that program group members receive a substantially greater "dose" of retention and advancement services than the control group. This has proved to be a daunting challenge for two reasons. On the one hand, many program group members have been difficult to locate or were reluctant to participate, particularly in postemployment services; typically, these are single parents struggling to balance low-wage work with family responsibilities, and they may have little time or energy for additional activities. ERA staff — assisted by MDRC and its partners — have developed many innovative strategies to sell ERA services to potential participants; in fact, most of the programs have managed to have face-to-face contact with a very high percentage of the program group. Yet almost all the programs have struggled to keep participants engaged and active over time.

On the other hand, preliminary results from client surveys suggest that services similar to those provided by ERA are sometimes available to control group members who want them. In addition, in some sites, members of the control group may be *required* to participate in employ-

ment-related services as a condition of receiving public benefits. The services received by control group members are probably less intensive than those provided by ERA — and are probably less focused on retention and advancement — but they may affect employment outcomes.

Together, these two factors mean that the *difference* in service receipt between the two research groups may not be as large as expected, a result that may diminish the ability of some of the ERA programs to affect employment outcomes. MDRC is currently conducting additional analysis to better understand the extent and nature of the service difference in each site.

- **The early effects on employment outcomes are mixed: Some of the ERA programs appear to be promoting retention or advancement, while others seem to be less successful.**

The ERA program in Chicago has generated modest increases in earnings and employment in jobs covered by unemployment insurance (UI). (Results are not reported for St. Clair County because of the small sample size.) For example, the program group earned, on average, $539 (9 percent) more than the control group during the first year after enrollment. Effects seem to be particularly large for individuals who did not work in UI-covered jobs in the months prior to entering the study. It appears that ERA may be moving some participants from informal jobs that are not covered by UI into UI-covered employment. This is likely to be a positive result, since UI-covered jobs may be of higher quality; for example, they may be more likely to offer fringe benefits.

The Illinois program has also generated a large decrease in TANF receipt. By the end of Year 1, only 40 percent of the ERA group were still receiving TANF cash assistance, compared with 55 percent of the control group. The decrease in TANF receipt may have occurred because ERA participants obtained higher-paying jobs that made them ineligible for welfare. Or, in contrast, some program group members may have closed their welfare cases — without obtaining higher-paying jobs — to avoid the obligation to participate in ERA.

The early results in Texas vary among the three sites. The ERA program in Corpus Christi, which was implemented more smoothly than the programs in Fort Worth and Houston, produced some improvements in employment retention outcomes. For example, the proportion of sample members in Corpus Christi who worked in four consecutive quarters was 31 percent for the ERA group and 26 percent for the control group; the difference was larger — almost 8 percentage points — among the subgroup of individuals who worked in UI-covered jobs just prior to enrollment. The Corpus Christi program has not generated impacts on other key outcomes, however, and the Fort Worth and Houston programs show few early effects.

The South Carolina ERA program generated some statistically significant increases in employment, but these effects were inconsistent and short-lived. Individuals who enrolled dur-

ing the early months of operations experienced some increases in employment during their first year after enrollment. However, these gains appeared to evaporate by the end of Year 1, and there were few employment gains for people who enrolled later. The program has had few effects on retention or advancement outcomes.

So far, there is little evidence that either of the education- and training-focused models being tested in Riverside is generating improvements in labor market outcomes, although a one-year follow-up period may be too short to reveal such effects. Preliminary data from a client survey raise questions about whether the two models succeeded in increasing participation in education and training above the level of the control group; MDRC is collecting more data to better understand these findings. If participation did not increase, the study may not provide solid evidence about whether postemployment education and training can improve labor market outcomes — although it may provide important data on the "normal" patterns of participation in such activities among single parents working in low-wage jobs.

- **It is too early to draw broad conclusions about the effectiveness of employment retention and advancement services or to determine why some ERA programs appear to be working better than others.**

Although the overall story is mixed, it is encouraging to see that some of the ERA programs appear to have positive effects. As noted earlier, past research has identified few, if any, successful retention or advancement strategies. That said, the results presented here are far from definitive. The findings are from only 4 of the 15 ERA tests; they cover a short follow-up period; and they mostly focus on people who enrolled in the programs during their startup months. Despite these cautionary notes, HHS and MDRC felt that it was important to publish results and begin stimulating discussion, rather than waiting for more definitive evidence. A series of future reports, beginning in 2005, will provide additional evidence on the effects of the ERA programs.

Introduction

This report presents early evidence on the effectiveness of four diverse programs that aim to help current or former welfare recipients maintain stable employment and increase their earnings. The four programs are part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs across the country. The ERA project was conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS) and is also supported by the U.S. Department of Labor (DOL). The project is being conducted by MDRC, a nonprofit, nonpartisan research organization, under contract to HHS.

The results described in this report are far from the final word on ERA. For the most part, results are presented for only one year after individuals entered the four programs — a short follow-up period for interventions focused on long-term employment goals. In addition, at this point, the analysis includes only a subset of the study participants, typically those who entered the four programs during the early, formative months of operations. Finally, results are currently available for only 4 of the 15 ERA experiments. Starting in early 2005, MDRC will produce a series of additional reports that will present more definitive results for a larger number of ERA sites.

The Challenge

A great deal is known about how to help welfare recipients and other low-income groups prepare for and find jobs. However, even successful job preparation and placement programs move many participants into unstable, low-paying jobs. At this point, there is very little solid evidence about successful strategies for helping low-wage workers retain employment and move up to higher-paying jobs.

Interest in retention and advancement strategies has grown in recent decades, as broad economic shifts have reduced the availability of high-paying jobs for people without a college education and have swelled the ranks of the working poor.[1] In part because of this trend, the federal government and many states have dramatically increased spending on refundable tax credits, child care subsidies, health insurance, and other supports for low-income working families. Indeed, there is some evidence that supplementing the earnings of low-wage workers can lead to increases in stable employment.[2]

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[1]See, for example, Mishel, Bernstein, and Boushey, 2003.
[2]Michalopoulos, 2001.

In the 1990s, welfare reforms encouraged or required millions of single parents with low skills to enter the labor market and made long-term welfare receipt less viable by imposing time limits on assistance. Steady employment and wage progression became a matter of economic survival for many former recipients of Temporary Assistance for Needy Families (TANF) cash assistance. Surveys of TANF leavers have found that, despite the growth in work support benefits, many are struggling in unstable, low-wage jobs.[3]

One obvious strategy to promote employment retention is to provide postemployment case management to individuals who have just gone to work. However, the most comprehensive test of this approach — the four-site Post-Employment Services Demonstration (PESD) — found that programs providing case management to welfare recipients who found jobs generally did not improve their employment outcomes.[4] Similarly, there are few, if any, examples of program models that have been proven effective at helping low-wage workers move up to higher-paying jobs.

The ERA Project

The ERA project was designed to build on the disappointing results from PESD and other earlier studies in order to identify new, effective approaches for improving employment stability and wage growth among low-wage workers. The project began in 1998, when HHS awarded planning grants to 13 states to develop promising program models. HHS contracted with The Lewin Group to provide technical assistance to the states that received grants.

In late 1999, MDRC was selected through a competitive process to conduct a multisite, random assignment evaluation of the ERA programs. Between 2000 and 2003, assisted by The Lewin Group, MDRC recruited sites for the study and assisted the sites in developing and implementing ERA programs. Eventually, a subset of the states that had received planning grants — along with several other states — agreed to participate in the project and mounted ERA programs. In addition to designing and conducting the evaluation, MDRC, assisted by Lewin and Cygnet Associates, provided extensive technical assistance to several of the sites, since many of them were starting programs from scratch, with no proven models on which to build.

Today, the ERA project includes 15 experiments (also referred to as "tests") in eight states. Three of the participating states (Illinois, South Carolina, and Texas) are testing a single program model in multiple locations. California (four separate tests in two counties), New York (two separate tests in New York City), and Oregon (four separate tests in different locations) are

[3]See, for example, Acs and Loprest, 2001.
[4]Rangarajan and Novak, 1999.

testing more than one program model. Minnesota and Ohio are each conducting a single test in one location. (Appendix Table 1 describes the ERA sites and programs.)

Almost all the ERA programs target current or former TANF recipients, but the program models are tremendously diverse. The programs can be grouped into three broad categories: (1) programs designed primarily to help low-wage workers move to higher-paying jobs; (2) programs designed primarily to help individuals who have severe barriers to employment find and hold jobs; and (3) programs focusing on both retention and advancement and targeting a wide range of groups, including TANF leavers and low-wage workers in particular firms. Some of the programs in the third group begin to provide services before individuals are employed, while others intervene only after individuals are working.

Each of the ERA tests uses a random assignment research design in which individuals who meet the ERA eligibility criteria (which vary from site to site) are assigned, at random, to a program group (also called "the ERA group") or a control group. Members of the program group are recruited for — and, in some sites, required to participate in — the ERA program, while those in the control group are not eligible for ERA services.[5] The nature and extent of services available to the control group vary from site to site, but it is important to note that the ERA programs are generally not being compared with "no services" control groups. For example, in sites where ERA targets current welfare recipients, the control group exists within a system that mandates participation in work-related activities — but may offer limited postemployment services to recipients who have already found jobs.

MDRC tracks both research groups for several years using surveys and administrative data (described below). The random assignment process ensures that the two groups were comparable at the start; thus, any differences that emerge between them over time (for example, in employment rates or average earnings) are attributable to the ERA program. These differences are called "effects," or "impacts."

About This Report

This is the third report produced by MDRC as part of the ERA evaluation, and it is the first report to present information on program effects. Two earlier reports described the ERA sites and program approaches.[6]

[5]The ERA test in Cleveland — not discussed in this report — uses a different type of random assignment design in which employers, rather than individuals, are assigned to two groups.

[6]Bloom et al., 2002; Anderson and Martinson, 2003.

The Programs Discussed in This Report

This report focuses on four of the earliest-starting ERA sites: Illinois; Riverside County, California; South Carolina; and Texas. As noted earlier, Illinois, South Carolina, and Texas are testing a single program model in multiple locations.[7] There are two separate ERA tests in Riverside County, but this report focuses on only one of them: the Phase 2 study. "Phase 2" refers to Riverside's approach to working with individuals who are employed but still receiving welfare. ("Phase 1" refers to the services designed to move recipients into jobs in the first place, and "Phase 3" refers to "postassistance" services for people who have left welfare.)

Employment Retention and Advancement Project

Table 1

Programs Analyzed in This Report

Site	Target Group/Initial Employment Status	Primary Goal(s)	Main Service Strategies
Illinois	Employed TANF recipients	Advancement	Job placement assistance; career counseling; referrals to education/training
Riverside Phase 2	Employed TANF recipients	Advancement	Referrals and support for education and training
South Carolina	TANF leavers; employment status varies	Placement; retention; and advancement	Case management; job placement assistance; referrals for services
Texas	TANF applicants and recipients; most not employed	Retention; and advancement	Postemployment case management; financial incentive

As shown in Table 1, two of the tests discussed in this report — those in Illinois and Riverside, California — are advancement-focused projects targeting low-wage workers, although the two programs use quite different approaches to promote advancement. The Riverside program focuses primarily on education and training as the route to advancement. The Illinois program refers some participants to training or education, but it is more likely to help participants identify and obtain higher-paying jobs or to coach them to increase their earnings in their current job by seeking raises, promotions, or more work hours.

The South Carolina program targets individuals who have been off welfare for an extended period (three-fourths of the research sample had been off welfare for at least two and a

[7]The Illinois ERA program operates in Chicago and St. Clair County (East St. Louis), but this report presents results for Chicago only. The South Carolina program operates in six rural counties known as the Pee Dee Region; in this report, results for the six counties are combined. The Texas program operates in Corpus Christi, Fort Worth, and Houston, and results are presented separately for each site.

half years when they entered the study); their employment status varies. The specific program goal depends on the client's circumstances. For example, the program might try to help an unemployed client find steady work and an employed client maintain his or her job or advance to a higher-paying position.

Finally, the Texas project targets welfare applicants and recipients, who are usually not employed at the point of enrollment. The program uses financial incentives (notably, a monthly stipend of $200 for individuals who leave welfare and work full time), team-based case management, and other services to try to place participants in jobs, stabilize their employment, and, finally, help them advance to better jobs.

Table 2 shows selected characteristics of the study participants in each site at the point individuals entered the studies. (The three Texas locations are shown separately because each is analyzed separately.) These data — discussed in detail in later sections — help to illustrate why this report presents the results for each site separately, rather than focusing on cross-site comparisons. Comparing results across ERA sites is like comparing apples and oranges, since the target groups, program goals, and control group conditions are so different. Most important, the table shows that the proportion of people employed at the point of random assignment varies from less than 10 percent in the Texas sites to 100 percent in Riverside. The Texas program might be expected to increase the number of people who ever work during the follow-up period, but such an effect would be unlikely in Riverside.

Measures and Data Sources

The report describes the early effects of the four ERA programs on measures related to employment, earnings, and receipt of TANF and food stamp benefits. Three main data sources are used:

- **Unemployment Insurance (UI) Earnings Data.** These records capture sample members' quarterly earnings in jobs covered by the UI systems of the participating states. UI data cover most jobs but do not include some kinds of employment, such as informal jobs, employment with the federal government, or jobs in other states.

- **Public Assistance Data.** These records show sample members' monthly TANF cash assistance (welfare) payments and food stamp benefits.

- **Baseline Data.** Limited data on sample members' demographic characteristics were collected just before individuals entered the study. In Illinois and South Carolina, demographic data were extracted from welfare computer systems. In Riverside and Texas, a brief interview was conducted with each sample member prior to study enrollment. The baseline data are used to describe the study population (as in Table 2) and to identify subgroups whose results are analyzed separately.

Employment Retention and Advancement Project

Table 2

Selected Characteristics of the Report Sample

Characteristic	Illinois	Riverside Phase 2	South Carolina	Texas		
				Corpus Christi	Fort Worth	Houston
Age	33.4	30.3	31.5	28.7	28.4	28.0
Race/ethnicity						
Hispanic	9.0	45.1	0.5	73.9	9.5	27.6
Black, non-Hispanic	86.2	21.2	78.4	8.5	68.4	62.0
White, non-Hispanic	4.3	30.9	20.4	15.4	21.6	9.3
Other	0.5	2.8	0.7	2.2	0.5	1.1
Number of children						
0	0.5	0.7	0.7	1.4	0.3	1.2
1	10.5	32.3	28.5	44.1	40.2	36.8
2	22.2	30.1	32.8	28.6	31.1	29.3
3 or more	66.7	36.9	37.9	26.0	28.3	32.7
Age of youngest child						
2 or under	25.4	43.3	19.4	49.3	51.4	51.9
3 to 5	23.1	23.6	33.7	21.6	19.2	21.4
6 or over	51.5	33.1	46.9	29.1	29.4	26.8
No high school diploma or GED (%)[a]	57.4	42.7	44.4	52.4	46.0	55.5
Currently employed (%)[b]	n/a	100.0	n/a	8.7	5.1	6.7
Ever employed (%)[c]						
In year prior to random assignment	66.8	77.5	66.9	72.1	74.4	69.3
In quarter prior to random assignment	59.9	58.7	50.8	49.3	47.8	43.1
Received TANF in quarter of random assignment	99.2	99.8	1.1	68.0	67.2	71.2
Received TANF for two years or more (%)[d]	n/a	45.8	51.9	21.7	18.1	17.8
Sample size	990	1,912	1,839	1,310	1,163	1,816

(continued)

Table 2 (continued)

SOURCES: In Illinois and South Carolina, baseline data were drawn from welfare department records. In South Carolina, in particular, some of the data may not be current because some sample members had been off welfare for an extended period when the data were extracted. In Riverside and Texas, baseline data were collected through a brief interview with sample members just prior to random assignment.

NOTES: [a]In South Carolina, since information on educational attainment is not available, those having 12 or more years of education are considered to have a high school diploma.

[b]Self-reported information on current employment status is not available in Illinois and South Carolina.

[c]Unlike current employment (which is self-reported), these measures are drawn from unemployment insurance (UI) wage records.

[d]In Texas and in Riverside Phase 2, this measure is based on self-reports of the amount of time on welfare in the previous 10 years. In South Carolina, this measure is based on actual receipt of welfare in the past 9 years, based on administrative records. In Illinois, there is no comparable measure of welfare history because only 2 years of prior welfare data are available.

In addition, the report briefly discusses preliminary data from a survey that is being administered to a subset of program and control group members in each site, roughly 12 months after people enter the study. Finally, information collected during MDRC's visits to the sites is used to describe the programs. Both these data sources will be featured more prominently in site-specific interim reports scheduled for 2005 and 2006.

The report presents a variety of employment-related measures, all drawn from the UI earnings data. The key measures are described in Box 1. (Also see Box 2, which explains how to read the tables in this report.) Some of the measures are designed primarily to measure the programs' effects on job placement; others measure retention; and still others aim to measure advancement. All the measures have strengths and limitations, and most will become more meaningful when longer follow-up is available. In addition, all the measures suffer from the limitations of UI earnings data, which do not provide information about hourly wages, weekly work hours, or weeks of employment within each quarter.[8] A more refined analysis will be possible when survey data become available — and provide detailed (albeit self-reported) information on job characteristics.

Cautionary Notes

All the results presented in this report should be viewed with caution. In general, results are presented for all sample members for whom at least one year of follow-up data are available; these individuals are called "the report sample." One year is a very short follow-up period, particularly for programs focusing on career advancement, but the early results may provide some hints about the longer-term effects.

Because there is a lag in employers' reporting to their state UI programs, earnings data obtained by MDRC in early 2004 (and used for this analysis) covered the period through the second or third quarter of 2003. This means that analyses based on a one-year follow-up period could only include people who entered the studies by June or September 2002. As shown in Table 3, this is well before the end of the sample enrollment period in all four sites. The rightmost column of the table shows that the report samples account for only a little more than half the full research sample in Illinois, Riverside, and South Carolina and for larger percentages in the Texas sites.

[8]The UI data used in this report also do not provide information about the specific jobs held by sample members. Thus, while the data can be used to create rough measures of *employment* retention, they cannot measure *job* retention. Along with the UI earnings data, MDRC has also obtained information on the identification numbers of employers and will use those data in future reports.

Employment Retention and Advancement Project

Table 3

Proportion of Total Research Sample Analyzed in This Report

Site	Total Period of Study Enrollment	Total Research Sample Size	Enrollment Period of Report Sample	Sample Size of Report Sample	Report Sample as Percentage of Total Research Sample
Illinois[a]	2/02-6/03	1,729	2/02-9/02	990	57
Riverside					
Phase 2	1/01-10/03	2,912	1/01-9/02	1,912	66
South Carolina	9/01-1/03	3,036	9/01-6/02	1,839	61
Texas					
Corpus Christi	10/00-12/02	1,726	10/00-6/02	1,310	76
Fort Worth	10/00-12/02	1,562	10/00-6/02	1,163	74
Houston	3/01-12/02	1,950	3/01-6/02	1,816	93

NOTES: In some sites, two-parent cases were randomly assigned. However, the data in this table include only single-parent cases.

[a]The Illinois ERA program operates in Chicago and St. Clair County (East St. Louis), but this report presents results for Chicago only.

The unavoidable focus on early enrollees means that the results in this report mostly reflect the experiences of individuals who entered the programs during the startup months. MDRC's implementation research suggests that many of the ERA programs evolved and changed over time, so results for later enrollees may look different.

With these caveats in mind, HHS and MDRC felt that it was important to make results public and to begin stimulating discussion as soon as possible, rather than waiting until more definitive evidence is available.

Box 1

Examples of Employment-Related Measures Analyzed in This Report*

Measures related to job placement

Ever employed in Year 1. One would not expect to see an impact on this measure for a retention- or advancement-oriented program that targets only employed clients — although this measure *can* capture movement from jobs not covered by the UI system to jobs that are covered.

Measures related to employment retention

Average quarterly employment. This measure can be defined as the employment rate in the average quarter. Although the measure is related to employment retention, it might also reflect the timing of initial employment.

For those employed in Year 1, average quarterly employment. By excluding those who did not work in Year 1, this measure aims to focus more directly on employment retention and less on job placement. However, as explained in Box 2, it is a "nonexperimental" measure that may be affected by differences in the characteristics of program and control group members who find jobs.

Employed four consecutive quarters. An impact on this measure would likely signal an effect on employment retention, although, when measured during Year 1 alone, it can also be affected by the percentage ever employed and the timing of initial employment.

For those employed in Year 1, still employed in the last quarter of Year 1. Even though this is a nonexperimental measure, it is a potentially useful indicator of employment retention.

Measures related to advancement

Earned over $10,000. This measure could be related to both retention and advancement, although, like some of the other measures, it could also reflect the timing of initial employment.

For those employed in Year 1, average earnings per quarter employed. Defined as earnings in an average quarter of employment, this measure is likely related to advancement, although it could also reflect the characteristics of program and control group members who worked in UI-covered jobs. Survey data are needed to determine whether higher earnings per quarter reflect higher hourly wages, higher weekly work hours, or more weeks of employment.

Earnings distribution in a quarter (earned $2,500 or more; earned between $500 and $2,499; earned between $1 and 499). This measure shows whether increases in UI-covered employment are driven by increases in employment at certain levels of earnings. It is likely related to advancement and job quality, although it is subject to the limitations of UI earnings data described above.

General measures

Earnings. An impact on average total earnings could reflect improvements in job placement, retention, advancement, or some combination of the three.

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*All employment measures in this report are based on unemployment insurance (UI) records; thus, the measures only include jobs covered by the UI programs of the participating states.

Box 2

How to Read the Tables in This Report

Almost all the tables in this report use a similar format. They show a series of outcomes — for example, the percentage employed or average earnings — for the ERA group and the control group (or for subsets of the two groups) at a particular site. Tables for the Riverside Phase 2 study show results for three research groups at that site.

The data are presented in quarters (three-month periods) because that is the way unemployment insurance (UI) earnings data are reported by employers. Many of the tables show results for Year 1, the first year after random assignment for each person in the study (technically, the four quarters after the quarter in which each person was randomly assigned). Thus, the calendar period covered by Year 1 depends on when each person was randomly assigned. Other tables show results for the last quarter of Year 1.

The column labeled "Difference (Impact)" represents the impact of the ERA program, since the random assignment process ensures that the research groups were comparable when they entered the study. Differences labeled with asterisks are "statistically significant," meaning that it is quite unlikely that differences of such sizes would arise by chance. In other words, a single asterisk indicates that it is very likely that the ERA program really had an effect on that particular outcome. When a difference is labeled with two or three asterisks, it is even more likely that the program had an effect on that outcome.

All the dollar amounts shown in tables are averages that include everyone in the specified research group. For example, average earnings for the ERA group include all members of the group, including those who did not work; nonworkers are counted as having zero earnings.

Measures shown in italic type (see Box 1) are considered "nonexperimental" because they include only employed sample members. Because employed program group members may have different characteristics than employed control group members, differences in these outcomes may not be attributable to the ERA program. Tests of statistical significance are not conducted for these nonexperimental measures.

As noted earlier, all employment-related measures in this report are based on UI records; thus, the measures only include jobs covered by the UI programs of the participating states.

Early Results for the Illinois ERA Program

Background

Illinois designed its Employment Retention and Advancement (ERA) program to promote career advancement among a group of parents who appear to be "stuck" in low-paying jobs: TANF recipients who have worked at least 30 hours a week for at least six consecutive months but who continue to qualify for cash assistance.

The importance of this target group stems from two relatively generous Illinois policies affecting Temporary Assistance for Needy Families (TANF). First, the state disregards (does not count) two-thirds of recipients' earned income in calculating their monthly TANF grants. As a result, recipients — particularly those with large families — can earn a relatively large amount and still receive at least a partial TANF grant.[9] Second, any month in which a recipient works at least 30 hours a week does not count toward the state's 60-month lifetime limit on TANF benefits.[10] In other words, Illinois has a time limit on "welfare without work" rather than on welfare receipt per se.

When Illinois was considering its approach to ERA in 2000, officials in the state's Department of Human Services (DHS) noted that a large number of TANF recipients were exempt from the time limit because they were working at least 30 hours a week — and that a substantial number of these individuals seemed to be remaining in "stop-the-clock" status for many months. DHS staff wanted to develop an initiative to help these employed recipients advance to higher-paying jobs, both to improve the clients' quality of life and to further reduce the state's TANF caseload. (The caseload declined by almost 75 percent between 1996 and 2001.)[11]

Initial funding for the Illinois ERA program was secured from the Governors' Discretionary portion of the state's Welfare-to-Work block grant. (The U.S. Department of Labor provided

[9]A single mother with two children in Chicago can earn up to $1,188 per month without losing eligibility for cash assistance. Because TANF grant amounts are larger for larger families, the maximum earnings threshold is higher for such families. Thus, for example, a single mother who has three children can earn up to $1,305 without losing eligibility.

[10]Under federal law, states cannot provide federally funded TANF assistance to most families for more than 60 months. However, there is no time limit on assistance paid for with state funds, and states are also required to maintain their state spending. As a result, states have broad flexibility in designing time-limit policies. A few states have no time limit, and many others, like Illinois, exempt certain categories of recipients from their time limits. Illinois uses state funds to pay for the benefits provided to recipients who are exempt from the time limit.

[11]The statewide TANF caseload continued to decline after 2001. By early 2004, it was 83 percent lower than in 1996.

supplemental funding in 2004, after Congress rescinded unspent Welfare-to-Work funds.)[12] The Welfare-to-Work funds were administered by the Illinois Department of Labor and Employment Security (now the Department of Commerce and Economic Opportunity), which worked with DHS to establish the program. DHS identified ten welfare offices in Chicago, plus the two offices in St. Clair County, to participate in the project, and it also contracted with service providers to deliver program services to ERA clients. In addition, DHS altered its rules to allow ERA clients to replace up to 10 hours of employment with 10 hours of education and training without causing their TANF time-limit clock to start. (In other words, ERA clients can work 20 hours a week and go to school 10 hours a week and still remain exempt from the time limit.)

Starting in February 2002, Illinois TANF recipients who were being served by the participating welfare offices and who met the criteria for ERA (working at least 30 hours a week, with their time-limit clock stopped, for at least six consecutive months) — and who were scheduled to have their annual in-person welfare benefit redetermination in the following month — were identified by the DHS computer database. These individuals were then assigned, at random, to either the ERA group or the control group. Individuals who were assigned to the ERA group were referred to an ERA service provider and were required to participate in the program. Those who were assigned to the control group were not referred to the provider; they continued to work with local DHS staff. As discussed below, the nature of the services provided to control group members depended to some extent on the DHS office to which they were assigned.

The ERA Target Group

Table 2 in the previous section shows selected characteristics of the individuals participating in the ERA study in all four of the sites discussed in this report. (The Illinois data are for the Chicago location only; the sample size in St. Clair County is too small to include in this analysis.) Two characteristics of the Illinois sample members are notable. First, the proportion who have three children or more — 67 percent — is much higher in Illinois than in the other sites; overall, only about one-third of Illinois TANF recipients have three children or more. It is not surprising that Illinois ERA clients have large families, because the program targets people who are working full time but remain eligible for welfare. As discussed earlier, recipients who have more children receive larger welfare grants — and, as a result, can earn more without losing eligibility for benefits. Interestingly, over half the Illinois sample members had no children under age 6, perhaps reflecting the fact that they are somewhat older, on average, than their counterparts in the other sites.

[12]The Welfare-to-Work grants program was created by Congress in 1997 to fund employment services for hard-to-employ TANF recipients and noncustodial parents of children receiving TANF. Grants were distributed to states and localities by the U.S. Department of Labor.

Second, only about 60 percent of the Illinois sample members had UI-covered earnings in the quarter before they entered the study. This figure is surprising because, as noted earlier, ERA targeted individuals who had been employed for at least six consecutive months. In fact, staff have reported that a large proportion of ERA clients were working in informal, cash-paying jobs (such as babysitting and housecleaning) that are typically not covered by unemployment insurance.

The other data in Table 2 show that the Illinois ERA population predominantly consists of African-American mothers (gender is not shown in the table) with relatively low levels of formal education.

The Illinois ERA Program

Organization and Staffing

The Chicago ERA program is operated under contract to DHS by a for-profit company with extensive experience running employment programs for welfare recipients and other low-income populations. The company, called Employment and Employer Services, is especially well known for its strong connections with local employers.

The service provider designated a group of 5 to 10 staff to work with ERA clients. Called "career and income advisors" (CIAs), these staff serve as all-purpose case managers for ERA participants and are also responsible for job development — identifying job openings with private employers. (ERA clients may also work with more specialized job development staff.)

Intake and Services

The ERA intake process in Chicago begins when the DHS central office sends the service provider a listing of welfare recipients who have just been randomly assigned to the ERA group. Each of these clients is assigned to one of the CIAs. Depending on which DHS office the client is assigned to, the CIA either contacts the recipient immediately or waits until the recipient shows up at the DHS office to complete benefit redetermination. In either case, clients are invited to an orientation session at the provider's office and are offered a $50 gift certificate for attending the session. (In some cases, the orientation takes place at a DHS office.) Although participation in ERA is nominally mandatory, the service provider attempts to present a positive message, knowing that most ERA clients receive only partial TANF grants and might choose to simply forgo their grant rather than participate in a program that does not seem attractive.

After orientation, the CIA assesses each client and works with each to develop a Career and Income Advancement Plan (CIAP). The content of the plan is individualized and depends on such factors as the characteristics of the client's current job (for example, whether it offers

advancement opportunities), the client's career goals, and specific barriers to achieving those goals. Some ERA clients have lost their job and are not employed when the initial meetings with the provider take place. In those instances, the provider helps the participants find a job.

Participation in the ERA Program

Engaging clients in program services has been the central challenge facing the Illinois ERA program (and, indeed, all the ERA programs). Chicago's service provider has found that a substantial proportion of clients are not interested in advancement services. Staff believe that many clients are "comfortable" working for cash in informal jobs like babysitting and house-cleaning. Such jobs typically pay very low wages but may be attractive in other ways: They may be near the client's home; may offer somewhat flexible hours, allowing the client to pick up children after school (in a neighborhood where the crime rate is high, for example); and may offer a familiar, low-pressure work environment. Staff report that some of the reluctant clients have voluntarily closed their cash assistance cases to avoid the obligation to participate in the ERA program.

Nevertheless, — through relentless outreach, creative marketing materials, and financial incentives — the service provider was able to complete a face-to-face contact with 84 percent of program group members. The vast majority of those individuals (77 percent of the entire program group) completed a CIAP, though they did not necessarily remain active in the program for a long period.[13]

The specific services that clients receive depend on their circumstances. When a client is interested in switching jobs to advance, the CIA may provide the client with specific job leads and may help the client prepare for interviews. In other cases, the CIA may "coach" the client on how to talk with a current supervisor about obtaining more work hours or about getting a raise or a promotion. Finally, the CIA might help the client identify and enroll in an education or training program, although the Illinois ERA program does not emphasize these services nearly as much as the Riverside, California, Phase 2 program (discussed in the next section). CIAs in Chicago often spend a substantial amount of time helping clients resolve personal crises or other issues that are preventing them from moving forward.

[13]The contact and CIAP-completion data are from program records maintained by the ERA service provider. The rates are for program group members who were randomly assigned from February to September 2002 — the same group for which impacts are reported below. It appears that the completion rates are slightly lower for clients who were randomly assigned after September 2002.

Services for the Control Group

As noted earlier, control group members are not referred to the ERA service provider. MDRC's field research found that some DHS offices appear to be fairly aggressive in working with such clients: Staff are expected to contact employed clients to urge them to increase their work hours and/or to look for a higher-paying job. Other offices place a lower priority on clients who are working full time. All DHS offices are likely to work actively with control group members who lose their jobs or fall below the threshold of 30 hours of work per week.

Preliminary data from the ERA 12-month survey suggest that while some control group members reported receiving employment-related assistance, the rates of participation in such activities are substantially higher for the ERA group. As expected, the differences between the two groups are particularly large with respect to activities designed to move participants into better jobs relatively quickly; ERA does not appear to have generated a substantial increase in participation in education or job training programs.

Impacts of the Illinois ERA Program on Employment and Public Assistance Outcomes

The exhibits in this section summarize the Illinois ERA program's impacts on employment and public assistance outcomes during the first year after people entered the study. As discussed in the previous section, the report sample includes all sample members for whom at least one year of follow-up data are available — in this site, those who entered the study between February 2002 (when ERA began operating) and September 2002: a total of 990 people. The report sample includes just over half the total sample for the study. (Random assignment continued until June 2003.)

Year 1 Impacts

As Table IL.1 shows, the Illinois ERA program generated statistically significant increases in both UI-covered employment and earnings during the first year of follow-up. Just over 71 percent of the ERA group worked in a UI-covered job at some point during Year 1, compared with 65 percent of the control group. Since all sample members were reporting employment to DHS just prior to random assignment, this pattern suggests that the Illinois ERA program may have helped some participants move from non-UI-covered jobs to UI-covered jobs.[14] This would likely be a positive result, since UI-covered jobs may be of higher quality, paying higher wages and offering greater access to fringe benefits. The 12-month survey will provide additional information on the characteristics of jobs held by program and control group members.

[14]It is also possible that the increase in UI-covered employment reflects successful reemployment activities for clients who had lost their jobs around the time of random assignment.

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Table IL.1

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

Illinois

Outcome	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	71.2	65.4	5.9 ***
Average quarterly employment (%)	59.5	55.4	4.1 **
Employed 4 consecutive quarters (%)	47.5	43.8	3.7
Earnings ($)	6,518	5,979	539 *
Earnings over $10,000 (%)	30.7	26.9	3.8
For those employed Year 1:			
Average quarterly employment (%)	*83.6*	*84.7*	*-1.2*
Average earnings per quarter employed ($)	*2,738*	*2,698*	*39*
Ever received TANF (%)	89.2	89.4	-0.3
Amount of TANF received ($)	1,396	1,589	-193 ***
Ever received food stamps (%)	99.4	98.6	0.7
Amount of food stamps received ($)	4,004	3,928	76
Total measured income ($)[b]	11,918	11,496	422
Sample size (total = 990)	493	497	

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

NOTES: Results are for sample members randomly assigned from February to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

Similarly, Table IL.1 shows that the ERA group earned, on average, $539 more than the control group during Year 1 — an increase of about 9 percent (not shown). This impact is also statistically significant. As noted earlier, these earnings averages include all sample members, including those who never worked in a UI-covered job — or who worked only briefly in such a job — during the year. ERA also increased the percentage of sample members with over $10,000 in UI earnings during Year 1, but that difference is not statistically significant.

The italicized measures in the middle rows of Table IL.1 include only program and control group members who had UI-covered employment in Year 1. As discussed earlier, differences between the groups on such measures may or may not reflect impacts of the ERA program. The second of these measures — average earnings per quarter employed — might be particularly important in an advancement-oriented program. In Illinois, employed program and control group members earned about the same amount — around $2,700 per quarter. However, the lack of a difference on this measure does not necessarily indicate that advancement is not occurring, since, as noted earlier, the Illinois program may be helping clients advance by moving them from non-UI-covered jobs to UI-covered jobs. In fact, it is encouraging that, by moving individuals into UI-covered jobs who would not otherwise have held such jobs, ERA did not reduce the average UI earnings per quarter employed.

Finally, Table IL.1 shows that the Illinois ERA program produced a fairly large decrease in TANF cash assistance payments. On average, the ERA group received $193 less (about 12 percent less) in TANF benefits than the control group during Year 1.[15] The decrease in TANF benefits may be related to the increase in earnings: Some ERA participants may have found higher-paying jobs that made them ineligible for TANF. As noted earlier, however, it is also possible that some ERA group members voluntarily closed their TANF cases — without increasing their earnings — to avoid the obligation to participate in the ERA program. It is too early to say which explanation is more important. It is worth noting, however, that ERA does not seem to have reduced participants' income, on average (a likely result if many people had closed their TANF cases without increasing their earnings). The bottom row of Table IL.1 shows that the ERA group had slightly higher total measured income from UI-covered earnings, TANF, and food stamp benefits combined than did the control group — although this difference is not statistically significant. (This is not a full measure of family income; it does not include the income of other household members or income from non-UI-covered employment, child support, the Earned Income Tax Credit [EITC], or other sources.)

[15]The proportion who ever received TANF is below 100 percent for both groups because these figures do not include the quarter in which random assignment took place. Thus, if a sample member was randomly assigned in January, left TANF in February, and did not return during the subsequent year, the analysis would show that the client had "never" received TANF during Year 1.

Table IL.2 summarizes the impacts of ERA during the last three months of Year 1, the end of the follow-up period for this report. In that quarter, ERA increased both the percentage of people working in UI-covered jobs and the percentage who had at least $2,500 in UI-covered earnings in the quarter — roughly equivalent to full-time work at slightly above the minimum wage. Moving people to higher earnings brackets is a key goal of any advancement-oriented program. The $159 increase in overall average earnings (a gain of about 11 percent over the control group) is not statistically significant in that quarter.

The second italicized measure in Table IL.2 shows that, among those who worked in a UI-covered job during Year 1, about 80 percent of both program and control group members were still working in the last quarter of the year. This is likely a positive result, since it suggests that the sample members who moved into UI-covered employment as a result of the ERA program were likely to remain employed.

Table IL.2 also shows that the rate of TANF receipt declined rapidly for both groups during Year 1. By the last quarter of the year, only 55 percent of the control group were still receiving assistance. Nevertheless, ERA still produced a dramatic, 15 percentage point decrease in TANF receipt in the that three-month period and a $75 (24 percent) decrease in average TANF payments. Consistent with the results in Table IL.1, however, the earnings gain was larger than the welfare loss, so the ERA group's total income from UI-covered earnings and public assistance was slightly higher than the average for the control group; again, the difference is not statistically significant.

Impacts Over Time and for an Early Cohort

Figure IL.1 depicts the pattern over time of ERA's impacts on UI-covered employment (upper panel) and earnings (lower panel). The thicker graph lines show the impacts for the report sample — those randomly assigned from February through September 2002 (the same group whose results are shown in Tables IL.1 and IL.2). The thinner graph lines show impacts for a subset of that group: the 654 people who entered the study from February through June 2002 — referred to as "the early cohort." Data for one additional quarter of follow-up are available for the early cohort.

Figure IL.1 shows that the Illinois ERA program's impacts on UI-covered employment and earnings generally grew larger over time. Appendix Table IL.1, which shows the numbers underlying the graphs, indicates that many of the quarterly impacts for both samples are statistically significant. Moreover, the results for the early cohort show that the impacts on both employment and earnings appear to have increased dramatically just after the end of Year 1. (Appendix Table IL.1 shows that the increase in earnings for the early cohort in Quarter 6 was $375, or 32 percent above the control group's average.) It is too early to say whether this pattern will persist when longer-term follow-up data are available for a larger number of sample members.

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Table IL.2

Year 1, Last-Quarter Impacts on UI-Covered Employment, Public Assistance, and Income

Illinois

Outcome	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	57.0	52.7	4.3 *
For those employed Year 1:			
Not employed Year 1, last quarter (%)	*20.0*	*19.4*	*0.6*
Employed Year 1, last quarter (%)	*80.0*	*80.6*	*-0.6*
Earnings ($)	1,605	1,446	159
Earned $2,500 or more (%)	33.0	28.2	4.8 *
Earned between $500 and $2,499 (%)	19.5	21.7	-2.2
Earned between $1 and $499 (%)	4.5	2.8	1.7
For those employed Year 1, last quarter:			
Earnings ($)	*2,816*	*2,744*	*72*
Ever received TANF (%)	39.9	55.2	-15.2 ***
Amount of TANF received ($)	240	315	-75 ***
Ever received food stamps (%)	90.7	90.7	0.0
Amount of food stamps received ($)	997	986	11
Total measured income ($)[b]	2,842	2,747	95
Sample size (total = 990)	493	497	

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

NOTES: Results are for sample members randomly assigned from February to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

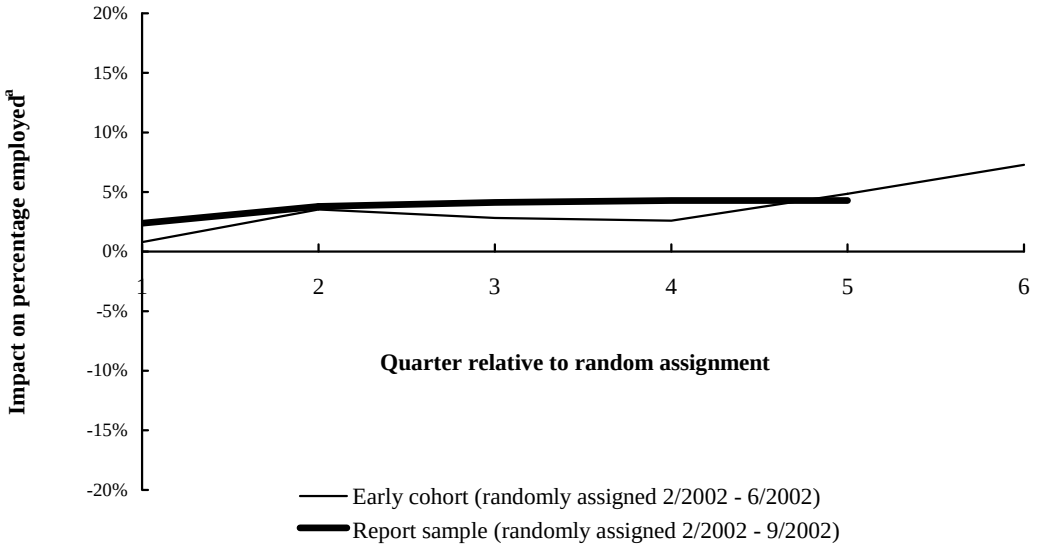
[b]This measure represents the sum of UI earnings, TANF, and food stamps.

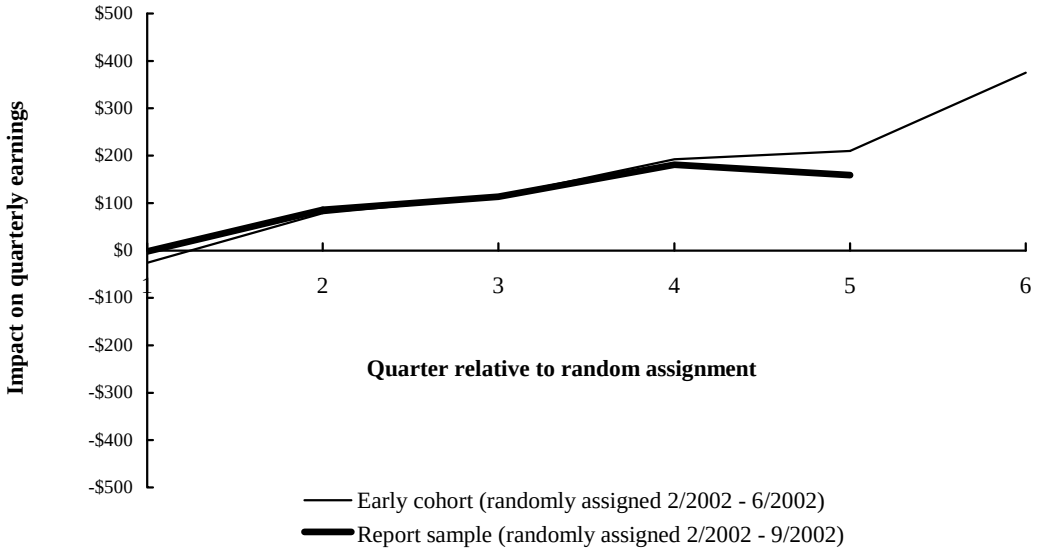
Employment Retention and Advancement Project

Figure IL.1

Impacts on Earnings and UI-Covered Employment for the Report Sample and Early Cohort Over Time

Illinois





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

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

Impacts for Subgroups

Finally, Table IL.3 shows Year 1 results for two subgroups of the main sample: those with and without UI-covered earnings in the quarter prior to random assignment. Since everyone in the sample had reported earnings to DHS for at least six consecutive months prior to their random assignment date, it is likely that the individuals with no UI-covered earnings in the quarter prior to random assignment were working in jobs not covered by the UI system.

The results in Table IL.3 show that the Illinois ERA program generated very large increases in UI-covered employment and earnings for sample members who had no UI earnings in the quarter prior to random assignment. For example, average earnings for the ERA group are about twice as high as for the control group. This provides further evidence that ERA may have helped individuals move from non-UI-covered jobs to UI-covered jobs.

The program also produced a large decrease in TANF payments for this group, but this loss in income was more than offset by the very large earnings gain. Thus, total measured income from UI earnings, TANF, and food stamps was substantially higher for the ERA group.

* * *

The early results for the Illinois ERA program are promising. The program has increased both UI-covered employment and earnings, possibly by helping some individuals move from non-UI-covered jobs to UI-covered jobs. It will be important to see whether these effects continue with longer follow-up and also whether survey data — which should include some information on non-UI-covered employment — bear out the results from UI records.

Employment Retention and Advancement Project

Table IL.3

Year 1 Impacts on UI-Covered Employment and Earnings, by Pre-Random Assignment Employment Status

Illinois

Outcome	ERA Group	Control Group	Difference (Impact)
Employed quarter before random assignment			
Ever employed (%)[a]	96.1	94.8	1.3
Average quarterly employment (%)	84.7	83.5	1.1
Employed 4 consecutive quarters (%)	70.6	69.3	1.3
Earnings ($)	9,448	9,162	286
Earnings over $10,000 (%)	45.5	42.2	3.3
For those employed Year 1:			
Average quarterly employment (%)	*88.1*	*88.1*	*0.0*
Average earnings per quarter employed ($)	*2,790*	*2,742*	*48*
Ever received TANF (%)	88.3	88.5	-0.2
Amount of TANF received ($)	1,305	1,421	-116
Ever received food stamps (%)	98.8	98.8	0.0
Amount of food stamps received ($)	4,076	4,046	30
Total measured income ($)[b]	14,829	14,629	199
Sample size (total = 593)	302	291	
Not employed quarter before random assignment			
Ever employed (%)[a]	34.5	21.4	13.1 ***
Average quarterly employment (%)	22.2	13.4	8.8 ***
Employed 4 consecutive quarters (%)	13.1	5.8	7.3 **
Earnings ($)	2,200	1,189	1,011 **
Earnings over $10,000 (%)	8.8	4.0	4.8 **
For those employed Year 1:			
Average quarterly employment (%)	*64.3*	*62.6*	*1.7*
Average earnings per quarter employed ($)	*2,478*	*2,219*	*258*
Ever received TANF (%)	90.4	91.0	-0.6
Amount of TANF received ($)	1,523	1,843	-320 **
Ever received food stamps (%)	99.9	98.6	1.3
Amount of food stamps received ($)	3,908	3,746	162
Total measured income ($)[b]	7,631	6,778	853 **
Sample size (total = 397)	191	206	
Sample size (total = 990)	493	497	

(continued)

Table IL.3 (continued)

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

NOTES: Results are for sample members randomly assigned from February to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

Early Results for the Riverside Phase 2 ERA Program

Background

Riverside — a large county in Southern California with a population of more than 1.6 million — is the site of two separate tests of the Employment Retention and Advancement (ERA) project. The test discussed in this report is called "Phase 2" because it focuses on what are known as Phase 2 career advancement services.[16] The Phase 2 program is administered by the Department of Public Social Services (DPSS) and the Economic Development Agency (EDA). (The former is the Temporary Assistance for Needy Families [TANF] agency, and the latter is a workforce development agency.) The program targets newly employed welfare recipients — people who are working but not earning enough to leave cash assistance.[17] The Phase 2 test is designed to measure the effectiveness of two models that stress postemployment education and training combined with intensive case management as a means to career advancement.

The Riverside Phase 2 program addresses an important policy problem: Welfare recipients who make the transition to work often end up in jobs that pay low wages and that offer few benefits or opportunities for advancement. Many believe that, in order to compete for better jobs, most recently employed welfare recipients need to upgrade their skills. However, it is difficult to attend classes while juggling family and work responsibilities. The Phase 2 evaluation is trying to measure the effectiveness and feasibility of education and training *after* stable work is obtained. Another component of the evaluation is trying to assess the effect of liberalizing work requirements in order to "free up" clients so that they have sufficient time to engage in these services.

Previous evaluations of mandatory *preemployment* human capital development (HCD) programs for welfare recipients (including Riverside's earlier HCD program) reveal that some, but not all, of these programs lead to employment and earnings gains. But these gains are not necessarily larger than the gains produced by labor force attachment (LFA) programs that deemphasize education and training — and the LFA programs cost less to administer. The story may be different, however, when education and training are encouraged concurrently with employment.

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[16]The other intervention, known as "Phase 3," targets individuals who leave welfare with employment or who become employed within 12 months following the termination of cash assistance. The Phase 3 intervention is focused on intensive support services delivered by community-based organizations and DPSS to promote retention and advancement. It is still too early to analyze the impacts of Phase 3, which is sometimes called "Riverside PASS," for "Post-Assistance Self-Sufficiency."

[17]California's relatively high TANF grant levels — and a generous earned income disregard — make it easier for clients to combine work and welfare. A single mother with two children can earn up to $1,514 without losing eligibility for cash assistance.

Random assignment for the Phase 2 test occurred when Phase 1 staff (the workers responsible for placing welfare recipients into jobs) called clients 30 days after they started working to determine whether they had attained stable employment.[18] If clients qualified for the study, baseline data were collected from them, and they were randomly assigned to one of three groups:

- **The Work Plus Group (Operated by DPSS, the Welfare Agency).** These clients are eligible to receive intensive case management and enhanced supportive services to encourage employment stability and advancement. Members of the Work Plus group are strongly encouraged to attend education and training activities, but they must work at least 20 hours per week. If they choose not to participate in education and training, they must continue meeting the state-mandated requirement of 32-hours-per-week participation in employment-related activities. The underlying hypothesis is that work reinforces the value of education and training.[19]

- **The Training Focused Group (Operated by EDA, the Workforce Development Agency).** These clients are also eligible to receive intensive case management and enhanced supportive services to encourage employment stability and advancement, but — unlike Work Plus group members — they have the option to decrease or eliminate work hours while pursuing education and training, as long as they maintain the state-mandated 32-hours-per-week participation requirement. The underlying hypothesis is that elimination of the work requirement will give recipients more flexibility to access high-quality education and training programs.

- **The Work Focused Group (the Control Group, Operated by DPSS).** These clients receive a more traditional set of postemployment services and supports. Working recipients in this group are contacted monthly to verify employment and are encouraged to remain employed, find full-time work if they are currently working part time, and advance in their current job or find a better job as a means of increasing their earnings.[20]

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[18]Stable employment means that they had worked 20 hours or more during at least one week within the past 30 days, had earned the state's minimum wage or higher, and had expected to work an average of 20 hours or more per week for more than 30 days from the date of the employment stability call.

[19]Proponents of combining work and training also believe that maintaining a steady work history is an important prerequisite for career advancement.

[20]If working recipients, on their own initiative, enroll in an approved education and training program, DPSS will pay for supportive services as long as the clients continue to work at least 20 hours per week.

Table RI.1 shows the three treatment groups and their salient features. The *Work* Plus and *Work* Focused groups are so named because they each have a work requirement. The Work Plus group should be thought of as work "plus" education and training, whereas the Work "Focused" group is focused primarily on maintaining work. In the same vein, the *Training* Focused group is so named because the focus is on training (even if this means reducing work hours). The Work Focused group — probably the most common or typical of the approaches nationwide — serves as the benchmark against which the other two education- and training-oriented models are compared.[21]

Employment Retention and Advancement Project

Table RI.1

Main Features of Treatment Groups

Riverside Phase 2

Research Group	Agency	Core Treatment	Phase 2: 20-hr/week Work Requirement
Work Plus	DPSS	Education and training	Yes
Training Focused	EDA	Education and training	No
Work Focused	DPSS	Employment services	Yes

The ERA Target Group

Table 2 in the introductory section shows selected characteristics of sample members in all four of the sites discussed in this report. The most distinctive baseline characteristics among those in the Phase 2 sample are employment at baseline and welfare history. Because of the program's eligibility criteria, all Riverside sample members were working and on welfare at baseline. Nearly 46 percent had previously received welfare for two years or more, which is high relative to most of the sites shown in Table 2.

Compared with most other ERA sites, sample members in Riverside are less likely to be black. Over one-third of families had three children or more, and 43 percent had a youngest

[21]It is important to note that Riverside County had already made a strong commitment to postemployment education and training before the county became involved with the ERA project. In fact, the Work Plus group represents the standard approach that was in place when MDRC and DPSS began discussing ERA. The Training Focused group was created to test a different approach to postemployment education and training, while the Work Focused group — representing an approach that is probably more typical in other areas of the country — was developed to create a benchmark against which to compare the other two models.

child age 2 or younger. More than 57 percent of sample members had a high school diploma — the highest percentage among the sites under study.

The Riverside Phase 2 ERA Program

Organization and Staffing

DPSS Phase 2 case managers administer the Work Plus (work requirement) program, while EDA Phase 2 case managers operate the Training Focused (no work requirement) program. DPSS administrators wanted to test different strategies for promoting job retention and advancement, and having EDA administer the Training Focused program ensured that two distinct program models would be tested. While DPSS and EDA share the same general goals, the welfare and workforce agencies have different postemployment approaches. DPSS strongly believes in the efficacy of working while going to school. The underlying hypothesis is that work reinforces the value of education and training. EDA more strongly supports education and training, even if not concurrent with employment. In addition, EDA's network of service providers puts less emphasis on remediation services than the DPSS network does. DPSS provided extensive training to EDA staff to ensure that they were familiar with case management techniques, with welfare-to-work program regulations and procedures, and with the DPSS computerized program-tracking system.

Individuals who are assigned to the Work Focused (control) group receive Phase 2 services (that is, postemployment services) from Phase 1 staff, with a continued emphasis on work first**.**

While the differences in program models are the main focus of the Phase 2 test, Riverside's use of a different service provider for each program raises the possibility that differences in outcomes may stem from differences in the relative strengths of the service providers rather than from the program models themselves.

Intake and Services

Specific program components in the two education and training-oriented models include (1) referrals to education and training programs; (2) intensive case management to help clients access education and training and to deal with barriers to employment; and (3) supportive services to meet participants' increased need for child care, transportation, and other assistance.

The research groups differ in the delivery of *reemployment services* (services for participants who lose their jobs and are on, or go back on, TANF):

- **Work Plus** staff work with unemployed clients for up to 60 days (as measured from the date of job loss). If clients are still unemployed, Work Plus case managers refer them back to Phase 1 for job search services.
- **Training Focused** staff continue working with unemployed clients indefinitely; there is no 60-day reemployment window that triggers an automatic referral back to Phase 1. Clients may chose to remain unemployed — especially if they want to concentrate on education and training — as long as they are meeting the state-mandated participation requirements.
- **Work Focused** staff also continue working with unemployed clients. A staff member who discovers that a client is out of work either refers the client to job search or provides job leads. Clients are encouraged to find new employment as quickly as possible.[22]

Initially, the Phase 2 treatment differential stopped when an individual left TANF; that is, individuals in all three groups became eligible for the same Phase 3 (postwelfare) services. However, in October 2002, a decision was made to have Phase 2 case managers provide postwelfare (Phase 3) case management services to members of their respective treatment groups, effectively extending the treatment differential.

Participation in the ERA Program

The differences described above may affect the kinds of program components and their sequence as well as the choices of provider types and training curricula that clients utilize. In particular, MDRC implementation research found that DPSS Phase 2 workers were more likely to refer clients to basic education services, while EDA staff were more likely to refer clients to vocational training.[23]

Preliminary data from the 12-month client survey suggest that large proportions of sample members in both of the program groups participated in employment-related activities. Most impressive is the fact that more than one-third of respondents in each of the groups reported participating in an education or training activity while working. The participation rates are similar for the two program groups, although, as expected, it appears that the Training Focused group was somewhat more likely to participate in vocational training.

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[22]Technically, although Work Focused case managers are Phase 1 staff, they only attempt to reemploy clients for up to 60 days and then refer them back through the regular upfront (that is, Phase 1) sequence of activities. At that point, the clients might be assigned to different Phase 1 workers.

[23]However, to date, the 12-month survey results do not suggest that Work Plus group members were more likely to actually participate in basic education services.

Services for the Control Group

MDRC's implementation research is designed to understand how the Work Focused model has been implemented. For example, the study will assess the extent of client-staff contact and the degree to which staff actively encouraged clients in the Work Focused group to increase their work hours or seek higher-paying jobs, as opposed to simply confirming that clients were still employed. This analysis — which will be presented in the site-specific interim report — may be critical to interpreting the impact findings, since it will help to define the benchmark against which the two education and training-focused models were compared.

One surprising trend emerging from preliminary analysis of the 12-month survey is the high rate of participation in education and training activities reported by members of the Work Focused group. In fact, they are nearly as likely as members of the Work Plus and the Training Focused groups to report participation in education and training overall — and while working. To better understand these surprising results, MDRC's survey subcontractor is reinterviewing some of the education and training participants in order to assess which kinds of programs they are attending and which kinds of supports and encouragement they have received.

Impacts of the Riverside Phase 2 ERA Program on Employment and Public Assistance Outcomes

As in the other sections of this report, the impacts of the Riverside Phase 2 ERA program are presented for outcomes based on UI wages, TANF payments, and food stamp payments. Unless otherwise mentioned, these impacts are for the report sample: the 1,912 single parents who were randomly assigned between January 2001 and September 2002 — roughly 66 percent of the expected full sample. Because there are two treatment groups in the Riverside Phase 2 test, the impact analysis includes three comparisons, as shown in Table RI.2.

Year 1 Impacts

Table RI.3 summarizes the impacts of the Riverside Phase 2 program during the first year after people entered the study. As discussed earlier, this table does not include results for the quarter of random assignment.[24]

[24]When the quarter of random assignment was included, it was found that 100 percent of the sample received TANF at some point and that more than 90 percent worked in jobs covered by the UI system. Since the UI system does not cover some types of jobs (including informal, federal, or out-of-state jobs), it should not be surprising that the ever-employed rate is below 100 percent. Indeed, the rate of UI coverage in Riverside is among the highest seen in recent welfare-to-work evaluations. As mentioned earlier, in Illinois, like Riverside, all sample members were employed at program entry. In Illinois, however, there is a great deal of informal employment, and so only about 60 percent of the sample worked in UI-covered jobs.

Employment Retention and Advancement Project

Table RI.2

Comparisons in the Impact Analysis

Riverside Phase 2

Research Group Comparison	Main Lessons That Will Be Learned
Work Plus vs. Work Focused	Impacts of a model stressing postemployment education and training, with a work requirement, compared with a traditional postemployment model
Training Focused vs. Work Focused	Impacts of a model stressing postemployment education and training, without a work requirement, compared with a traditional postemployment model
Work Plus vs. Training Focused	Added impacts of a work requirement and comparison of DPSS and EDA service delivery systems

Work Plus Compared with Work Focused

The fourth column of Table RI.3 compares results for the Work Plus and Work Focused groups. As noted earlier, the Work Plus model, operated by DPSS Phase 2 staff, includes a strong emphasis on education and training, while the Work Focused (control) group does not.

As the table shows, the Work Plus treatment did not generate an impact on UI-covered earnings, employment, or employment stability during Year 1. The Work Plus treatment also had no effect on the amount of TANF or food stamps received. There was a small impact on receipt of food stamps, but the cause is unclear. Work Plus group members received $12,399 in total measured income in Year 1, which was comparable to the amount received by the other groups. It is likely that a one-year follow-up period is not long enough to measure the effects on employment retention or advancement outcomes for an intervention focused on education and training. Another possibility, discussed earlier, is that Work Focused group members received similar services on their own.

Employment Retention and Advancement Project

Table RI.3

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

Riverside Phase 2

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Ever employed (%)[b]	88.9	86.2	89.3	-0.4	-3.1	2.7
Average quarterly employment (%)	70.5	67.9	71.8	-1.3	-4.0 *	2.6
Employed 4 consecutive quarters (%)	49.3	47.5	51.5	-2.2	-4.0	1.8
Earnings ($)	7,997	7,830	7,991	6	-162	167
Earnings over $10,000 (%)	35.2	34.1	34.9	0.3	-0.8	1.1
For those employed Year 1:						
Average quarterly employment (%)	*79.4*	*78.8*	*80.5*	*-1.1*	*-1.7*	*0.6*
Average earnings per quarter employed ($)	*2,835*	*2,884*	*2,781*	*55*	*103*	*-49*
Ever received TANF (%)	87.1	88.9	84.9	2.1	3.9	-1.8
Amount of TANF received ($)	3,124	3,348	3,143	-19	205	-224
Ever received food stamps (%)	86.0	81.6	81.0	5.1 **	0.6	4.5 *
Amount of food stamps received ($)	1,411	1,399	1,365	47	34	12
Total measured income ($)[c]	12,399	12,310	12,487	-88	-177	89
Sample size (total = 1,912)	969	473	470			

(continued)

Table RI.3 (continued)

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

NOTES: Results are for sample members randomly assigned from January 2001 to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

All measures involving welfare or food stamps have a sample size of 1,243.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]This group is sometimes called the "limited-services group."

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

[c]This measure represents the sum of UI earnings, TANF, and food stamps.

Training Focused Compared with Work Focused

The fifth column of Table RI.3 compares results for the Training Focused and Work Focused groups. The Training Focused model, operated by EDA, includes a strong emphasis on education and training (and the ability to reduce or eliminate work hours), while the Work Focused (control) group does not. As the table shows, the Training Focused approach generated negative impacts on UI-covered employment — possibly reflecting the absence of a continuing work requirement. In an average quarter in Year 1, the employment rate for the Training Focused group was about 4 percentage points lower than for the Work Focused (control) group. The Training Focused treatment had no effect on welfare, food stamps, or total income. This is consistent with the pattern of early impacts that one might expect from an intervention with more education and training and no work requirement. Again, it is possible that a one-year follow-up period is not long enough to see the effects of a human capital program on employment, retention, or advancement.

Work Plus Compared with Training Focused

The rightmost column of Table RI.3 shows that there are very few significant differences between outcomes for the two program groups, the Work Plus and the Training Focused groups.

Table RI.4 follows the same format but focuses on the last quarter of Year 1. The results confirm that neither of the education and training-oriented interventions was outperforming the Work Focused model on any of the key outcome variables. It is encouraging that — in all three research groups — most employment was in jobs that pay $2,500 or more per quarter.[25] Moreover, the earnings of employed sample members were approximately $300 higher for the Training-Focused group, but there is no way to know whether this reflects a program effect on advancement or simply a difference in the type of people who were employed in each group. It is also worth noting that the negative effects on employment generated by the Training Focused treatment were no longer statistically significant by the end of Year 1.

At the end of Year 1, neither treatment stream was affecting welfare, food stamps, or total income. Table RI.4 also shows that a little over half of sample members in all three research groups were receiving TANF by the last quarter of Year 1. Thus, nearly half the sample left welfare within a year of random assignment.

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[25]All three groups experienced moderate job loss over the first year. Almost all the reduction was in jobs with low or moderate wages. The percentage of sample members who earned $2,500 or more per quarter increased throughout the follow-up period (especially as a percentage of those employed, but also in absolute terms). Thus, earnings among those employed increased over the follow-up period. This pattern was more pronounced among the Training Focused group (EDA, no work requirement). This may suggest that the program is encouraging workers who are earning the least to seek education and training in order to improve their long-term earnings potential.

Employment Retention and Advancement Project

Table RI.4

Year 1, Last-Quarter Impacts on UI-Covered Employment, Public Assistance, and Income

Riverside Phase 2

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Ever employed (%)[b]	64.4	61.4	65.4	-1.0	-4.0	3.0
For those employed Year 1:						
Not employed Year 1, last quarter(%)	*27.5*	*28.7*	*26.7*	*0.8*	*2.0*	*-1.2*
Employed Year 1, last quarter (%)	*72.5*	*71.3*	*73.3*	*-0.8*	*-2.0*	*1.2*
Earnings ($)	1,983	2,058	1,975	9	84	-75
Earned $2,500 or more (%)	38.7	39.8	36.8	1.8	3.0	-1.1
Earned between $500 and $2,499 (%)	18.7	16.1	21.8	-3.1	-5.7 **	2.6
Earned between $1 and $499 (%)	7.1	5.5	6.8	0.3	-1.3	1.6
For those employed Year 1, last quarter:						
Earnings ($)	*3,079*	*3,352*	*3,018*	*61*	*334*	*-273*
Ever received TANF (%)	52.9	54.9	51.4	1.5	3.5	-2.0
Amount of TANF received ($)	657	702	696	-39	6	-45
Ever received food stamps (%)	55.1	52.5	54.8	0.3	-2.3	2.6
Amount of food stamps received ($)	324	312	337	-13	-25	12
Total measured income ($)[c]	2,950	3,085	3,046	-96	38	-135
Sample size (total = 1,912)	969	473	470			

(continued)

Table RI.4 (continued)

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

NOTES: Results are for sample members randomly assigned from January 2001 to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

All measures involving welfare or food stamps have a sample size of 1,243.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]This group is sometimes called the "limited-services group."

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

[c]This measure represents the sum of UI earnings, TANF, and food stamps.

Impacts Over Time and for an Early Cohort

Figure RI.1 shows the pattern of impacts over time for the report sample and for the early cohort. The report sample is the same as in the previous two tables (randomly assigned from January 2001 to September 2002). The early cohort (randomly assigned from January 2001 through March 2002) has one and a half years of follow-up available. The left panels compare the Work Plus and the Work Focused groups. The panels on the right compare the Training Focused and the Work Focused groups.[26]

These graphs provides little evidence that positive impacts are emerging. The Work Plus treatment generated no impact on employment and earnings in the first two quarters of Year 2. Figure RI.1 shows that the Training Focused treatment initially generated negative impacts on employment and earnings that went away. This may reflect that sample members are reducing work hours or leaving jobs in order to enroll in training. More follow-up is needed to determine whether these impacts will become positive in the long term. Information that will be available in 2005 will indicate whether these trends reflect a lack of treatment differential among the three research groups, meaning that individuals in the groups were equally likely to be enrolled in education and training. If this is found to be the case, the lack of impacts will not be surprising.

Impacts for Subgroups

Approximately 60 percent of the Riverside sample were employed in a UI-covered job in the quarter prior to random assignment. Impacts for subgroups defined by prior employment status — generally similar to the overall results described above — are shown in Appendix Table RI.2.

* * *

At this point, there is little evidence that either of the education and training-oriented approaches being tested in Riverside is outperforming the more conventional Work Focused model, although a one-year follow-up period may be too short to reveal such effects. In addition to examining longer-term follow-up data, MDRC is gathering additional data to better understand the patterns of participation in education and training in all three groups in Riverside and, in particular, whether the two treatment approaches increased such participation above the level of the Work Focused group.

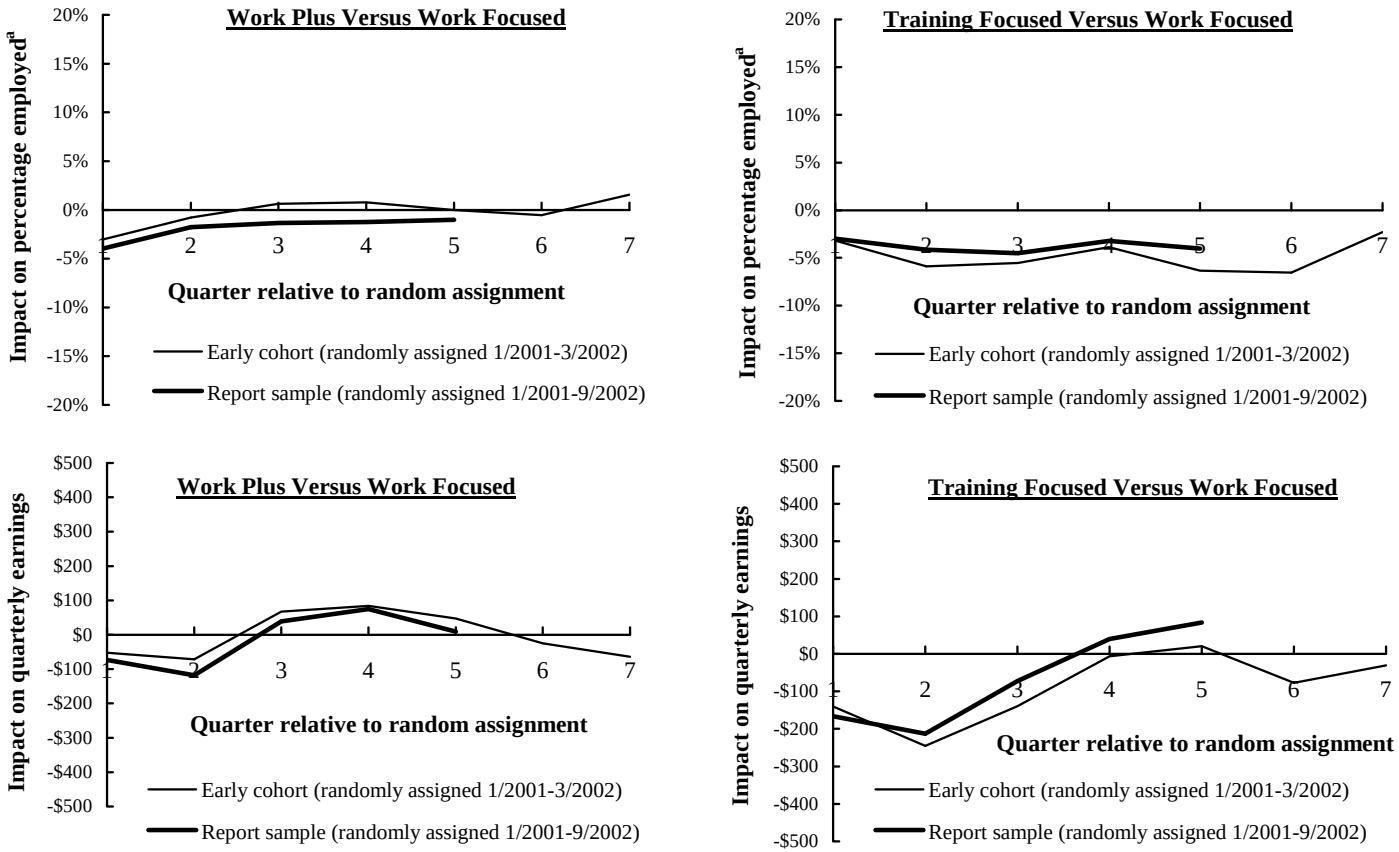
[26]Appendix Table RI.1 shows these results in tabular form.

Employment Retention and Advancement Project

Figure RI.1

Impacts on Earnings and UI-Covered Employment for the Report Sample and Early Cohort Over Time

Riverside Phase 2



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

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

Early Results for the South Carolina ERA Program

Background

South Carolina's Employment Retention and Advancement (ERA) program — called "Moving Up" — is designed to help former welfare recipients obtain employment, work steadily, and advance into better jobs. The program was developed in response to trends in the state's welfare caseload and working-poor population. As in most states, in South Carolina the welfare caseload decreased dramatically in the 1990s. For example, the number of recipients of Temporary Assistance for Needy Families (TANF) dropped by over half between 1993 and 1998. In the late 1990s, South Carolina conducted research to understand the economic and labor market status of individuals who had left TANF. It was found that — like welfare leavers across the nation — some leavers in South Carolina were not working; many were working but not steadily; and others were stuck in low-wage jobs. The state decided to reach out to former recipients to help them succeed in the labor market.

Administrators from South Carolina's Department of Social Services (DSS) worked with MDRC and The Lewin Group to develop an ERA program to serve this population. South Carolina was interested in targeting all welfare leavers, so the program was designed to provide services to people who were not working as well as to those who were working but could use help sustaining work or moving up.

The state chose to operate Moving Up in the Pee Dee Region in the northeastern part of South Carolina. This region, which is largely rural, encompasses six counties: Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro. The state chose this region because it is the most economically disadvantaged area in the state and because the DSS county directors had experience collaborating on prior efforts. The state DSS office allocated TANF funds for Moving Up and passed them on to each county DSS office to operate the program.

The ERA Target Group

Moving Up targets people who left South Carolina's TANF rolls, for any reason, between October 1997 and December 2000 and who did not return to the rolls. As Table 2 in the introductory section shows, approximately half the sample were employed in a UI-covered job just before they entered the study, and half were not. Close to half did not have a high school diploma. The average age of the sample members when they entered the study was about 32, and about four-fifths are black. Almost all the sample members are women (not shown in the table).

It is important to note that, by targeting people who left welfare and *did not return*, the Moving Up program may have chosen a group of leavers who, for the most part, were making

do without services from the TANF program.[27] Almost three-fourths of the research sample had been off welfare for at least two and a half years when they entered the study, and some for over five years. There was no way to know upfront how many of these individuals would need or want the kinds of services that Moving Up offered.

The South Carolina ERA Program

Organization and Staffing

As noted above, Moving Up is operated in six county DSS offices. Program services are provided primarily by case managers called "career consultants." Four of the six counties have one career consultant; one county has two; and the largest county has four. The career consultants, who are employed by DSS, provide individualized, intensive case management to participants and connect them with other services as needed. In most counties, the career consultants work with agency-wide workforce consultants, who build relationships with local employers, develop jobs, and share job listings with the career consultants.

Intake and Services

Participants for the South Carolina ERA program were selected between September 2001 and January 2003. Each month during this period — using the state's TANF database — 100 individuals who had left welfare between October 1997 and December 2000 and had not returned to the rolls were randomly selected to be in the site's ERA group, and another 100 leavers were selected to serve as the study's control group.[28]

Each of the ERA group members was assigned to a career consultant, who then reached out to them, using letters and phone calls, to market Moving Up and try to engage them in the program. Locating individuals was a big challenge: Many former recipients had not had contact with the state for months or even years, and thus many addresses and phone numbers from the state's database were outdated. In some instances, staff sought current contact information from multiple sources, including various state departments (such as the Department of Motor Vehicles), family members, and even former neighbors.

[27]A minority of the individuals targeted for Moving Up had been sanctioned or had reached the state's welfare time limit. These individuals may not have been permitted to return to the TANF rolls.

[28]Early in the study, some individuals who had returned to the TANF rolls after December 2000 were erroneously selected for the sample; those individuals were dropped from both research groups and are not included in the analysis.

After contacting potential participants, staff still faced the challenge of marketing the program to individuals who were not required to take part in it. They did so by emphasizing the individualized nature of Moving Up — services would be tailored to participants' needs, to help each succeed in the labor market — and often by encouraging individuals to think about their larger goals and hopes for themselves and their families. To encourage participation, the program provided a $10 incentive to each person who had an initial meeting with a career consultant.

At that initial meeting — which often took place in the potential client's home — staff assessed the individual's employment, educational, and family situation; discussed employment goals and barriers; and worked with the person to develop a program plan. The content of the plan varied according to the individual's situation and needs. For example, the plan for a non-working individual might be to prepare or revise a résumé and search for a job, with the assistance of the career consultant and the workforce consultant. The plan for someone currently working at a low-paying, part-time job might be to get a full-time job with higher wages, either through job search or short-term training or education.

Participation in the ERA Program

The services that participants receive as part of Moving Up depend on their needs. Available services include one-on-one job search assistance, job search classes, and job development; basic education, including classes to prepare for the General Educational Development (GED) exam; short-term training, such as training to become a Certified Nursing Assistant (CNA); and support services, such as child care and transportation. In most cases, participants are linked with existing services. Career consultants also provide less structured case management services to participants, such as advice on how to talk with an employer about a raise or how to deal with a workplace conflict, and informal check-ins that allow participants to discuss any current issues or problems. Staff are sometimes available during evening and weekend hours to better serve people who are working.

The program also offers incentive payments for achieving certain benchmarks. For example, participants who complete a short-term education or training program receive $50. Participants who get a job receive incentives for staying employed: They receive $50 after one month on the job, another $50 after three months, another $50 after six months, $100 after nine months, and $150 after one year. Similarly, participants receive incentive payments for advancing in the labor market; for example, they receive $50 for increasing their wages by at least 8 percent.

Because Moving Up has multiple goals of job placement, retention, and advancement, participation can potentially be ongoing. In order to prioritize within staff caseloads, ERA group members are placed into one of a list of statuses that require different levels of staff effort. People who are currently engaged in the program are considered "active," and staff contact them at least once a month. The level of activity in this status varies dramatically: For example, some

active participants are working and receive a monthly phone call from their career consultant to check in, whereas other active participants are engaged in full-time education or training. Program records indicate that about half the ERA group were ever classified as active. People who are not interested in participating are placed in a "passive" status. Staff contact them monthly to encourage participation. After three months — if these individuals remain uninterested — they are placed into "refused service" status and are not contacted regularly.

It is important to note that budget problems in South Carolina led to funding reductions in many state programs, including Moving Up. Beginning in late 2002 and continuing through the end of the follow-up period for this report, the counties in the study experienced cuts in their funding for Moving Up, which affected their ability to deliver program services. Career consultants remained on the job, but most counties froze or limited their spending on incentives, education and training tuition payments and reimbursement, transportation assistance, and other services.

Services for the Control Group

In the South Carolina ERA test, there is no systematic outreach to members of the control group. Some control group members receive food stamps, unemployment insurance, or other public benefits and may participate in related services. They are also free to seek out services on their own. An early look at responses to the 12-month survey indicates that the ERA group members were more likely than the control group to participate in education or training activities and to have contact with staff from an employment-related program. The differences, however, are smaller than would be expected, given the nature of the Moving Up program and the fact that the control group is not subject to such a program. The upcoming report on South Carolina will explore the participation findings in detail.

Impacts of the South Carolina ERA Program on Employment and Public Assistance Outcomes

This section summarizes Moving Up's impacts on employment, earnings, public assistance, and income. The report sample includes the 1,839 sample members who entered the study between September 2001 and June 2002. This constitutes about 60 percent of the full research sample in South Carolina.

Year 1 Impacts

As Table SC.1 indicates, the program had little effect on UI-covered employment levels and earnings measured over the first year of the follow-up period. For example, as the second row of the table shows, 52 percent of the ERA group were employed in a UI-covered job in an

Employment Retention and Advancement Project

Table SC.1

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

South Carolina

Outcome	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	64.9	63.1	1.8
Average quarterly employment (%)	52.2	50.1	2.2
Employed 4 consecutive quarters (%)	39.3	36.9	2.4
Earnings ($)	6,016	5,951	66
Earnings over $10,000 (%)	25.9	26.8	-0.9
For those employed Year 1:			
Average quarterly employment (%)	*80.5*	*79.3*	*1.2*
Average earnings per quarter employed ($)	*2,879*	*2,972*	*-93*
Ever received TANF (%)	8.9	7.2	1.7
Amount of TANF received ($)	71	65	6
Ever received food stamps (%)	63.5	61.2	2.3
Amount of food stamps received ($)	1,820	1,838	-18
Total measured income ($)[b]	7,908	7,855	53
Sample size (total = 1,839)	908	931	

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

NOTES: Results are for sample members randomly assigned from September 2001 to June 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

average quarter during the year after they entered the study, compared with 50 percent of the control group; the difference of 2 percentage points is not statistically significant. There is little evidence that the program affected job placement, retention, or advancement-related measures.

Similarly, the program had little effect on receipt of TANF (less than 10 percent of each group returned to TANF during Year 1) or food stamps. Since it did not increase earnings or public assistance benefits, the program also did not affect income from those sources. Table SC.2 — which presents ERA's impacts on employment and public assistance at the end of the follow-up period — shows that the program did not change outcomes during the final quarter of Year 1.

Impacts Over Time and for an Early Cohort

Examining outcomes over time, however, shows that the South Carolina ERA program did increase employment levels somewhat during the follow-up period but that the increases were short-lived. Figure SC.1 illustrates Moving Up's effects on earnings and employment over time. (Appendix Table SC.1 presents the numbers that correspond to the figure; it shows that the program generated small but statistically significant employment gains in several quarters.) In the top panel of Figure SC.1, the thicker graph line shows the impact on employment for the report sample, the same group that is analyzed in the previous tables. The program increased employment levels somewhat during the third and fourth quarters of the follow-up period, but this effect had disappeared by the fifth quarter — the end of the one-year follow-up period.

The figure also shows that the program's effects were somewhat larger for sample members who entered the study earlier — those who entered between September 2001 and March 2002 — as illustrated by the thinner graph line. Appendix Table SC.1 shows that the ERA program increased employment by as much as 6 percentage points in a quarter for this cohort. This may indicate that the program was more effective earlier, when staff caseload sizes were smaller. In fact, an early look at the survey data about participation in employment-related activities, mentioned above, suggests that this may be the case. The program's effects also differ by county (not shown in tables). These issues will be investigated in the upcoming report about South Carolina.

Impacts for Subgroups

Sometimes programs have different effects for different groups of people. Table SC.3 shows the ERA program's impacts for two groups of sample members in South Carolina: those who were working just before they entered the study and those who were not working at that point. Generally, the effects were similar for the two groups. Among those employed before they entered the study, however, the program produced a small increase in the percentage ever employed and in the percentage who received TANF during the one-year follow-up period.

Employment Retention and Advancement Project

Table SC.2

Year 1, Last-Quarter Impacts on UI-Covered Employment, Public Assistance, and Income

South Carolina

Outcome	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	51.5	49.5	2.0
For those employed Year 1:			
Not employed Year 1, last quarter (%)	*20.6*	*21.6*	*-1.0*
Employed Year 1, last quarter (%)	*79.4*	*78.4*	*1.0*
Total earnings ($)	1,508	1,509	-1
Earned $2,500 or more (%)	26.8	27.6	-0.8
Earned between $500 and $2,499 (%)	19.3	15.7	3.6 **
Earned between $1 and $499 (%)	5.4	6.1	-0.8
For those employed Year 1, last quarter:			
Earnings ($)	*2,927*	*3,048*	*-121*
Ever received TANF (%)	5.5	4.6	0.9
Amount of TANF received ($)	22	18	4
Ever received food stamps (%)	55.4	54.3	1.1
Amount of food stamps received ($)	470	475	-5
Total measured income ($)[b]	2,000	2,002	-2
Sample size (total = 1,839)	908	931	

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

NOTES: Results are for sample members randomly assigned from September 2001 to June 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

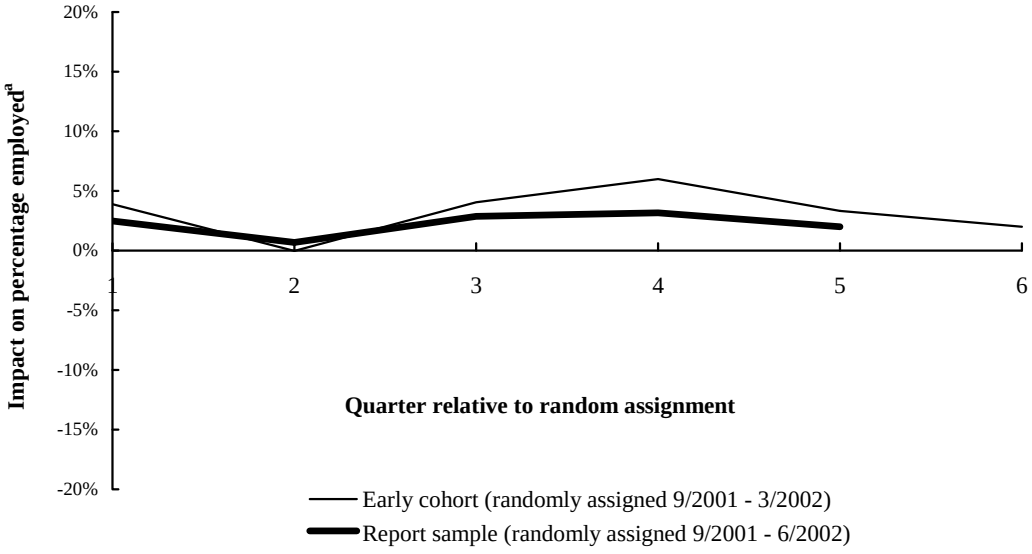
[b]This measure represents the sum of UI earnings, TANF, and food stamps.

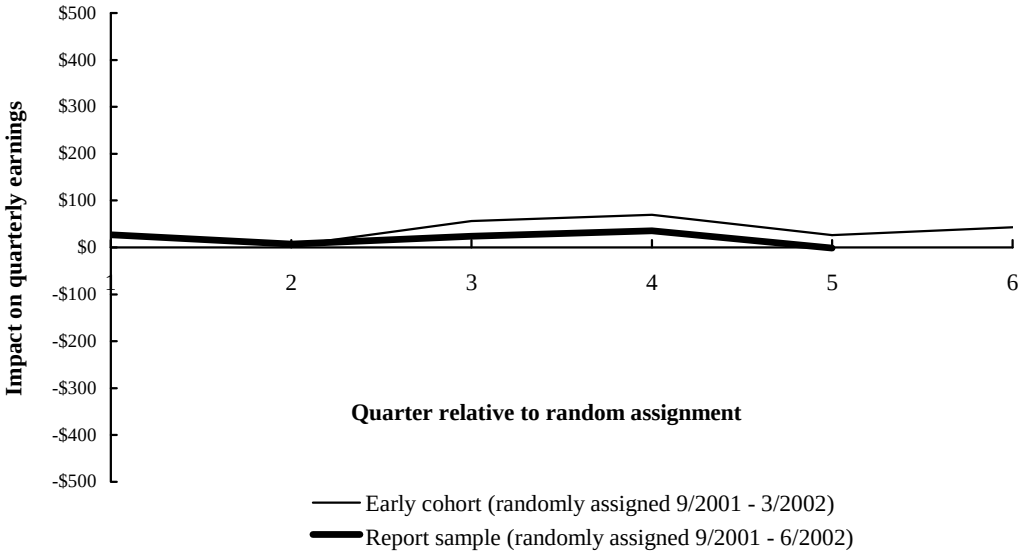
Employment Retention and Advancement Project

Figure SC.1

Impacts on Earnings and UI-Covered Employment for the Report Sample and Early Cohort Over Time

South Carolina





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

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

Employment Retention and Advancement Project

Table SC.3

Year 1 Impacts on UI-Covered Employment and Earnings, by Pre-Random Assignment Employment Status

South Carolina

Outcome	ERA Group	Control Group	Difference (Impact)
Employed quarter before random assignment			
Ever employed (%)[a]	94.1	91.4	2.8 *
Average quarterly employment (%)	82.5	80.7	1.8
Employed 4 consecutive quarters (%)	68.4	66.2	2.2
Earnings ($)	10,317	10,443	-126
Earnings over $10,000 (%)	46.3	48.8	-2.5
For those employed Year 1:			
Average quarterly employment (%)	*87.6*	*88.3*	*-0.7*
Average earnings per quarter employed ($)	*3,128*	*3,235*	*-107*
Ever received TANF (%)	8.9	5.7	3.2 *
Amount of TANF received ($)	62	39	23
Ever received food stamps (%)	67.5	63.9	3.6
Amount of food stamps received ($)	1,806	1,715	90
Total measured income ($)[b]	12,185	12,197	-12
Sample size (total = 934)	455	479	
Not employed quarter before random assignment			
Ever employed (%)[a]	35.0	33.6	1.4
Average quarterly employment (%)	21.3	18.2	3.1
Employed 4 consecutive quarters (%)	9.3	6.8	2.6
Earnings ($)	1,606	1,271	335
Earnings over $10,000 (%)	5.1	3.8	1.3
For those employed Year 1:			
Average quarterly employment (%)	*60.8*	*54.1*	*6.7*
Average earnings per quarter employed ($)	*1,888*	*1,750*	*138*
Ever received TANF (%)	9.0	8.6	0.4
Amount of TANF received ($)	83	91	-8
Ever received food stamps (%)	59.6	58.4	1.2
Amount of food stamps received ($)	1,839	1,963	-124
Total measured income ($)[b]	3,529	3,328	201
Sample size (total = 905)	453	452	
Sample size (total = 1,839)	908	931	

(continued)

Table SC.3 (continued)

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

NOTES: Results are for sample members randomly assigned from September 2001 to June 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

* * *

It was hypothesized that Moving Up's services would increase the ERA group's employment rates and earnings over time, compared with outcomes for the control group. As noted above, the program increased employment rates early in the follow-up period, but those increases did not last. MDRC will continue to track outcomes for the two research groups to see whether the program has more positive effects over a longer follow-up period.

Early Results for the Texas ERA Program

Background

The Texas Employment Retention and Advancement (ERA) program is designed to promote job placement, retention, and career advancement for applicants and recipients of Temporary Assistance for Needy Families (TANF). Unlike the other sites discussed in his report, the Texas program provides both pre- and postemployment services and targets a population receiving cash assistance, most of whom are not working when they enter the program. The Texas ERA program includes work placement, employment stabilization, and advancement services — including a stipend of $200 per month for working individuals to encourage employment retention and advancement. The ERA evaluation in Texas is being conducted in three sites: Corpus Christi, Fort Worth, and Houston.[29]

The ERA program in Texas was developed by the Texas Department of Human Services (DHS), in coordination with the Texas Workforce Commission (TWC). DHS is primarily responsible for TANF eligibility functions, while TWC manages TANF employment services. TWC provides employment services for the ERA program as well as for the *Choices* program — the state's standard employment and training program, which provides job search assistance, case management, support services and some postemployment follow-up services to TANF recipients.

The primary goal of the Texas ERA program is to improve the employment retention and advancement of TANF recipients. Developed in 1999, the program design grew out of a concern with the level of "recycling" on the state's TANF caseload. Because of the low grant levels in Texas,[30] most individuals leave welfare when they find a job (after a four-month earnings disregard period). However, the state found that many welfare leavers worked for low wages and ended up returning to the rolls. Given the emphasis of welfare reform, a secondary goal of the Texas ERA program is to increase TANF recipients' participation levels in preemployment services as well their employment levels.

Starting in November 2000 in Corpus Christi and Fort Worth and in March 2001 in Houston, TANF applicants and recipients were randomly assigned either to a program group (the ERA program) or a control group (the Choices program). The Texas ERA model was explicitly designed to improve on the poor performance of past retention and advancement program — primarily the Post-Employment Services Demonstration (PESD) — as well as to enhance the services provided through Choices. Key features of the Texas ERA program include:

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[29]The Texas ERA program is also operating in Abilene, but this site is not included in the evaluation because of inadequate sample sizes.

[30]The maximum grant amount for a single parent with two children is $203.

- **A Stipend for Working Individuals.** The Texas ERA program provides a stipend of $200 per month to participants who are employed for a minimum of 30 hours per week, who participate in a postemployment "advancement" activity, and who have left TANF. The stipend is also available to those who work 15 hours per week, combined with an education and training activity. The stipend is available after a four-month earned income disregard, whereby 90 percent of earnings are disregarded in calculating the TANF grant. The earned income disregard is also available to individuals in the Choices program (but the stipend is not). There is a lifetime limit of 12 monthly stipends, which do not have to be received consecutively. The financial incentive was included in the Texas ERA model in part because other studies had found that such incentives can encourage job retention and increase earnings.[31]

- **Intensive Postemployment Services.** Compared with the Choices program, the Texas ERA program provides a more comprehensive set of postemployment services, which can include assistance with job-related problems and support services, monitoring job performance and issues through regular employer site visits, rapid reemployment assistance, and support in meeting the requirements affecting the monthly stipend. Unlike the Choices program, which generally provides postemployment services only for the duration of the earnings disregard, ERA's postemployment services can continue for as long as a participant is eligible for and receiving the monthly stipend.

- **"Team-Based" Case Management.** In part to address coordination issues among agencies, case management in the Texas ERA program involves partners from multiple agencies (including DHS and the local workforce staff) providing expertise in addressing specific employment-related barriers. In addition to postemployment services, key case management services include employment assessment, goal setting and career planning, support services, barrier resolution, and job search assistance. Case management services under Choices are similar, although they generally involve less involvement from other agencies. Because case management services had little effect on employment outcomes in past retention and advancement studies, Texas strengthened these services by having them begin at the preemployment stage and by using a team approach.

[31]Michalopoulos et al., 2002; Gennetian, Knox, and Miller, 2000.

At the local level, employment services for TANF recipients are coordinated by workforce development boards, under the guidance of TWC. These boards contract with other organizations, primarily nonprofit groups, to operate both the ERA and the TANF employment programs. Both the ERA and the Choices programs are funded by TANF[32] — although for ERA the workforce boards contract with DHS for funds, whereas resources for Choices are administered directly by TWC.[33]

Individuals are identified as potentially eligible for cash assistance when they apply for or are recertified for TANF. Immediately following an eligibility interview, individuals are randomly assigned to the ERA or the Choices program. Those who are assigned to ERA are introduced to the program and are engaged in services — once their benefits are approved (individuals must submit certain documents and must attend an orientation on the TANF program). Participation in both ERA and Choices is mandatory for most recipients once their benefits are approved, and both programs also encourage participation by those who are exempt (primarily because they have a very young child). Exempt individuals are eligible for all components of the two programs, as appropriate.

The ERA Target Group

Table 2 in the introductory section shows selected characteristics of program and control group members at the point they entered the study for each of the three Texas sites. As expected, given that the program targets TANF applicants and recipients, very few ERA sample members — ranging from 5 percent to 9 percent across the sites — were employed at the time of random assignment. Moreover, about 15 percent had not worked in the past three years, and roughly 40 percent had worked a year or less in this same time period (not shown). Across the three sites, about one-fifth had received cash assistance for two years or more.

Across the sites in Texas, the sample members vary the most in terms of race/ethnicity. In Corpus Christi, the sample is primarily Hispanic (74 percent); in Fort Worth and Houston, however, the majority are African-American (68 percent and 62 percent, respectively). Houston also has a sizable Hispanic population (over one-quarter). Over half the sample members in Houston and Corpus Christi did not have a high school diploma or GED certificate on entering the study, whereas slightly less than half the sample in Fort Worth had no diploma or equivalent.

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[32]The exception is the Texas ERA stipend, which is supported by federal Aid to Families with Dependent Children (AFDC) sanction resettlement funds. As a result, TANF regulations on the definition of "assistance" do not apply to the stipend. Payments that are categorized as assistance are subject to certain TANF rules, primarily the five-year time limit.

[33]In 1998, when ACF started the planning phase of the ERA project, it issued planning grants to the designated TANF agency in each participating state. At this time, DHS was the designated TANF agency in Texas, although this responsibility now falls to TWC.

The Texas ERA Program

This section describes the ERA program that was put in place in each of the three sites in Texas. Because impacts for each site's program are presented individually, the implementation of each site's program is described separately as well. Although all three sites implemented the same ERA model, there are notable differences in how they structured the program and how quickly they put its key features in place. Each site's program also evolved over the study period, undergoing changes in management, staffing, and services.

During the early phases of the Texas ERA program, the state was operating under a federal waiver from the welfare reform law; this allowed individuals to participate in a wide range of employment and training activities and still meet the federal work participation requirements. When the waiver ended in July 2002, Texas starting following the federal rules that limit what counts toward participation and that emphasize work-focused activities. In all three ERA sites, this resulted in a stronger focus on immediate employment in both ERA and the Choices program.

Corpus Christi

Of the three sites in Texas, Corpus Christi moved most quickly to fully implement the ERA model — including both strong pre- and postemployment services.

Organization and Staffing

In Corpus Christi, the local workforce board contracts with a nonprofit workforce development agency to operate the ERA program.

Corpus Christi uses a specialized case management approach. Case managers begin working with participants at their initial engagement with ERA and stay with them until they become employed, go off the earned income disregard, and go onto the stipend. For much of the study period, another set of employment staff focused on placing individuals into jobs, providing job development, and monitoring individuals during the job search phase. Finally, the program employs retention and advancement staff who work exclusively with ERA participants who have left TANF and are receiving the monthly stipend.

Intake and Assessment

TANF applicants and recipients who are assigned to ERA attend a group orientation that is required to become certified for TANF and that provides basic information on the ERA program, including the availability of the stipend. Participants are then assigned to a four-day job search workshop, where an assessment is conducted and a range of job search activities are covered, including job search resources, résumé development, and interviewing techniques.

Participation in the ERA Program

Particularly since July 2002, when the federal waiver from the welfare reform law ended in Texas, individuals generally search for employment for four to six weeks as their initial ERA activity. Participants bring in completed job logs and meet with program staff weekly during the job search phase. Those who do not find jobs by the end of the job search period generally participate in community service or take a volunteer position with an employer. Preliminary results from the 12-month survey show that ERA sample members in Corpus Christi participated in job search services at substantially higher levels than control group members.

For individuals who find a job, the case manager monitors and verifies employment status[34] and assists with job-related and other issues during the period that the client is receiving the earned income disregard. Retention and advancement staff are responsible for addressing these issues once the individual moves off TANF and receives the stipend. These staff are proactive in helping participants address issues that arise on the job and helping them fulfill the requirements to receive the stipend, and they conduct monthly employer site visits that typically include discussions with both the employee and the employer about job performance and advancement options. Results from the 12-month survey show that the Corpus Christi ERA program increased the level of retention and advancement services received by program group members. A preliminary analysis of data on stipend receipt found that, among all ERA group members (including those who did not find jobs and those who were not eligible for the stipend for other reasons), about 22 percent received at least one monthly stipend; program participants received the stipend for five months, on average.[35]

Fort Worth

The Fort Worth ERA program initially experienced implementation problems, primarily in moving individuals through the preemployment phase. However, in September 2002, the program began making significant operating improvements, with a new program manager as the catalyst.

Organization and Staffing

Initially, ERA services in Fort Worth were provided by two organizations: a nonprofit, women's advocacy organization (to provide case management and retention services) and a

[34]To continue receiving the earned income disregard, working participants are required to report their hours and earnings.

[35]Stipend receipt was examined for an early cohort of sample members randomly assigned from October 2000 through December 2001. Data on stipend receipt are available through May 2003, providing a follow-up period of 17 to 19 months.

nonprofit employment services agency (to provide job search services). In September 2003, almost all ERA responsibilities were shifted to the women's advocacy organization. The program uses a specialized case management approach. Currently, some case managers focus on preemployment services — conducting the assessment, providing job development and job search services, and monitoring participation in program services. Retention and advancement staff work exclusively with individuals who are employed.

Intake and Assessment

In Fort Worth, individuals who are assigned to ERA also attend an orientation that is required to become certified for TANF and that provides basic information about the ERA program, including the availability of the stipend. Currently, participants are then required to attend a four-day job search workshop during which their case manager conducts an assessment and provides instruction on a range of job-search and employment-related activities. During the early months of operations, the Fort Worth ERA program had a strong focus on the assessment component — which was often a multistep process involving a variety of staff; this limited the number of individuals who reached job search and postemployment services.

Participation in the ERA Program

Individuals in Fort Worth generally search for employment for four to six weeks as their initial ERA activity. Participants attend a weekly job search workshop in which job leads are provided, and they work one-on-one with their case manager; they are required to make a certain number of employer contacts each week. Individuals who do not find jobs by the end of the job search period generally participate in a community service or volunteer position. During the early phases of the program, difficulties were encountered in coordinating case management and job search — the services provided by the two organizations involved in the program.[36]

Retention and advancement staff are responsible for addressing job-related issues both for individuals receiving the earned income disregard and for those receiving the monthly stipend. Staff conduct employer site visits on a regular basis for most of their caseload, and these generally include discussions with both the employee and the employer. Similar to Corpus Christi, the stipend receipt rate among all Fort Worth ERA program group members was about 21 percent; participants received the stipend for five months, on average.[37]

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[36]Results from the 12-month survey are not yet available for Fort Worth.

[37]Stipend receipt was examined for an early cohort of sample members randomly assigned from October 2000 through December 2001. Data on stipend receipt are available through May 2003, providing a follow-up period of 17 to 19 months.

Houston

Compared with the other two sites in Texas, Houston moved most slowly to put ERA's retention and advancement services in place, and this site's program was more focused on preemployment services throughout its early and middle phases.

Organization and Staffing

In Houston, a nonprofit employment services agency operates the ERA program. For part of the study period, Houston used a generalized staffing approach whereby a single case manager worked with individuals throughout their tenure in the program, first developing the employment plan and giving job search assistance and then providing follow-up for individuals who became employed. However, in early 2002, the program moved to a more specialized approach in which retention and advancement staff work with individuals who are receiving the stipend, while other case managers focus on preemployment services.

Intake and Assessment

As in the other two Texas sites, those who are assigned to ERA in Houston attend an orientation that is required to become certified for TANF, but the orientation is often conducted individually. Participants then attend an ERA information session, where a group assessment is conducted; a screening for various employment barriers is administered; and individuals are scheduled for a more in-depth, one-on-one assessment. Participants also attend a four-day job search workshop during which they meet individually with their case manager and receive instruction on a range of job search activities. Because of the various steps involved, the Houston ERA program experienced difficulties in moving participants through the assessment phase of the services and also had periods of very high caseloads for staff.

Participation in the ERA Program

As in the other Texas sites, ERA participants in Houston generally search for employment for four to six weeks as their initial activity. After the job search workshop, they work one-on-one with their case manager to find jobs, and they are required to make a certain number of employer contacts each week. Individuals who do not find jobs by the end of the job search period generally participate in a community service or volunteer position; in the earlier phases of the program, case managers also made referrals to a General Educational Development (GED) program. Results from the 12-month survey show that although ERA sample members participated in job search services at higher levels than control group members, the control group received a relatively high level of services.

If an ERA participant finds a job, the case manager remains in contact with the individual, monitors employment status, and assists with any job-related issues while the client is re-

ceiving the earned income disregard. Job retention and advancement staff cover such issues after the individual moves off TANF and receives the monthly stipend. Because of administrative issues in Houston, staff were generally unable to conduct employer site visits for clients receiving the stipend, so they maintained contact through office visits and phone calls. Reflecting this site's weaker emphasis on retention and advancement issues, the 12-month survey does not show increases in the receipt of those services for the ERA group over the control group. Moreover, stipend receipt was lower in Houston; only 14 percent of sample members received a stipend — and only for one month, on average.

The Control Group Program (Choices)

Choices is operated by a nonprofit employment agency in each of the three ERA sites in Texas. Although there is some variation across the sites in terms of program services, individuals who are assigned to the control group typically attend an orientation about the Choices program (as required for certification for TANF); meet with their case manager to complete an assessment; and, in some cases, attend a job search workshop. Participants generally search for employment for four to six weeks as their initial activity. They work one-on-one with their case manager to find jobs, and they are required to make a certain number of employer contacts each week. Those who do not find jobs by the end of the job search period generally participate in a community service or volunteer position.

Choices case managers are generalists who work with control group members throughout their tenure in the program. This includes maintaining contact with the participants to monitor and verify employment status while they receive the earned income disregard. Choices case managers generally do not maintain contact with individuals after they leave TANF and complete the disregard period.

Impacts of the Texas ERA Program on Employment and Public Assistance Outcomes

The tables in this section summarize the Texas ERA program's impacts on employment and public assistance outcomes during the first year after people entered the study in Corpus Christi, Fort Worth, and Houston, respectively. The analysis includes single-parent families who entered the study between October 2000 and June 2002 in Corpus Christi (N = 1,310) and Fort Worth (N = 1,163) and between March 2001 and June 2002 in Houston (N = 1,816). These samples represent — respectively, by site — 76 percent, 74 percent, and 93 percent of the eventual sample that will be analyzed in Texas.

One year is a relatively short period of time to be evaluating the mixed pre- and postemployment model that Texas is testing. One of the biggest treatment differences between ERA

and the Choices program was in postemployment services and the availability of the stipend, which occurred later in the program model. As noted above, ERA group members who found jobs generally were not eligible for the stipend until after they had received the earned income disregard for four months.[38]

Year 1 Impacts

Table TX.1 summarizes the impacts of all three Texas ERA programs over the first year of follow-up. As shown, Corpus Christi's ERA program led to positive impacts on a number of employment retention measures. The program increased the average quarterly employment rate in Year 1 by 3.5 percentage points above the control group average of 49.6 percent.[39] The program also increased the percentage of sample members who were employed in a UI-covered job in all four quarters, by 4.5 percentage points above the control group average of 26.1 percent. The ERA program in Fort Worth did not have any statistically significant impacts on employment retention measures; however, the sizes of the impacts are only slightly smaller than in Corpus Christi. For example, the Fort Worth program increased the average quarterly employment rate by 1.8 percentage points above the control group average of 47.1 percent. No statistically significant impacts were found on these measures in Houston.

During Year 1, the ERA group in Corpus Christi earned, on average, $339 above the control group average of $3,575 (Table TX.1). This difference is not statistically significant, though it is very close (p-value = .161). A contributing factor to this was the significant increase of total earnings in Quarter 4 of nearly $150 above the control group average (see the Corpus Christi panel at the top of Appendix Table TX.1). The impact on earnings in Fort Worth is not statistically significant either, but it is only slightly smaller than was found in Corpus Christi: $195 above the control group average of $4,265.

None of the three sites in Texas had impacts on the levels of TANF and food stamps received over the follow-up period. Impacts on total measured income (which includes pretax earnings, TANF, and food stamps) were positive in Corpus Christi but are not statistically significant, although again it is close (p-value = .157).

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[38]The employment and earnings impacts may be diluted because some ERA group members did not receive the program treatment. Random assignment occurred at the initial TANF eligibility interview, and, in some cases, individuals were ultimately denied TANF because they did not meet the requirements. Individuals who were not certified for TANF were not eligible for most program services, including the stipend. About 25 percent of the program group (and the control group) never received a TANF payment during the first three months after random assignment — and therefore were not eligible for ERA or Choices services. Exempt individuals (about 23 percent of the sample were exempt from participation in program and/or control group services) may dilute employment and earnings impacts as well, although ERA staff encouraged them to participate.

[39]All differences reported in this section are statistically significant unless otherwise indicated.

Employment Retention and Advancement Project

Table TX.1

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

Texas

	Corpus Christi Randomly Assigned 10/00 - 06/02			Fort Worth Randomly Assigned 10/00 - 06/02			Houston Randomly Assigned 03/01 - 06/02		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	73.1	73.7	-0.6	69.2	67.2	2.1	64.1	63.6	0.5
Average quarterly employment (%)	53.1	49.6	3.5 *	48.9	47.1	1.8	42.6	43.4	-0.8
Employed 4 consecutive quarters (%)	30.7	26.1	4.5 *	26.2	25.2	1.0	21.4	22.8	-1.4
Earnings ($)	3,915	3,575	339	4,460	4,265	195	3,787	3,869	-82
Earnings over $10,000 (%)	10.8	11.0	-0.2	16.5	14.8	1.7	12.5	13.6	-1.2
For those employed Year 1:									
Average quarterly employment (%)	*72.6*	*67.2*	*5.4*	*70.6*	*70.1*	*0.5*	*66.4*	*68.2*	*-1.9*
Average earnings per quarter employed ($)	*1,843*	*1,804*	*39*	*2,281*	*2,264*	*18*	*2,224*	*2,228*	*-4*
Ever received TANF (%)	82.9	80.3	2.6	81.3	80.5	0.8	85.9	84.1	1.8
Amount of TANF received ($)	1,071	1,063	8	1,166	1,179	-13	1,273	1,211	63
Ever received food stamps (%)	95.4	95.5	-0.1	92.6	90.6	2.0	90.9	91.8	-0.8
Amount of food stamps received ($)	2,750	2,773	-23	2,717	2,653	64	2,782	2,732	50
Total measured income ($)[b]	7,735	7,411	324	8,343	8,097	246	7,843	7,812	31
Sample size (total = 4,289)	656	654		577	586		904	912	

(continued)

Table TX.1 (continued)

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

NOTES: Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

Table TX.2 summarizes the impacts during the last three months of the first year. ERA increased the percentage of sample members in Corpus Christi earning between $500 and $2,499 at the end of Year 1, by 5 percentage points above the control group average of 21.5 percent, but otherwise had no impacts on other employment-related measures. Fort Worth and Houston did not have statistically significant impacts on any employment-related measures at the end of Year 1.

Impacts Over Time and for an Early Cohort

Figure TX.1 depicts the pattern of ERA's impacts over time on UI-covered employment (left-hand panels) and UI-covered earnings (right-hand panels) in all three Texas sites. The thicker graph lines show the impacts for the report sample included in the tables described above, while the thinner graph lines show impacts for a subset of that group who are known as "the early cohort" — those who entered the study through December 2001. Data for a longer follow-up period are available for this early cohort (through seven quarters). The results for this analysis are only suggestive, however, because of small sample sizes.

In Corpus Christi, the largest impacts on employment and earnings were in Quarters 5 and 4, respectively; impacts appeared to decline during Year 2. In Fort Worth, the impacts for the early cohort also declined over time. In Houston, impacts for the early cohort moved from negative to positive levels, although none of the impacts are statistically significant. (See Appendix Table TX.1 for more detail.)

Impacts for Subgroups

Finally, the analysis examines program impacts separately for individuals who were employed (according to UI records) in the quarter before they entered the study (Table TX.3) and for those who had no employment during this time (Table TX.4). Because they are typically more job-ready, the subgroup of sample members who were employed in the quarter prior to the quarter of random assignment may be more likely to become reemployed and, therefore, to receive ERA retention and advancement services (including the monthly stipend).

Corpus Christi was the only ERA program in Texas that showed positive impacts on employment and earnings during Year 1 among sample members who were employed in the quarter prior to random assignment (Table TX.3). The positive impacts are statistically significant on measures of employment retention, such as average quarterly employment (by 5.9 percentage points) and the percentage employed over four consecutive quarters (by 7.6 percentage points). The ERA program in Corpus Christi also increased this group's total earnings by $390 above the control group average of 4,801, but the difference is not statistically significant. In

Employment Retention and Advancement Project

Table TX.2

Year 1, Last-Quarter Impacts on UI-Covered Employment, Public Assistance, and Income

Texas

	Corpus Christi Randomly Assigned 10/00 - 06/02			Fort Worth Randomly Assigned 10/00 - 06/02			Houston Randomly Assigned 03/01 - 06/02		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	53.5	49.4	4.2	47.5	47.0	0.5	42.7	42.2	0.5
For those employed Year 1:									
Not employed Year 1, last quarter (%)	*26.8*	*33.1*	*-6.3*	*31.3*	*30.0*	*1.4*	*33.4*	*33.7*	*-0.3*
Employed Year 1, last quarter (%)	*73.2*	*66.9*	*6.3*	*68.7*	*70.0*	*-1.4*	*66.6*	*66.3*	*0.3*
Total earnings ($)	1,063	1,010	54	1,226	1,214	12	1,075	1,073	2
Earned $2,500 or more (%)	16.8	18.1	-1.3	21.2	21.1	0.2	18.3	18.4	-0.1
Earned between $500 and $2,499 (%)	26.6	21.5	5.1 **	17.7	17.6	0.1	16.0	16.9	-0.9
Earned between $1 and $499 (%)	10.2	9.8	0.4	8.7	8.4	0.3	8.5	7.0	1.5
For those employed Year 1, last quarter:									
Earnings ($)	*1,986*	*2,046*	*-60*	*2,579*	*2,581*	*-2*	*2,517*	*2,544*	*-27*
Ever received TANF (%)	39.4	41.5	-2.0	46.8	47.8	-0.9	50.8	47.8	3.1
Amount of TANF received ($)	168	179	-11	222	218	4	236	215	21 *
Ever received food stamps (%)	76.2	78.5	-2.3	70.9	70.9	0.0	73.5	72.2	1.3
Amount of food stamps received ($)	639	680	-41 *	630	602	27	649	624	25
Total measured income ($)[b]	1,871	1,869	2	2,077	2,034	43	1,961	1,912	48
Sample size (total = 4,289)	656	654		577	586		904	912	

(continued)

Table TX.2 (continued)

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

NOTES: Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

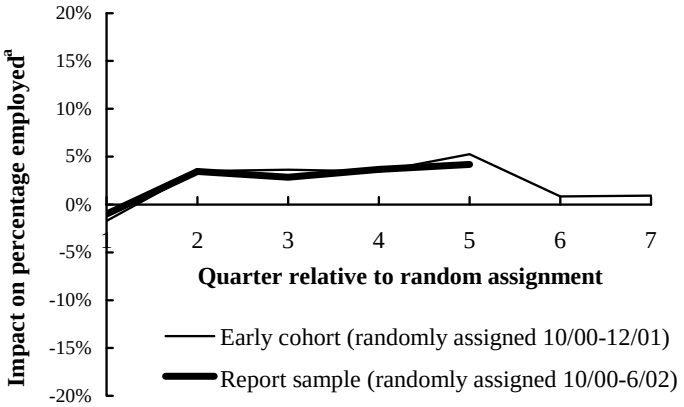
Employment Retention and Advancement Project

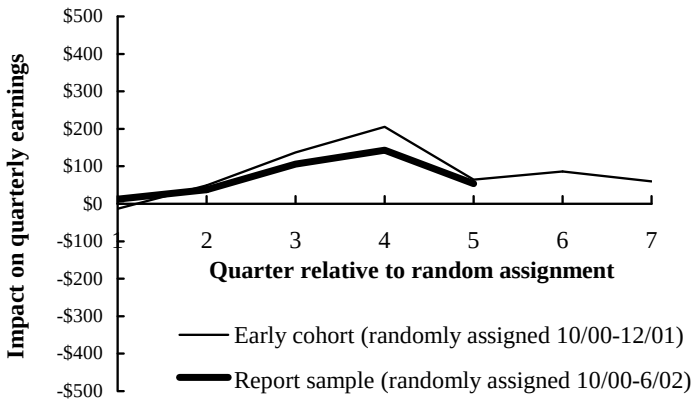
Figure TX.1

Impacts on Earnings and UI-Covered Employment for the Report Sample and Early Cohort Over Time

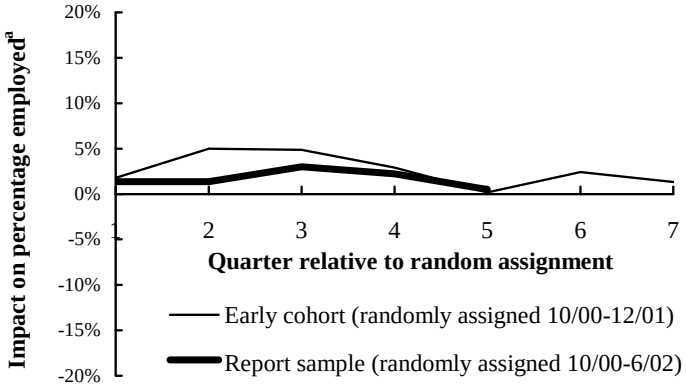
Texas

Corpus Christi





Fort Worth



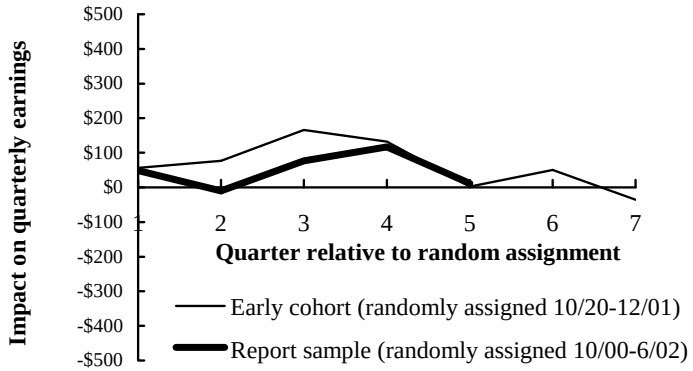


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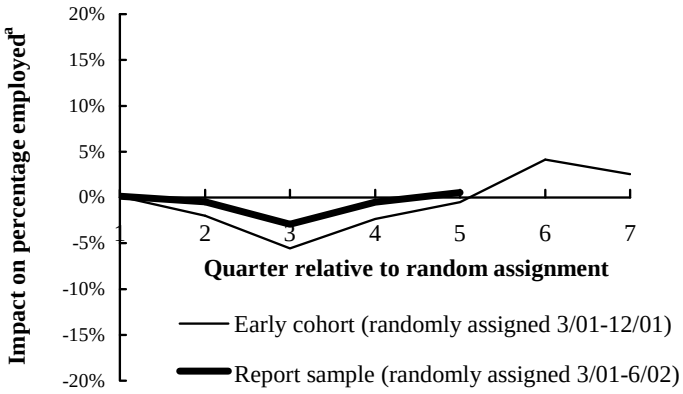
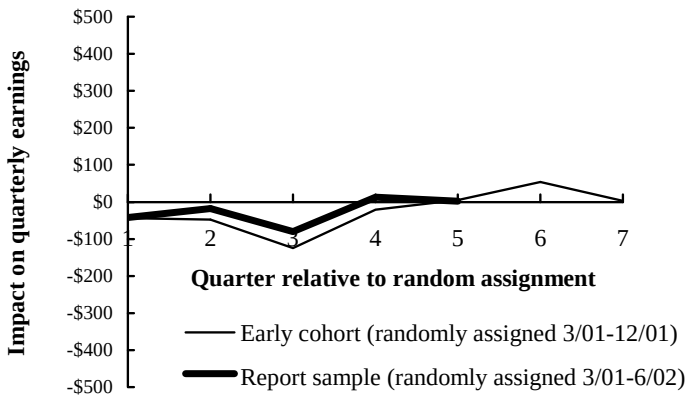
Figure TX.1 (continued)

Houston





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

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

Employment Retention and Advancement Project

Table TX.3

Year 1 Impacts on UI-Covered Employment and Earnings for Sample Members Employed Pre-Random Assignment

Texas

	Corpus Christi Randomly Assigned 10/00 - 06/02			Fort Worth Randomly Assigned 10/00 - 06/02			Houston Randomly Assigned 03/01 - 06/02		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	85.5	82.3	3.1	83.3	81.9	1.4	79.0	80.7	-1.7
Average quarterly employment (%)	66.6	60.7	5.9 **	63.0	61.5	1.5	55.8	59.0	-3.3
Employed 4 consecutive quarters (%)	44.5	36.9	7.6 **	38.2	37.8	0.4	30.1	33.6	-3.6
Earnings ($)	5,191	4,801	390	6,034	6,023	12	5,394	5,784	-390
Earnings over $10,000 (%)	16.0	16.8	-0.8	23.3	22.8	0.4	17.8	21.9	-4.1
For those employed Year 1:									
Average quarterly employment (%)	*78.0*	*73.8*	*4.2*	*75.6*	*75.1*	*0.6*	*70.6*	*73.2*	*-2.5*
Average earnings per quarter employed ($)	*1,948*	*1,976*	*-28*	*2,395*	*2,449*	*-54*	*2,418*	*2,449*	*-32*
Ever received TANF (%)	80.8	77.4	3.5	75.0	77.8	-2.8	81.2	80.5	0.7
Amount of TANF received ($)	1,001	948	53	1,020	1,059	-39	1,121	1,043	78
Ever received food stamps (%)	93.9	94.9	-1.0	92.5	87.6	4.9 **	91.0	90.4	0.7
Amount of food stamps received ($)	2,718	2,765	-47	2,644	2,554	90	2,605	2,518	86
Total measured income ($)[b]	8,909	8,514	396	9,698	9,635	63	9,119	9,345	-226
Sample size (total = 1,985)	325	321		262	294		399	384	

(continued)

Table TX.3 (continued)

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

NOTES: Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

Employment Retention and Advancement Project

Table TX.4

Year 1 Impacts on UI-Covered Employment and Earnings for Sample Members Not Employed Pre-Random Assignment

Texas

	Corpus Christi Randomly Assigned 10/00 - 06/02			Fort Worth Randomly Assigned 10/00 - 06/02			Houston Randomly Assigned 03/01 - 06/02		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed (%)[a]	61.4	65.1	-3.7	56.1	53.9	2.2	52.6	51.1	1.5
Average quarterly employment (%)	40.1	38.5	1.6	35.8	34.0	1.8	32.2	32.0	0.2
Employed 4 consecutive quarters (%)	17.2	15.7	1.5	15.5	13.4	2.2	14.7	15.0	-0.3
Earnings ($)	2,656	2,400	256	3,013	2,643	370	2,563	2,434	128
Earnings over $10,000 (%)	5.7	5.5	0.2	10.4	7.3	3.1	8.3	7.6	0.6
For those employed Year 1:									
Average quarterly employment (%)	*65.3*	*59.2*	*6.2*	*63.9*	*63.2*	*0.7*	*61.3*	*62.7*	*-1.5*
Average earnings per quarter employed ($)	*1,655*	*1,558*	*97*	*2,102*	*1,941*	*161*	*1,990*	*1,900*	*90*
Ever received TANF (%)	85.3	82.8	2.6	86.8	83.0	3.8	89.4	87.0	2.4
Amount of TANF received ($)	1,143	1,171	-28	1,305	1,281	24	1,387	1,339	48
Ever received food stamps (%)	96.7	96.1	0.6	92.9	93.3	-0.3	90.6	93.1	-2.5
Amount of food stamps received ($)	2,791	2,771	20	2,792	2,738	54	2,917	2,893	24
Total measured income ($)[b]	6,590	6,342	248	7,111	6,662	449	6,867	6,666	200
Sample size (total = 2,304)	331	333		315	292		505	528	

(continued)

Table TX.4 (continued)

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

NOTES: Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

[b]This measure represents the sum of UI earnings, TANF, and food stamps.

contrast, the Corpus Christi program showed no positive effects for sample members who were not employed in the quarter prior to random assignment.

As shown in Table TX.4, the Fort Worth ERA program showed positive, but not statistically significant, impacts on some measures of employment and earnings among sample members who were not employed in the quarter prior to random assignment but no impacts for those with previous employment history. Houston's ERA program did not show positive impacts among sample members in either subgroup.

* * *

Overall, the pattern of impacts is what would have been predicted from the implementation research, suggesting a stronger implementation of the ERA program in Corpus Christi than in Fort Worth and Houston (at least during the early phase). It should also be noted that the control group programs in these sites were relatively strong, particularly in terms of their preemployment services. The longer-term results in the upcoming interim report will allow for a better assessment of the effects of the more recent programmatic changes, such as those in Fort Worth.

Appendix

Supplemental Tables

Employment Retention and Advancement Project

Appendix Table 1

Descriptions of ERA Projects

State	Location	Target Group	Primary Service Strategies
Advancement Projects			
Illinois	Cook (Chicago) and St. Clair (East St. Louis) Counties	Welfare recipients who have worked at least 30 hours per week for at least six consecutive months.	A combination of services to promote career advancement (targeted job search assistance, education and training, assistance in identifying and accessing career ladders, etc.).
California	Riverside County E&T (education & training)	Newly employed welfare recipients working at least 20 hours per week.	Test of alternative strategies for promoting participation in education and training activities.
Placement and Retention (Hard-to-Employ) Projects			
Minnesota	Hennepin County (Minneapolis)	Long-term welfare recipients who were unable to find jobs through standard welfare to work services.	In-depth family assessment; low caseloads; intensive monitoring and follow-up; emphasis on placement into unsubsidized employment or supported work with referrals to education and training, counseling, and other support services.
Oregon	Portland	Individuals who are cycling back onto welfare and those who have lost jobs.	Team-based case management, job search/job readiness components, intensive retention and follow-up services, mental health and substance abuse services for those identified with these barriers, supportive and emergency services.
New York	New York City PRIDE (Personal Roads to Individual Development and Employment)	Welfare recipients whose employability is limited by physical or mental health problems.	Two main tracks: 1) Vocational Rehabilitation, where clients with more severe medical problems receive unpaid work experience, job search/job placement and retention services tailored to account for medical problems; 2) Work Based Education, where those with less severe medical problems participate in unpaid work experience, job placement services, and adult basic education.
New York	New York City Substance Abuse (substance abuse case management)	Welfare recipients with a substance abuse problem.	Intensive case management to promote participation in substance abuse treatment, links to mental health and other needed services.

(continued)

Appendix Table 1 (continued)

State	Location	Target Group	Primary Service Strategies
Projects with Mixed Goals			
California	Los Angeles County EJC (Enhanced Job Club)	Welfare recipients who have been required to search for employment.	Job search workshops promoting a step-down method designed to help participants find a job that pays a "living wage."
California	Los Angeles County (Reach for Success program)	Newly employed welfare recipients working at least 32 hours per week.	Stabilization/retention services, followed by a combination of services to promote advancement: education and training, career assessment, targeted job development, etc.
California	Riverside County PASS (Post-Assistance Self-Sufficiency Program)	Individuals who have left welfare due to earned income.	Intensive, family-based support services delivered by community-based organizations to promote retention and advancement.
Ohio	Cleveland	Low-wage workers with specific employers making under 200% of poverty who have been in their current jobs less than 6 months.	Regular on-site office hours for counseling/case management; Lunch & Learn meetings for social support and presentations; newsletter for workers and employers; and Supervisory Training for employer supervisors.
Oregon	Medford and Eugene	Employed former welfare recipients.	Stabilization/retention services, followed by a combination of services to increase enrollment in education and training and promote advancement through "work-based" strategies.
Oregon	Salem	Welfare applicants.	Job search assistance combined with career planning; once employed, education and training, employer linkages to promote retention and advancement.
South Carolina	6 rural counties in the Pee Dee Region	Individuals who left welfare (for any reason) between 10/97 and 12/00.	Individualized case management with focus on reemployment, support services; job search, career counseling, education and training, and use of individualized incentives.
Texas	Corpus Christi, Fort Worth, and Houston	Welfare applicants and recipients.	Individualized team-based case management; monthly stipends of $200 for those who maintain employment and complete activities related to employment plan.

Employment Retention and Advancement Project

Appendix Table IL.1

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

Illinois

Outcome	ERA Group	Control Group	Difference (Impact)
Report sample (randomly assigned from 2/2002 to 9/2002)			
Ever employed (%)[a]			
Quarter 1	61.6	59.2	2.4
Quarter 2	62.0	58.2	3.8 **
Quarter 3	61.4	57.2	4.1 *
Quarter 4	57.7	53.4	4.3 *
Quarter 5	57.0	52.7	4.3 *
Earnings ($)			
Quarter 1	1,550	1,551	-2
Quarter 2	1,612	1,526	86
Quarter 3	1,669	1,556	113
Quarter 4	1,631	1,451	181 **
Quarter 5	1,605	1,446	159
Sample size (total = 990)	493	497	
Early cohort (randomly assigned from 2/2002 to 6/2002)			
Ever employed (%)[a]			
Quarter 1	59.7	58.9	0.8
Quarter 2	61.0	57.4	3.5
Quarter 3	60.0	57.2	2.8
Quarter 4	56.4	53.8	2.6
Quarter 5	57.2	52.4	4.8
Quarter 6	54.0	46.7	7.3 **
Earnings ($)			
Quarter 1	1,497	1,522	-26
Quarter 2	1,507	1,428	79
Quarter 3	1,620	1,506	114
Quarter 4	1,606	1,414	192 *
Quarter 5	1,598	1,387	210 *
Quarter 6	1,550	1,175	375 ***
Sample size (total = 654)	323	331	

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

NOTES: Results are for sample members randomly assigned from February to September 2002.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

Employment Retention and Advancement Project

Appendix Table RI.1

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

Riverside Phase 2

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Report sample (randomly assigned from 1/2001 to 9/2002)						
Ever employed (%)[b]						
Quarter 1	85.8	86.8	89.8	-4.0 **	-3.0	-1.0
Quarter 2	79.3	77.0	81.1	-1.8	-4.2	2.4
Quarter 3	71.6	68.4	72.9	-1.3	-4.5	3.2
Quarter 4	66.7	64.7	68.0	-1.2	-3.2	2.0
Quarter 5	64.4	61.4	65.4	-1.0	-4.0	3.0
Earnings ($)						
Quarter 1	1,951	1,859	2,024	-73	-166 *	93
Quarter 2	2,073	1,978	2,191	-118	-212 *	94
Quarter 3	1,996	1,885	1,957	39	-72	112
Quarter 4	1,944	1,908	1,869	75	39	36
Quarter 5	1,983	2,058	1,975	9	84	-75
Sample size (total = 1,912)	969	473	470			

(continued)

Appendix Table RI.1 (continued)

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Early cohort (randomly assigned from 1/2001 to 3/2002)						
Ever employed (%)[b]						
Quarter 1	86.5	86.3	89.5	-3.0	-3.2	0.2
Quarter 2	80.1	74.9	80.8	-0.8	-5.9 **	5.1 **
Quarter 3	73.3	67.1	72.6	0.6	-5.5 *	6.2 **
Quarter 4	68.9	64.3	68.2	0.8	-3.9	4.6
Quarter 5	66.1	59.8	66.1	0.0	-6.3 *	6.3 **
Quarter 6	65.4	59.4	66.0	-0.5	-6.5 *	6.0 **
Quarter 7	61.9	58.0	60.3	1.6	-2.3	3.9
Earnings ($)						
Quarter 1	1,918	1,830	1,970	-52	-140	88
Quarter 2	2,060	1,886	2,131	-72	-245 *	174
Quarter 3	2,017	1,810	1,949	68	-140	207 *
Quarter 4	1,960	1,870	1,876	84	-6	90
Quarter 5	2,028	2,001	1,981	47	21	27
Quarter 6	2,006	1,954	2,031	-25	-77	52
Quarter 7	1,974	2,008	2,038	-64	-31	-33
Sample size (total = 1,476)	748	359	369			

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

NOTES: Results are for sample members randomly assigned from January 2001 to September 2002.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]This group is sometimes called the "limited-services group."

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

Employment Retention and Advancement Project

Appendix Table RI.2

Year 1 Impacts on UI-Covered Employment and Earnings by Pre-Random Assignment Employment Status

Riverside Phase 2

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Employed quarter before random assignment						
Ever employed (%)[b]	94.6	92.1	93.5	1.1	-1.4	2.5
Average quarterly employment (%)	77.9	73.3	75.9	2.0	-2.6	4.6 **
Employed 4 consecutive quarters (%)	56.7	51.7	54.9	1.9	-3.2	5.1
Earnings ($)	8,938	8,513	8,695	243	-182	426
Earnings over $10,000 (%)	40.0	35.8	37.7	2.4	-1.9	4.3
For those employed Year 1, last quarter:						
Average quarterly employment (%)	*82.4*	*79.6*	*81.2*	*1.2*	*-1.6*	*2.7*
Average earnings per quarter employed ($)	*2,868*	*2,903*	*2,863*	*6*	*40*	*-35*
Ever received TANF (%)	86.5	89.9	82.8	3.7	7.1 **	-3.4
Amount of TANF received ($)	3,041	3,314	2,969	72	344	-272
Ever received food stamps (%)	85.4	81.4	80.2	5.2 *	1.2	4.0
Amount of food stamps received ($)	1,428	1,396	1,311	117	85	32
Total measured income ($)[c]	13,006	13,225	13,192	-186	33	-219
Sample size (total = 1,138)	574	283	281			

(continued)

Appendix Table RI.2 (continued)

Outcome	Average Outcome Levels: DPSS Work Plus Group	Average Outcome Levels: EDA Training Focused Group	Average Outcome Levels: DPSS Work Focused Group[a]	Work Plus vs. Work Focused: Impacts of E&T Services Including Work Hours Requirement	Training Focused vs. Work Focused: Impacts of E&T Services Without a Work Requirement	Work Plus vs. Training Focused: Added Impacts of Work Requirement
Not employed quarter before random assignment						
Ever employed (%)[b]	80.5	78.0	82.6	-2.1	-4.6	2.5
Average quarterly employment (%)	59.9	59.8	65.5	-5.6	-5.7	0.1
Employed 4 consecutive quarters (%)	38.8	41.0	45.8	-7.0	-4.8	-2.2
Earnings ($)	6,653	6,759	6,947	-294	-188	-106
Earnings over $10,000 (%)	28.1	31.4	30.8	-2.7	0.6	-3.3
For those employed Year 1, last quarter:						
Average quarterly employment (%)	*74.5*	*76.7*	*79.3*	*-4.8*	*-2.6*	*-2.2*
Average earnings per quarter employed ($)	*2,777*	*2,826*	*2,652*	*124*	*173*	*-49*
Ever received TANF (%)	88.4	87.0	87.5	0.9	-0.4	1.3
Amount of TANF received ($)	3,284	3,367	3,395	-111	-28	-83
Ever received food stamps (%)	87.8	81.1	81.4	6.5 *	-0.2	6.7 *
Amount of food stamps received ($)	1,396	1,393	1,440	-44	-47	3
Total measured income ($)[c]	11,317	10,993	11,381	-64	-388	324
Sample size (total = 774)	395	190	189			

(continued)

Appendix Table RI.2 (continued)

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

NOTES: Results are for sample members randomly assigned from January 2001 to September 2002.

Year 1 refers to Quarters 2-5. Quarter 1 is the quarter in which random assignment took place.

Italics indicate comparisons that are not experimental. These measures are computed only for sample members who were employed. Since there may be differences in the characteristics of ERA group and control group members who were employed, any differences in outcomes are not necessarily attributable to the ERA program. Statistical tests were not performed.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

All measures involving welfare or food stamps have a sample size of 1,243.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]This group is sometimes called the "limited-services group."

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

[c]This measure represents the sum of UI earnings, TANF, and food stamps.

Employment Retention and Advancement Project

Appendix Table SC.1

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

South Carolina

Outcome	ERA Group	Control Group	Difference (Impact)
Report sample (randomly assigned from 9/2001 to 6/2002)			
Ever employed (%)[a]			
Quarter 1	52.7	50.2	2.5 *
Quarter 2	51.7	51.0	0.7
Quarter 3	53.4	50.5	2.9 *
Quarter 4	52.4	49.3	3.2 *
Quarter 5	51.5	49.5	2.0
Total earnings ($)			
Quarter 1	1,456	1,429	27
Quarter 2	1,444	1,436	7
Quarter 3	1,531	1,507	24
Quarter 4	1,534	1,498	35
Quarter 5	1,508	1,509	-1
Sample size (total = 1,839)	908	931	
Early cohort (randomly assigned from 9/2001 to 3/2002)			
Ever employed (%)[a]			
Quarter 1	53.4	49.5	3.9 **
Quarter 2	51.2	51.2	0.0
Quarter 3	54.8	50.7	4.1 **
Quarter 4	53.5	47.5	6.0 ***
Quarter 5	52.9	49.6	3.3
Quarter 6	49.3	47.3	2.0
Total earnings ($)			
Quarter 1	1,421	1,395	26
Quarter 2	1,403	1,399	4
Quarter 3	1,508	1,451	56
Quarter 4	1,551	1,481	69
Quarter 5	1,504	1,478	26
Quarter 6	1,439	1,396	43
Sample size (total = 1,306)	649	657	

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

NOTES: Results are for sample members randomly assigned from September 2001 to June 2002.

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

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

Employment Retention and Advancement Project

Appendix Table TX.1

Impacts on Quarterly UI-Covered Employment and Earnings for the Report Sample and Early Cohort, by City

Texas

Outcome	ERA Group	Control Group	Difference (Impact)
Corpus Christi			
Report sample (randomly assigned 10/2000 - 06/2002)			
Ever employed (%)[a]			
Quarter 1	49.5	50.5	-1.0
Quarter 2	52.3	48.8	3.5
Quarter 3	53.2	50.3	2.9
Quarter 4	53.4	49.8	3.7
Quarter 5	53.5	49.4	4.2
Earnings ($)			
Quarter 1	536	523	13
Quarter 2	792	754	37
Quarter 3	999	893	105
Quarter 4	1,061	918	143 *
Quarter 5	1,063	1,010	54
Sample size (total = 1,310)	656	654	
Early cohort (randomly assigned 10/2000 to 12/2001)			
Ever employed (%)[a]			
Quarter 1	49.8	51.6	-1.7
Quarter 2	51.9	48.4	3.5
Quarter 3	54.2	50.6	3.6
Quarter 4	53.4	49.9	3.5
Quarter 5	54.4	49.2	5.3 *
Quarter 6	51.2	50.4	0.8
Quarter 7	53.2	52.3	0.9
Earnings ($)			
Quarter 1	538	552	-13
Quarter 2	768	719	49
Quarter 3	1,003	866	137
Quarter 4	1,085	879	206 **
Quarter 5	1,064	999	65
Quarter 6	1,109	1,023	86
Quarter 7	1,133	1,073	60
Sample size (total = 937)	466	471	

(continued)

Appendix Table TX.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Fort Worth			
Report sample (randomly assigned 10/2000 to 6/2002)			
Ever employed (%)[a]			
Quarter 1	45.6	44.2	1.4
Quarter 2	47.5	46.1	1.4
Quarter 3	51.4	48.4	3.0
Quarter 4	49.1	46.9	2.2
Quarter 5	47.5	47.0	0.5
Earnings ($)			
Quarter 1	596	547	49
Quarter 2	848	858	-10
Quarter 3	1,132	1,056	76
Quarter 4	1,253	1,136	117
Quarter 5	1,226	1,214	12
Sample size (total = 1,163)	577	586	
Early cohort (randomly assigned 10/2000 to 12/2001)			
Ever employed (%)[a]			
Quarter 1	46.6	44.8	1.8
Quarter 2	48.9	44.0	5.0
Quarter 3	52.6	47.7	4.9
Quarter 4	49.6	46.7	2.9
Quarter 5	48.5	48.3	0.2
Quarter 6	48.9	46.5	2.4
Quarter 7	47.8	46.4	1.3
Earnings ($)			
Quarter 1	608	552	57
Quarter 2	905	828	77
Quarter 3	1,197	1,031	166
Quarter 4	1,262	1,131	132
Quarter 5	1,253	1,251	2
Quarter 6	1,227	1,176	51
Quarter 7	1,278	1,313	-36
Sample size (total = 888)	436	452	

(continued)

Appendix Table TX.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Houston			
Report sample (randomly assigned 3/2001 to 6/2002)			
Ever employed (%)[a]			
Quarter 1	38.9	38.8	0.1
Quarter 2	41.7	42.2	-0.5
Quarter 3	42.9	45.8	-2.9
Quarter 4	43.0	43.5	-0.5
Quarter 5	42.7	42.2	0.5
Earnings ($)			
Quarter 1	496	537	-42
Quarter 2	736	754	-17
Quarter 3	945	1,025	-80
Quarter 4	1,030	1,017	13
Quarter 5	1,075	1,073	2
Sample size (total = 1,816)	904	912	
Early cohort (randomly assigned 3/2001 to 12/2001)			
Ever employed (%)[a]			
Quarter 1	39.6	39.5	0.1
Quarter 2	41.3	43.3	-2.0
Quarter 3	41.6	47.2	-5.6 **
Quarter 4	42.1	44.4	-2.3
Quarter 5	42.1	42.7	-0.5
Quarter 6	43.8	39.6	4.1
Quarter 7	43.4	40.9	2.5
Earnings ($)			
Quarter 1	533	577	-44
Quarter 2	730	777	-47
Quarter 3	905	1,030	-125
Quarter 4	1,013	1,034	-21
Quarter 5	1,057	1,052	5
Quarter 6	1,079	1,026	54
Quarter 7	1,082	1,079	3
Sample size (total = 1,314)	658	656	

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

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving cash assistance or food stamps.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to all estimated impacts. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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

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